



2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

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**EMPLOYEES' RETIREMENT SYSTEM OF THE
CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
ANNUAL COMPREHENSIVE FINANCIAL REPORT-
A COMPONENT UNIT OF THE CONSOLIDATED GOVERNMENT OF
THE CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE, LOUISIANA
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023**

JAMES A. MACK
RETIREMENT ADMINISTRATOR

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AND PARISH OF EAST BATON ROUGE
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**PREPARED BY THE ADMINISTRATIVE AND
ACCOUNTING DIVISIONS OF THE EMPLOYEES'
RETIREMENT SYSTEM OF THE CITY OF BATON
ROUGE AND PARISH OF EAST BATON ROUGE**

COVER AND DIVIDER DESIGN BY:
IN HOUSE

**EMPLOYEES' RETIREMENT SYSTEM OF THE
CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

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EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

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LETTER OF TRANSMITTAL

June 26, 2024

Board of Trustees
Employees' Retirement System of the
City of Baton Rouge and Parish of East Baton Rouge
Post Office Box 1471
Baton Rouge, LA 70821

Dear Retirement Board Members:

It is my pleasure to submit to you the Annual Comprehensive Financial Report for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (the Retirement System, or System) for the fiscal year ended December 31, 2023. The Annual Report is submitted in accordance with Section 1:253 of the Retirement Ordinances, which requires an annual audit report. This section specifically mandates that the Board of Trustees shall have prepared and submitted annually to the Metropolitan Council, an audit report by an independent firm of certified public accountants.

Responsibility for the accuracy of financial statements and all disclosures rests with management of the Retirement Office. To the best of our knowledge and belief, all information is accurate and has been prepared by the administration and accounting staff in accordance with accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board (GASB). As a supplement to the financial statements, please refer to Management's Discussion and Analysis in the Financial Section.

As in past years, the format for the Annual Comprehensive Financial Report reflects separate disclosures in appropriate sections relative to the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (CPERS) original trust and the Police Guarantee Trust (PGT). The 2023 Annual Report is divided into the following eight sections:

- The Introductory Section contains the letter of transmittal, a listing of the members of the Retirement Board of Trustees, a listing of the administrative staff and professional consultants, the Retirement System's organizational chart, legislative changes, and an overall plan summary.
- The Financial Section is composed of the Independent Auditors' Report, the Independent Auditors' 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*, Management's Discussion and Analysis, the System's Financial Statements, and Notes to the Financial Statements, followed by Required Supplementary Information and Supporting Schedules.
- The Investment Section is comprised of the Investment Consultant's Report on Investment Activity, the Statement of Investment Policies and Objectives, Investment Summary, charts showing the actual and target asset allocations, List of Investments, Investment Performance Measurements, Annual Rates of Return, Schedule of Investment Fees and a Schedule of Commissions Paid to Brokers.
- The Actuarial Section for the CPERS trust sets forth information applicable to the City-Parish Employees' Retirement System CPERS trust, and contains the actuary's certification letter, a summary of principal system provisions, a summary of actuarial assumptions and methods, a schedule of funding progress, a summary of actuarial accrued liabilities covered by actuarial value of assets, an analysis of actuarial gains and losses, active and retiree membership data, and other pertinent actuarial data.
- The Actuarial Section for the Police Guarantee Trust (PGT) is applicable only to the Police Guarantee Trust, and contains the actuary's certification letter, a summary of principal system provisions, a summary of actuarial assumptions and methods, a schedule of funding progress, a summary of actuarial accrued liabilities covered by actuarial value of assets, and active and retiree membership data.

- The Statistical Section displays data sources, assumptions and methodologies, trend information on selected data such as active, DROP, and retired members, amounts of benefits paid, System revenues and expenses, various statistical graphs, and a list of member employers that remit contributions to the Retirement System.
- The Alternative Retirement Plans Section contains information on the Retirement System's two additional alternative retirement plans: the Deferred Retirement Option Plan (DROP) and the Excess Benefit Plan.
- The last section, Other, contains information on matters reported by our external auditors referred to as the Schedule of Findings and Responses.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (the Retirement System) has prepared its basic financial statements and is responsible for the integrity and fairness of the information presented. These statements may include amounts that are based on estimates and assumptions, which incorporate sound business practices. The Retirement System's accounting policies used in the preparation of these statements conform to accounting principles generally accepted in the United States of America. Financial information presented in all sections of the Annual Report is consistent with the basic financial statements. Management has made every effort to ensure that internal control and office policies and procedures have been maintained to provide assurance that transactions are authorized, assets safeguarded, and proper records maintained. Management has also provided the independent auditors with unrestricted access to all records, policies, and procedures during this audit.

DEFINITION AND PURPOSE OF ENTITY

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge, a defined benefit pension plan, was originally created by Council Ordinance No. 235 and Council Ordinance No. 276, effective December 31, 1953, to provide retirement allowances and other benefits for regular employees of the City of Baton Rouge. Police officers and firefighters were incorporated into the Retirement System effective January 1, 1956 by Council Ordinance No. 474. The Retirement System is governed by a seven-member Board of Trustees, and all invested funds, cash and property are held in the name of the Plan for the exclusive benefit of the membership, both active and retired. The Board of Trustees annually approves the operating budget that is prepared by staff to manage member and employer needs in a reasonable manner.

MAJOR INITIATIVES

The System paid out its seventeenth consecutive Supplemental Benefits Payment (SBP) to eligible retirees in September of 2023. The aggregate amount paid to 2,761 retirees totaled \$1.53 million, and no recipient received less than \$450.00. Future declarations and payments of the SBP will depend on availability of funds from excess investment revenues, ad-valorem tax receipts, and differentials in the annual Retirement Benefit Adjustment payments.

It was nice to enjoy a year that didn't involve Covid-19 protocols, hurricanes, or extreme flooding events. For the year 2023, the staff was able to focus on providing excellent customer service to our members and working with our employers to improve processes and efficiencies. As the administrators for the Retirement System, it is our fiduciary responsibility to safeguard the financial assets and regulatory compliance of the system and its members. The Retirement Board of Trustees shares this fiduciary responsibility, and as such, has diligently worked alongside the system's actuary and legal counsel to approve another key amendment that will help to protect the system's assets well into the future. The Board approved legislation that ensures that any employer or subset of employees that request to leave the system be subject to any portion of the unfunded accrued liability that they have accumulated over the years.

Relative to the investment policy, the system remains well positioned with its asset allocation and individual manager portfolio after an exhaustive review in 2022. The Board elected not to make any allocation or investment manager changes in 2023.

SERVICE EFFORTS AND ACCOMPLISHMENTS

The Retirement System continues to concentrate its efforts on providing the highest level of member service possible to both active and retired members. For the Retirement System, communication and service have always been the key elements to being successful. Increased awareness through improved communication and technological advances have afforded us the opportunity and capability of continually providing more accurate and timely services such as the issuance of retirement benefit payments, electronic funds transfers, DROP distributions, DROP and contribution tax-deferred rollovers, supplemental funding of DROP accounts, Excess Benefit Plan payments, Supplemental Benefit Payments, refunds of member contributions, member counseling, retiree payroll-related changes, online access to DROP balances and account activity, and many more. Federal, state, and local laws affecting pensions frequently change, and the System must often change policies and procedures to accommodate the requirements of these laws.

As expected, payments to retirees, survivors, and beneficiaries continued to increase, and in 2023 the System paid out \$97.6 million in regular monthly benefits compared to \$94.7 million in 2022; an increase of 3.1 percent. Total distributions to members in 2023 exceeded \$128.5 million, up 5.2 percent from the \$122.1 million in payouts in 2022. Combined, CPERS and PGT paid out \$127.6 million to eligible retirees, survivors, and beneficiaries during the year, excluding separation benefits. Compared to \$121.6 million paid out in 2022, total benefits paid increased by 4.9 percent.

The average annuity, or monthly benefit of CPERS members continued to increase as both salaries and the number of retirements increased. For 2023, members drew an average monthly benefit of \$2,435, which represented an increase of 2.4 percent over the 2022 average of \$2,379. This includes retirees, beneficiaries, disability payments, and DROP distributions. The DROP interest rate was computed by the actuary as 4.2 percent, which continued to encourage members to keep DROP funds on deposit. Members who chose to take lump sum distributions from their DROP accounts totaled \$25.1 million, up significantly from the \$21.5 million in 2022. Also, during 2023, refunds of member contributions totaled \$4.11 million, which was down slightly from \$4.13 million the previous year. DROP withdrawals for CPERS included approximately \$3.8 million in rollovers to qualified Individual Retirement Accounts (IRAs) or other qualified plans.

INTERNAL CONTROL

In accordance with Board and management's goals and policies, the System maintains a system of internal control that provides reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and regarding the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of control should not exceed benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. Each year the System's independent auditors consider the system of internal control over financial reporting as part of the auditing process. Accordingly, they issue the *Independent Auditors' 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*, included in the Financial Section.

ACCOUNTING SYSTEM

An explanation of the System's accounting policies is contained in Note 2 of the Notes to the Financial Statements. The basis of accounting, basis of estimates, methods used to value investments and property and equipment, and other significant financial policy information are also explained in detail in the Notes to the Financial Statements.

FUNDING

The funding requirements for the Retirement System are determined by the System's actuary through a required annual actuarial valuation. Required contributions are broken down between normal cost and amortization of unfunded accrued liability and then stated as a percentage of total system payroll. Contributions from members remained at 9.5 percent during 2023 in conformance with the requirement of the Retirement Ordinances, which state that the employee contribution rate be set at 50 percent of the maximum employer contribution rate, not to exceed 9.5 percent. A blended employer contribution rate of 36.3 percent produced 2023 General Fund and non-General Fund/Other Employer contribution rates of 34.21 percent and 38.46 percent, respectively.

The System maintains its goal of becoming a fully funded public employees' retirement system through collecting required retirement contributions, steady growth of the investment markets, and meeting investment performance objectives. After a challenging market environment in the previous year, 2023 proved to be a very resilient one for most market sectors. CPERS' 2023 gross investment performance was +8.61 percent, following 2022 gross performance of -9.98 percent. In accordance with applicable accounting standards, the System's net position as a percent of the total pension liability increased to 62.46 percent when comparing the plan fiduciary net position to the total pension liability. The comparable number for 2022 was 61.66 percent. For the Police Guarantee Trust, when comparing the plan fiduciary net position to the total pension liability, the net position as a percent of the total pension liability for 2023 was 41.99 percent as compared to 2022 when it was 33.26 percent. The City-Parish, as plan sponsor, is ultimately responsible for funding the PGT.

CASH MANAGEMENT

Since 2003, CPERS has managed short-term cash through the use of a Short Term Investment Fund (STIF) managed by the custodian bank. Upon the recommendation of the investment consultant, cash is managed by Bank of New York/Mellon in the BNY/Mellon Collective Trust Government Short Term Investment Fund, which invests in high-quality, short-term securities issued or guaranteed by the U.S. government or by U.S. government agencies and instrumentalities. This cash represents the daily needs of the Retirement System, primarily for paying benefits to retirees, as well as uninvested cash in the separately managed accounts of the Retirement System's investment managers. Utilizing the daily "sweep account", the System is able to remain fully invested at all times.

In addition, the System added The Louisiana Asset Management Pool (LAMP) in 2023, which operates under Louisiana law as a cooperative endeavor to assist local Louisiana governmental entities in the investment of cash balances. LAMP's primary objectives are preservation of principal, daily liquidity, and a competitive yield. This addition has added another tool to manage the System's cash balances.

INVESTMENTS

The investments of the Retirement System are described in the Statement of Investment Policies and Objectives as shown in summary within the Investment Section of this report. The Retirement Board members have the fiduciary duty of overseeing the pension fund investments within the guidelines of the investment policy. Studies show that the most influential tool used by the Board to achieve maximum investment performance is that of asset allocation. With guidance from its investment consultant, the Board has adopted a policy, which currently includes investments in domestic equities, international equities, fixed-income securities, real estate, alternative investments, and infrastructure. Within some of these allocations, both value and growth biases are utilized over both large and small capitalization stocks. During 2023, the System did not add any new investment managers, while retaining 23 managers from the previous year. The performances of all the managers are measured against predetermined universally recognized indices (benchmarks) as recommended by the investment consultant. The System continues to rebalance the allocation of its portfolio to counter fair value changes that occur through fair value appreciation and depreciation, thereby ensuring that the asset mix remains within acceptable parameters and the portfolio remains true to the targeted asset allocation. As a separate legal trust, and a closed system, the PGT uses its own asset allocation, which utilizes index and mutual funds, while still diversifying the trust's assets within highly liquid allocations. Separate investment reports are issued for the PGT showing performance as measured against standard benchmarks. Investment performance for the two trusts is measured separately and the assets for both are maintained separately. The investment return for CPERS' assets, gross of investment fees for 2023 was +8.61 percent with the three-year, and five-year returns being 3.88 percent and 8.31 percent, respectively. For the PGT, the 2023 gross investment return was +14.56 percent, with the three-year and five-year returns being +2.18 percent and +5.83 percent, respectively. A summary of the largest investment holdings in non-pooled accounts can be found on the List of Investments within the Investment Section of this report.

INDEPENDENT AUDIT

Each year, independent auditors perform a financial audit in accordance with auditing standards generally accepted in the United States of America, and *Government Auditing Standards*. As part of their audit, the internal control structure of the Retirement System is considered for purposes of planning the audit, but not providing assurance on internal controls. For the 2023 annual audit, the auditors were EisnerAmper, Baton Rouge, Louisiana. Their opinion letter can be found in the Financial Section of this report and matters regarding compliance and internal control reported in the Other Section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge for its Annual Comprehensive Financial Report for its fiscal year ended December 31, 2021. This was the twenty-fifth consecutive year the Retirement System has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. While we do not have the results yet, we believe our 2022 Annual Comprehensive Financial Report continued to meet the Certificate of Achievement Program's requirements and we look forward to publishing those results when they become available.

ACKNOWLEDGEMENTS

Thank you to the Retirement Board of Trustees for their continued commitment to the Retirement Office as evidenced by the support and resources provided. Your commitment as fiduciaries to providing excellent retirement benefits to the System's members, in a fiscally responsible manner is gratefully acknowledged. The System's staff remains committed to working with the Board in every way to improve the System for both the members and the participating employers.

Thanks also go to the Retirement Office staff for their continued efforts in making the 2023 Annual Comprehensive Financial Report the accurate and professional document it continues to be. While continuing to perform their regular duties in the most professional manner, and along with EisnerAmper, the staff remained dedicated to gathering and inputting data, proofing, and assembling this document.



James A. Mack
Retirement Administrator



Aisha K. Mirza
Assistant Retirement Administrator

2023
RETIREMENT BOARD OF TRUSTEES
AS OF DECEMBER 31, 2023

Jim W. Daniels

Chairman and Metropolitan Council Representative
Term: 1/1/2021 – 12/31/2024

Linda Hunt

Mayoral Representative
Term: Appointed By Mayor-President

Mark J. LeBlanc

Metropolitan Council Representative
Term: 1/1/2021 – 12/31/2024

Brian K. Bernard

Regular Employees' Representative
Term: 5/26/2020 – 5/25/2024

Shalanda Nalencz

Regular Employees' Representative
Term: 7/28/2022 – 7/27/2026

Chief Britton Hines

Fire Employees' Representative
Term: 3/1/2020 – 2/29/2024

Mickey Duncan

Police Employees' Representative
Term: 4/30/2023 – 4/19/2027

ADMINISTRATIVE STAFF

James A. Mack, MBA, CTP

Director | Retirement Administrator

Aisha K. Mirza, ESQ.

Assistant Retirement Administrator | Attorney

Kyle Drago

Retirement Financial Manager

Mark Williams

Retirement Benefits Manager

Melinda Brown

Confidential Assistant

Charis Hall

Administrative Specialist

Jeffrey Lagarde, C.P.A.

Chief Financial Analyst

Rae Labat

Senior Financial Analyst

Katherine Wesley

Financial Analyst

Marshall Reilly

Financial Analyst

Salli Withers

Senior Retirement Analyst

Ana Paula Oby

Senior Retirement Analyst

Rebecca Delaughter

Senior Retirement Analyst

PROFESSIONAL CONSULTANTS

ACTUARY

Foster & Foster
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Fort Myers, FL 33912

AUDITOR

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Baton Rouge, LA 70809

INVESTMENT CONSULTANT

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effective April 2, 2024)
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Baton Rouge, LA 70808

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Baton Rouge, LA 70810

IT CONSULTANT

Relational Systems Consultants
102 Emily Circle
Lafayette, LA 70508

COST ANALYSIS CONSULTANT

MGT Consulting Group
3800 Esplanade Way
Tallahassee, FL 32311

CUSTODIAN BANK

Bank of New York/Mellon
135 Santilli Highway
Everett, MA 01249

FIXED INCOME

Income Research and Management
100 Federal Street
Boston, MA 02110

Western Asset Management Company
385 East Colorado Boulevard
Pasadena, CA 91101

Fidelity Institutional Asset Management
900 Salem Street, Mailzone OT2N1
Smithfield, RI 02917

DOMESTIC EQUITY

BlackRock
400 Howard Street
San Francisco, CA 94105

Hood River Capital Management, LLC
2373 PGA Blvd., Suite 200
Palm Beach Gardens, FL 33410

Dimensional Fund Advisors, Inc.
6300 Bee Cave Road – Building One
Austin, TX 78746

AQR Capital Management
One Greenwich Plaza, Suite 130
Greenwich, CT 06830

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Sprucegrove Investment Management Ltd.
181 University Avenue, Suite 1300
Toronto, Ontario, Canada, M5H 3M7

Segall Bryant & Hamill
540 W Madison Street – Suite 1900
Chicago, IL 60661

Highclere International Investors
253 Bayberry Lane
Westport, CT 06880

WCM Investment Management
281 Brooks Street
Laguna Beach, CA 92651

City of London Investment Group, PLC
The Barn
1125 Airport Road
Coatesville, PA 19320

PRIVATE EQUITY

Neuberger Berman
1290 Avenue of the Americas
New York, NY 10104

Morgan Stanley Investment Management
100 Front Street – 7th Floor
West Conshohocken, PA 19428

Top Tier Capital Partners, LLC
600 Montgomery Street, Suite 480
San Francisco, CA 94111

PROFESSIONAL CONSULTANTS (CONTINUED)

PRIVATE EQUITY, CONT'D

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Stamford, CT 06902

Fort Washington Investment Advisors
303 Broadway – Suite 1200
Cincinnati, OH 45202

Aberdeen Capital Management, LLC
1266 East Main Street, 5th Floor
Stamford, CT 06902

Franklin Park
251 St. Asaphs Road
Three Bala Plaza
Suite 500 West
Bala Cynwyd, PA 19004

HEDGE FUND OF FUNDS

Evanston Capital
1560 Sherman Avenue, Suite 960
Evanston, IL 60201

GLOBAL TACTICAL ASSETS

BlackRock
55 East 52nd Street
New York, New York 10055

REAL ESTATE

Clarion Partners
230 Park Avenue, 12th Floor
New York, NY 10169

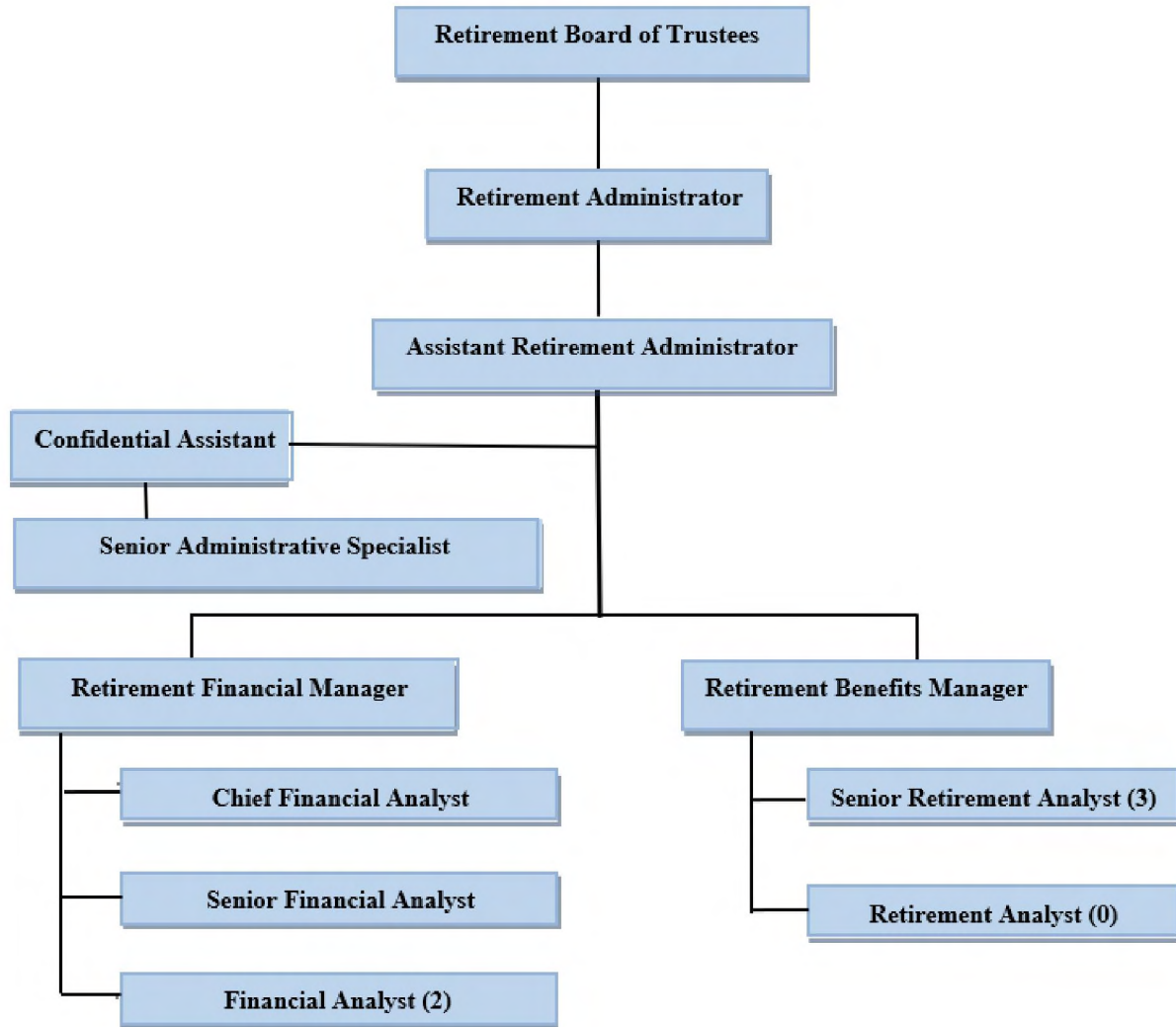
Principal Real Estate Investors, LLC
801 Grand Ave
Des Moines, IA 50309

GLOBAL INFRASTRUCTURE

IFM Investors
114 West 47th Street, 19th Floor
New York, NY 10036

A schedule of fees paid to investment professionals and commissions paid to brokers can be found in the Schedule of CPERS and PGT Investment Fees (page 103) and Schedule of Commissions Paid to Brokers (page 104) of the Investment Section of this Annual Report.

**RETIREMENT SYSTEM
ORGANIZATIONAL CHART**



Student Interns (3 Max)

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PLAN SUMMARY

SERVICE RETIREMENT ALLOWANCES

- **For members hired prior to September 1, 2015**, 25 years or more, any age, 3% of average compensation for each year of service; maximum 90% of average compensation.

For members hired on or after September 1, 2015, 25 years or more age 55 for non-public safety members and age 50 for public safety members, 3% of average compensation for each year of service; maximum 90% of average compensation.

- **For members hired prior to September 1, 2015**, 20 years or more, but less than 25 years, under age 55, 2.5% of average compensation for each year of service less a 3% penalty on the total retirement allowance for each year the member's age at retirement is under 55.

For members hired on or after September 1, 2015, 20 years or more, but less than 25 years, a retirement allowance reduced to an actuarial equivalent benefit for commencement prior to the attained age of 55 for non-public safety members and age 50 for public safety members.

- **For members hired prior to September 1, 2015**, 10 years or more, but less than 25 years, age 55, 2.5% of average compensation for each year of service.

For members hired on or after September 1, 2015, 10 years or more, but less than 25 years, age 60 for non-public safety and age 55 for public safety, 2.5% of average compensation for each year of service.

- **For members hired prior to September 1, 2015**, 10 years or more, but less than 25 years, under age 55, 2.5% of average compensation for each year of service upon attaining age 55.

For members hired on or after September 1, 2015, 10 years or more, but less than 25 years, under age 60 for non-public safety members and age 55 for public safety members, 2.5% of average compensation for each year of service upon attaining 60 for non-public safety members and age 55 for public safety members.

OPTIONAL RETIREMENT ALLOWANCES

- Member may elect a reduced retirement allowance and designate any person to receive the balance of member contributions in the event member dies before receiving retirement benefits exceeding the amount of member contributions as of the date of retirement.
- Member may elect a reduced retirement allowance and designate any person or persons to receive a survivor's benefit certified by the retirement system actuary to be of equivalent actuarial value.

DISABILITY RETIREMENT ALLOWANCES

- Ordinary disability, minimum 10 years of service required, minimum 50% of average compensation; additional 2.5% of average compensation for each year of service in excess of 20 years.
- Service-connected disability, no minimum service requirement, minimum 50% of average compensation; additional 1.5% of average compensation for each year of service in excess of 10 years.

SURVIVOR BENEFITS

- The surviving spouse of a contributing member eligible for retirement, or who has at least 20 years of service, receives an actuarially computed benefit for life; or a refund of member contributions.

PLAN SUMMARY (CONTINUED)

- The surviving spouse of a contributing member not eligible for retirement receives a monthly benefit of \$600 for life or until remarriage, whichever occurs first; or a refund of member contributions limited to the amount remaining after the payment of minor child or unmarried dependent parent benefits, if any.
- **For members hired prior to September 1, 2015,** the surviving spouse of a service retiree or a service-connected disability retiree receives a monthly benefit of 50% of the service retiree or service-connected disability retiree benefit for life, provided that the surviving spouse was either (1) legally married to the retiree on his date of service retirement or (2) legally married to the retiree for at least 2 years prior to the retiree's death.

For members hired on or after September 1, 2015, the surviving spouse of a service retiree or service-connected disability retiree who elected an optional allowance receives the monthly benefit provided for under that optional allowance.

- **For members hired prior to September 1, 2015,** the surviving spouse of a DROP participant receives a monthly benefit of 50% of the DROP participant benefit for life, provided that the surviving spouse was either (1) legally married to the DROP participant on the effective date of his DROP participation or (2) legally married to the DROP participant for at least 2 years prior to the DROP participant's death.

For members hired on or after September 1, 2015, the surviving spouse of a DROP participant who elected an optional allowance receives the monthly benefit provided for under that optional allowance.

- Minor child or children of contributing member receive a monthly benefit of \$150 per child until age 18, maximum benefit of \$300 if survived by 2 or more.

DEFERRED RETIREMENT OPTION PLAN (DROP)

- **For members hired prior to September 1, 2015,** member must have not less than 25 or more than 30 years of service, regardless of age, to be eligible for up to 5-year participation, or combined service and DROP participation not exceeding 32 years, whichever is less.

For members hired on or after September 1, 2015, must have not less than 25 years or more than 33 years of service at age 55 for non-public safety members or age 50 for public safety members, to be eligible for up to 5 year participation, except that members who do not reach the minimum required retirement age must exercise the option to participate in the DROP no later than 60 days following the attainment of age 55 for non-public safety member or age 50 for public safety members to be eligible to participate up to 5 years.

- **For members hired prior to September 1, 2015,** members with at least 10 years, but less than 25 years of service, and who are age 55 or older are eligible for up to 3-year participation.

For members hired on or after September 1, 2015, member with at least 10 years, but less than 25 years of service, and are age 60 for non-public safety members or age 55 for public safety are eligible for up to 3 year participation.

- Members may participate in DROP only once and are prohibited from becoming a contributing member of the system after participation.
- For DROP participants prior to July 1, 1991 who do not terminate employment at the end of participation, interest earnings on the account are discontinued until termination of employment, and no funds are payable from the account until such termination.

PLAN SUMMARY (CONTINUED)

- For DROP participants on or after July 1, 1991 who do not terminate employment at the end of participation, all interest earnings that would have been credited during participation are forfeited, and all funds are immediately distributed to the member or rolled tax-deferred to another qualified pension plan at the member's option.
- Upon employment termination, it is mandatory to roll severance/separation pay into an existing DROP account for members who are non-public safety officers age 55 or older, while the members younger than age 55 are given the option to roll the funds into the DROP or another qualified plan, or take receipt of the funds. For public safety officers the qualifying age is 50.

ROLLOVER OF ELIGIBLE DISTRIBUTIONS

- Certain distributions from DROP accounts are eligible for rollover to an Individual Retirement Account (IRA), Code Sec. 401 (a) qualified trust, 408 (b) individual retirement annuity, 403(a)&(b) annuity plans, 457 or other qualified plans.

MEMBERS WHO TRANSFERRED MEMBERSHIP TO MPERS

- For members who transferred their membership to the Municipal Police Employees' Retirement System (MPERS) the summary of benefits is generally as shown above. Because of the differences in particular CPERS and MPERS benefit provisions, variations may exist. Only provisions specifically set forth in the contract entitled *Agreement and Guarantee of Retirement Rights and Benefits* are guaranteed by CPERS to transferred members.

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of Trustees of the
Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge
Baton Rouge, Louisiana

Report on the Audits of the Financial Statements

Opinions

We have audited the accompanying financial statements of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge, which consists of the City-Parish Employees' Retirement System Trust (CPERS Trust) and the Police Guarantee Trust (PGT), collectively referred to as the "Retirement System", a component unit of the City of Baton Rouge - Parish of East Baton Rouge, as of and for the year ended December 31, 2023, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Retirement System, 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 Opinions

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

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 Retirement System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Summarized/Partial Comparative Information and Prior Period Financial Statements

The financial statements include partial prior year comparative information. As discussed in Note 2A, such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Retirement System's financial statements for the year ended December 31, 2022, from which they were derived.

The financial statements of the Retirement System for the year ended December 31, 2022, were audited by another auditor who expressed an unmodified opinion on those statements on June 29, 2023.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Changes in Net Pension Liability, Schedules of Employers' Net Pension Liability, Schedule of Investment Returns, the Schedule of Employer Contributions and related notes, and the Schedule of Changes in Total OPEB Liability listed as Required Supplemental Information in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Supplementary Information

Our audits were conducted for the purpose of forming opinions on the basic financial statements of the Retirement System. The accompanying financial information as listed in the Table of Contents as Schedules of Administrative Expenses, Schedules of Investment Expenses, Schedules of Payments to Consultants, and the Schedule of Compensation, Benefits, and Other Payments to Retirement Administrator are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory, Actuarial, Investment, Statistical, and Alternative Retirement Plan Sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 26, 2024, on our consideration of the Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Retirement System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Retirement System's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 26, 2024



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INDEPENDENT AUDITORS' 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 Members of the Board of Trustees of the
Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge
Baton Rouge, 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 financial statements of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge, which consists of the City-Parish Employees' Retirement System Trust (CPERS Trust) and the Police Guarantee Trust (PGT), collectively referred to as the "Retirement System", as of and for the year ended December 31, 2023, and the related notes to the financial statements, and have issued our report thereon dated June 26, 2024.

Report on Internal Control over Financial Reporting

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Retirement System's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC and its subsidiary entities provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

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 Retirement Systems internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
Baton Rouge, Louisiana
June 26, 2024

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**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following is management's discussion and analysis of the financial performance of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (the System). It is presented as a narrative overview and analysis for the purpose of assisting the reader with interpreting key elements of the financial statements and notes to the financial statements for the current year.

FINANCIAL HIGHLIGHTS

The 2023 market year was in direct contrast to the previous year. 2022 painted a grim picture for the stock market, delivering its worst performance since the 2008 financial crisis. Major indices plunged double digits with little relief as rising inflation eroded corporate profits and consumer purchasing power. The Federal Reserve responded with aggressive interest rate hikes intended to curb inflation. 2023 proved to be a lesson in resilience, as markets shrugged off predictions of a recession. Healthy corporate earnings exceeded expectations, boosting investor confidence and sending the S&P 500 surging over 26% for the year.

The technology sector emerged as the star performer with the Nasdaq Composite soaring by 43%, driven primarily by a handful of companies known as the "Magnificent 7." They are Nvidia (NVDA), Meta Platforms (META), Tesla (TSLA), Amazon (AMZN), Microsoft (MSFT), and Apple (AAPL). The lone sore spot for investors in 2023 was the real estate market, which suffered amid interest rate increases and lower demand. The bright news for our fund is that once again many of our investment managers outperformed their benchmarks, taking advantage of the broad rally across many of the market's sectors.

In 2023, the System's investments rose to 8.61%, which was a welcome return to positive territory following the malaise of the previous year. The CPERS fund trailed the policy index by 3.3% despite most of our active managers proving their worth and outperforming their benchmarks. Our portfolio is designed to be a bit more conservative than some of our peers, which proved successful during a challenging 2022. In 2023, our domestic equity and international equity managers led the way, with those groups posting positive returns of 20.6% and 16.4% respectively.

The Police Guarantee Trust (PGT) was overhauled in structure in 2020 to be comprised of iShares and index funds that allowed for greater liquidity and lower fees. As a result, its correlated a bit more than the main trust to the broad market. This was a hinderance in 2022, as the fund finished lower by -14.6% in 2022. That, however was a boom in 2023, as the fund rallied nicely to finish the year up by 14.6%. Much like the broad market, it was a tale of two years.

In terms of our benefits, the number of retirees increased slightly in 2023, and as a result the total retirement benefit payment, including DROP withdrawals, increased by 5.2%. Also included in benefit payments was the payment of the seventeenth consecutive Supplemental Benefit Payment of \$1.5 million. After increasing by 27.4% in 2022, refunds of member contributions declined by 0.5% in 2023, reflecting a bit of a stabilization in the workforce.

Overall, CPERS' funding level at December 31, 2023, using amounts reported in the financial statements, was 62.46% versus the December 31, 2022 level of 61.66%, as measured in accordance with GASB 67 standards. However, on an actuarial funding basis, CPERS' funded percentage at December 31, 2023 rose to 66.5% versus the December 31, 2022 funding level of 66.2%. For the PGT, the 2023 plan fiduciary net position as a percentage of total pension liability increased to 42.0% from the 2022 level of 33.3% as measured in accordance with GASB 67 standards, using amounts reported in the financial statements. On a funding basis, the 2023 PGT funded level rose to 43.2% versus the 2022 level of 37.6%.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's discussion and analysis is intended to serve as an introduction to the System's basic financial statements, together with the related notes to the financial statements, required supplementary information, and the supporting schedules, all of which are described below:

Statement of Fiduciary Net Position – This statement reports the System's assets, liabilities, deferred outflows of resources, deferred inflows of resources, and resulting fiduciary net position. The original CPERS trust and Police Guarantee Trust are shown both separately and combined. Although not a comparative financial statement per se, it shows the prior year comparative combined totals by line item. This statement should be read with the understanding that it discloses the System's financial position as of December 31, 2023 and provides comparative combined totals at December 31, 2022.

Statement of Changes in Fiduciary Net Position – This statement reports the results of operations during the calendar year 2023 with comparative combined totals for 2022, disclosing the additions to and deductions from assets held in trust for pension benefits. The net decrease in fiduciary position on this statement supports the change in fiduciary position on the Statement of Fiduciary Net Position. The original CPERS trust and Police Guarantee Trust are shown both separately and combined, and with a column showing the prior year comparative combined totals, although they are not comparative financial statements by definition.

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. A general description of the information provided in the notes follows:

- Note 1 (Plan Description) provides a general description of the System, including the original CPERS trust and the Police Guarantee Trust. Information is included regarding plan membership, a description of retirement benefits, a description of the Deferred Retirement Option Plan (DROP), and retirement contributions.
- Note 2 (Summary of Significant Accounting Policies) provides information disclosing certain accounting methods and policies used in determining amounts shown on the financial statements. Included in this note is information relative to the basis of accounting, and the determination of estimates, including System investments and property and equipment.
- Note 3 (Cash and Investments) describes System investments and their relationship with the custodian bank. This note includes information regarding the System's cash and investments, use of the custodian's Short Term Investment Fund (STIF), bank balances and their collateralization, fair value disclosures of investments, and types of investment risk and measurement of that risk for the System's investment portfolio.
- Note 4 (Actuarial GASB 67 Disclosures - CPERS) provides detailed data relative to the actuarial status of the original CPERS trust, including pension liability, funded percentage, actuarial assumptions, plan membership, long-term expected rates of return on investments, discount rate, and sensitivity to discount rate changes.
- Note 5 (Actuarial GASB 67 Disclosures - PGT) also provides detailed data relative to the actuarial status of the Police Guarantee Trust fund, including pension liability, funded percentage, actuarial assumptions, plan membership, long-term expected rates of return on investments, discount rate, and sensitivity to discount rate changes.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

MANAGEMENT'S DISCUSSION AND ANALYSIS

- Note 6 (Other Postemployment Benefits (OPEB)) provides information and data regarding the City-Parish government's postemployment benefits including the plan description, current funding policy, total OPEB liability, changes to the total OPEB liability of the plan, changes in assumptions, sensitivity of the total OPEB liability to changes in the discount rate, sensitivity of the total OPEB liability to changes in the healthcare cost trend rate, and OPEB expense and deferred outflows and inflows of resources related to OPEB.
- Note 7 (Contingencies) provides information relative to any retirement matters being litigated and/or possibly subjecting the system to some financial exposure.

Required Supplementary Information – The required supplementary information consists of informational schedules and related notes. These schedules show the changes in net pension liability, employers' net pension liability, investment returns, employer contribution data, and other post-employment liabilities for the original CPERS trust and the PGT separately. The related notes disclose key actuarial assumptions and methods used in the schedules.

Supporting Schedules – These schedules include information on administrative and investment expenses and payments to consultants.

CPERS AND PGT FINANCIAL ANALYSIS

The CPERS and PGT trusts provide retirement benefits to essentially all eligible City-Parish employees and employees of other member employers. These benefits are funded through member contributions, employer contributions, and earnings on investments. Total System Net Position restricted for pensions at December 31, 2023 was \$1.281 billion, representing an increase of \$45 million, or 3.63% above the \$1.236 billion Total System Net Position restricted for pensions at December 31, 2022.

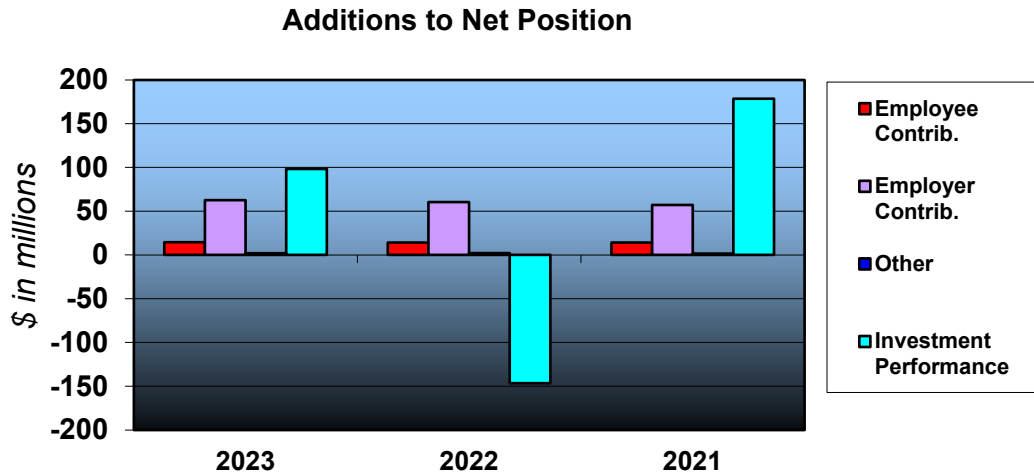
	2023	2022	2021	2023 \$ Change	2023 % Change
Cash	\$14,070,034	\$13,768,434	\$13,713,687	\$301,600	2.19%
Receivables	9,903,062	9,217,024	8,504,787	686,038	7.44%
Investments (fair value)	1,262,110,925	1,217,899,864	1,415,206,905	44,211,061	3.63%
Capital Assets	626,132	625,157	627,112	975	0.16%
Total Assets	1,286,710,153	1,241,510,479	1,438,052,491	44,199,674	3.64%
Deferred Outflows of Resources	1,072,019	448,568	1,124,515	623,451	138.99%
Total Liabilities	5,789,761	5,725,277	5,628,895	154,484	2.70%
Deferred Inflows of Resources	1,232,793	477,191	994,735	755,602	158.34%
Net Position Restricted for Pensions	\$1,280,669,618	\$1,235,756,579	\$1,432,553,376	\$44,913,039	3.63%

Additions to Net Position Restricted for Pensions

Additions to the Systems' net position restricted for pensions include regular contributions from employees and employers, contributions received from employers for purposes of paying severance pay to employees' DROP accounts, and investment income. Employee contributions, which continued at 9.5% of payroll for both 2023 and 2022, increased by 1.48%. Employer contributions also increased by about \$2.4 million, or 3.92%. The blended employer contribution rate for 2023 was 36.30% of payroll, while in 2022 the blended rate was set at 36.50%. In 2023, the System experienced a performance gain of \$98.2 million, net of investment expenses, compared to 2022's negative investment loss of \$146.6 million, net of investment expenses. In total, the 2023 additions to net position restricted for pensions were \$178.8 million, opposed to the deductions of \$68.6 million in 2022.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

MANAGEMENT'S DISCUSSION AND ANALYSIS



Additions to Net Position	2023	2022	2021	2023 \$ Change	2023 % Change
Employee Contributions	\$14,409,125	\$14,198,960	\$14,104,337	\$210,165	1.48%
Employer Contributions	62,821,465	60,452,249	57,162,908	2,369,216	3.92%
Non-Employer Contributions	1,466,205	1,365,673	1,280,855	100,532	7.36%
Net Investment Income (Loss)	98,244,224	(146,589,227)	178,421,177	244,833,451	167.02%
Other	1,858,996	2,005,348	1,506,551	(146,352)	-7.30%
Total Additions	\$178,800,015	(\$68,566,997)	\$252,475,828	\$247,367,012	360.77%

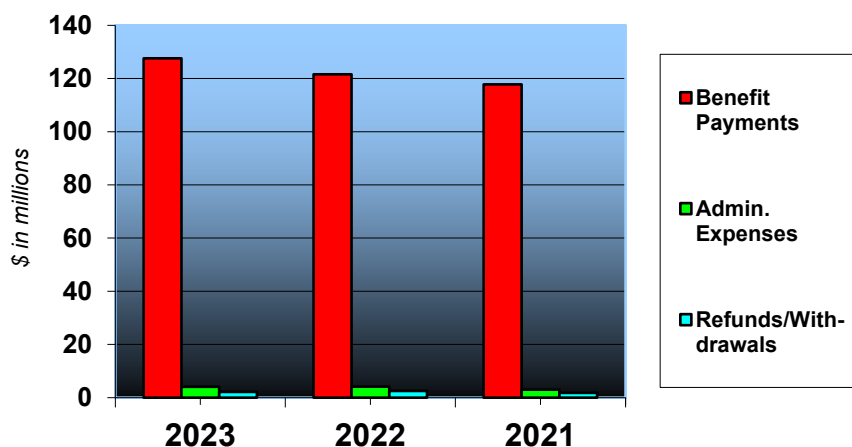
Deductions from Net Position Restricted for Pensions

Deductions from the Systems' net position restricted for pensions are comprised primarily of retirement benefit payments to retirees, survivors, and beneficiaries. Also included as deductions are administrative expenses, and refunds and withdrawals of employee contributions. For 2023, benefit payments to retirees, survivors, and beneficiaries totaled \$127.6 million, which represented a 4.98% increase from the \$121.6 million paid out in 2022. These amounts included requested DROP payments and Required Minimum Distributions to members. The normal monthly payments to pensioners continued to increase, and both the number of pensioners and the average monthly pension payments increased. The Board of Trustees was pleased to pay the seventeenth consecutive Supplemental Benefit Payment of \$1.5 million to qualifying retirees. The 2023 administrative expenses decreased to \$2.14 million from \$2.52 million in 2022 representing a decrease of 14.97%. And finally, refunds and withdrawals of member contributions remained consistent, totaling \$4.1 million in both 2023 and 2022. In total, the 2023 increase to net position restricted for pensions was \$44.9 million as compared to decrease of \$196.8 million for 2022.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Deductions from Net Position



Deductions from Net Position	2023	2022	2021	2023 \$ Change	2023 % Change
Benefit Payments	\$127,638,992	\$121,584,529	\$117,845,521	\$6,054,463	4.98%
Refunds & Withdrawals	4,107,796	4,128,352	2,997,738	(20,556)	-0.50%
Administrative Expense	2,140,188	2,516,919	1,822,086	(376,731)	-14.97%
Total Deductions	\$133,886,976	\$128,229,800	\$122,665,345	\$5,657,176	4.41%

Net Increase (Decrease) in Net Position					
(Total Additions less Total Deductions)	\$44,913,039	(\$196,796,797)	\$129,810,485	\$241,709,836	122.82%

Investments

CPERS's investments in 2023 thrived after enduring a tough market environment in the previous year. Both equities and fixed income gained ground, while real estate was the lone declining sector. The fair value of investments totaled \$1.24 billion at December 31, 2023 as compared to \$1.20 billion at December 31, 2022, which represented an increase of 3.2%. U.S. equities gained 20.6% in 2023, rebounding nicely from the previous year. Fixed income holdings rose 7.3%, while real estate and global infrastructure lodged performances of -13.0% and +8.6% respectively. Additionally, the alternatives holdings finished the year largely flat, shedding 1.5% while the private equity segment rose 4.5%. CPERS' overall investment return of 8.6%, exceeded our benchmark rate of return of 7.0%.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

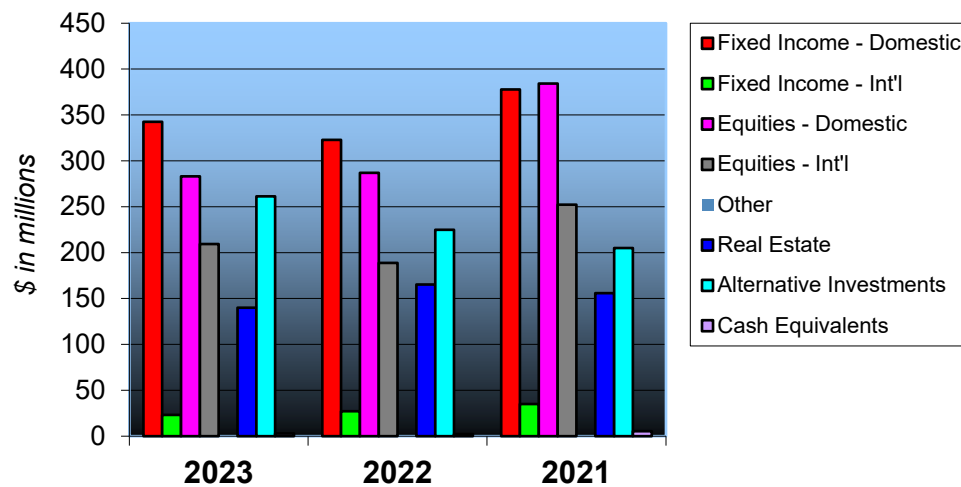
MANAGEMENT'S DISCUSSION AND ANALYSIS

CPERS continues to further diversify its holdings as a means to decrease the overall volatility of the portfolio and expects to continue funding private equity investments for the next several years, as well as the more recent global infrastructure investment. CPERS's asset allocation is set based on long-range performance horizons, and no attempts are made to try to time the market. In August 2020, the PGT asset allocation was re-engineered into a series of iShares and global funds in order to provide greater liquidity and lower fees, while still maintaining diverse exposure to the broad investment markets. That portfolio allocation remained in place for 2023, as three of the five investment segments met or exceeded their benchmarks. Investment performance varies between the two trusts because of the PGT's more conservative and liquid asset allocation. Investment performance by general asset categories for the original CPERS trust is shown below:

	2023 %	2022 %	2021 %
US Equity Composite	20.60	-15.75	27.35
International Equity Composite	16.39	-21.02	10.00
Fixed Income Composite	7.34	-12.74	-0.28
Real Estate Composite	-13.05	8.46	25.15
Hedge Funds Composite	7.79	-4.56	9.42
Private Equity	4.53	17.70	18.70
Global Multi Asset (GTAA) Composite	N/A	N/A	7.38
Global Infrastructure Composite	8.64	10.89	3.40
Cash Composite	4.93	1.66	0.03
Total Fund Composite	8.61	-9.98	14.66

When making comparisons from year to year, it is important to be aware that other factors may affect the change in investments, particularly the changes between investment categories and types, as mentioned above. It is also important to note that the investment portfolio is not stagnant but is traded in part each business day. Investment managers sometimes change allocations between investment types (e.g. treasury bonds to mortgages) or sectors (e.g. financials to technology). Therefore, the reader should be cautious about drawing conclusions as to how and why the portfolio changed in fair value. It is perhaps best to refer to the total investment figures to conclude how the System's investments performed overall.

Investments (at fair value)



**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

MANAGEMENT'S DISCUSSION AND ANALYSIS

Investments (at Fair Value)	2023	2022	2021	2023 \$ Change	2023 % Change
Fixed Income - Domestic	\$342,513,568	\$322,792,766	\$377,619,910	\$19,720,802	6.11%
Fixed Income – International	23,140,094	27,223,327	34,973,691	(4,083,233)	-15.00%
Equities – Domestic	283,089,178	286,975,468	384,075,069	(3,886,290)	-1.35%
Equities – International	209,242,728	188,825,108	252,291,810	20,417,620	10.81%
Other investment	3,487	4,103	6,829	(616)	-15.01%
Real Estate	140,029,753	165,140,260	155,886,496	(25,110,507)	-15.21%
Alternative Investments	261,185,053	224,763,194	205,029,827	36,421,859	16.20%
Cash Equivalents	2,907,064	2,175,638	5,323,273	731,426	33.62%
Total Investments	\$1,262,110,925	\$1,217,899,864	\$1,415,206,905	44,211,061	3.63%

REQUESTS FOR INFORMATION

This Annual Comprehensive Financial Report is designed to provide a general overview of the finances for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge for interested parties. Questions concerning any of the information provided herein, or requests for additional financial information should be addressed to the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge, P. O. Box 1471, Baton Rouge, Louisiana, 70821-1471.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE

STATEMENT OF FIDUCIARY NET POSITION AS OF DECEMBER 31, 2023
AND COMPARATIVE COMBINED TOTALS FOR 2022

	<u>CPERS Trust</u>	<u>Police Guarantee Trust</u>	<u>2023 Combined Total</u>	<u>2022 Combined Total</u>
Assets				
Cash	\$ 13,038,449	\$ 1,031,585	\$ 14,070,034	\$ 13,768,434
Receivables:				
Employer contributions	4,152,192	487,572	4,639,764	4,329,529
Employee contributions	1,216,533	272	1,216,805	983,441
Non-employer contributions	1,662,168	-	1,662,168	1,369,867
Interest and dividends	122,467	303	122,770	119,314
Pending trades	2,158,037	-	2,158,037	2,297,012
Other	103,518	-	103,518	117,861
Total Receivables	<u>9,414,915</u>	<u>488,147</u>	<u>9,903,062</u>	<u>9,217,024</u>
Investments (at fair value):				
Fixed Income – Domestic	336,442,153	6,071,415	342,513,568	322,792,766
Fixed Income – International	20,888,642	2,251,452	23,140,094	27,223,327
Equities – Domestic	277,765,682	5,323,496	283,089,178	286,975,468
Equities – International	205,631,410	3,611,318	209,242,728	188,825,108
Other investments	3,487	-	3,487	4,103
Real estate investments	140,029,753	-	140,029,753	165,140,260
Alternative investments	258,408,440	2,776,613	261,185,053	224,763,194
Cash equivalents	2,839,044	68,020	2,907,064	2,175,638
Total Investments	<u>1,242,008,611</u>	<u>20,102,314</u>	<u>1,262,110,925</u>	<u>1,217,899,864</u>
Properties at cost, net of accumulated depreciation of \$771,649 and \$765,941, respectively	<u>626,132</u>	<u>-</u>	<u>626,132</u>	<u>625,157</u>
Total Assets	<u>1,265,088,107</u>	<u>21,622,046</u>	<u>1,286,710,153</u>	<u>1,241,510,479</u>
Deferred outflows of resources - OPEB related	<u>912,113</u>	<u>159,906</u>	<u>1,072,019</u>	<u>448,568</u>
Liabilities				
Accrued expenses and benefits	1,318,968	156,941	1,475,909	1,326,552
Pending trades payable	438,949	-	438,949	221,037
Total OPEB Liability	<u>3,295,137</u>	<u>669,766</u>	<u>3,964,903</u>	<u>4,177,688</u>
Total Liabilities	<u>5,053,054</u>	<u>826,707</u>	<u>5,879,761</u>	<u>5,725,277</u>
Deferred inflows of resources – OPEB related	<u>1,048,829</u>	<u>183,964</u>	<u>1,232,793</u>	<u>477,191</u>
Net position restricted for pensions	<u>\$ 1,259,898,337</u>	<u>\$ 20,771,281</u>	<u>\$ 1,280,669,618</u>	<u>\$ 1,235,756,579</u>

See accompanying notes to financial statements.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023
AND COMPARATIVE COMBINED TOTALS FOR 2022

	CPERS Trust	Police Guarantee Trust	2023 Combined Total	2022 Combined Total
Additions:				
Contributions:				
Employee	\$ 14,393,329	\$ 15,796	\$ 14,409,125	\$ 14,198,960
Employer	57,263,731	5,557,734	62,821,465	60,452,249
Non-employer	1,466,205	-	1,466,205	1,365,673
Severance contributions from employee	1,858,996	-	1,858,996	2,005,348
Total contributions	<u>74,982,261</u>	<u>5,573,530</u>	<u>80,555,791</u>	<u>78,022,230</u>
Investment income:				
Net appreciation (depreciation) in fair value of investments	97,178,997	1,894,119	99,073,116	(141,876,347)
Interest and dividends	4,252,331	642,051	4,894,382	1,431,396
	<u>101,431,328</u>	<u>2,536,170</u>	<u>103,967,498</u>	<u>(140,444,951)</u>
Less investment expenses	<u>5,682,644</u>	<u>40,630</u>	<u>5,723,274</u>	<u>6,144,276</u>
Net investment income (loss)	<u>95,748,684</u>	<u>2,495,540</u>	<u>98,244,224</u>	<u>(146,589,227)</u>
 Total additions	 <u>170,730,945</u>	 <u>8,069,070</u>	 <u>178,800,015</u>	 <u>(68,566,997)</u>
Deductions:				
Benefit payments	124,418,519	3,220,473	127,638,992	121,584,529
Refunds and withdrawals	4,107,796	-	4,107,796	4,128,352
Administrative expenses	1,814,060	326,128	2,140,188	2,516,919
Total deductions	<u>130,340,375</u>	<u>3,546,601</u>	<u>133,886,976</u>	<u>128,229,800</u>
 Net increase (decrease) in net position	 40,390,570	 4,522,469	 44,913,039	 (196,796,797)
Net position restricted for pensions				
Beginning of year	<u>1,219,507,767</u>	<u>16,248,812</u>	<u>1,235,756,579</u>	<u>1,432,553,376</u>
 End of year	 <u>\$ 1,259,898,337</u>	 <u>\$ 20,771,281</u>	 <u>\$ 1,280,669,618</u>	 <u>\$ 1,235,756,579</u>

See accompanying notes to financial statements.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(1) PLAN DESCRIPTION

A. General Organization

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (the System or Retirement System) is the administrator of a cost-sharing multiple-employer plan (the Plan). At December 31, 2023 the System provided benefits to employees of the following participating governmental employers:

- City of Baton Rouge and Parish of East Baton Rouge (City-Parish)
- District Attorney of the Nineteenth Judicial District
- East Baton Rouge Parish Family Court
- East Baton Rouge Parish Juvenile Court
- St. George Fire Protection District (certain electing members)
- Brownfields Fire Protection District
- Eastside Fire Protection District
- Recreation and Park Commission for the Parish of East Baton Rouge (BREC)
- Office of the Coroner of East Baton Rouge Parish

The System is considered a component unit of the financial reporting entity of the City of Baton Rouge and Parish of East Baton Rouge (City-Parish) and is included as a pension trust fund in the City-Parish Annual Comprehensive Financial Report and Annual Operating Budget. The accompanying financial statements reflect the activity of the Retirement System.

Under Section 2100 of the Governmental Accounting Standards Board (GASB), Codification of Governmental Accounting and Financial Reporting Standards, the definition of a reporting entity is based primarily on the concept of financial accountability, and the existence of a financial burden/benefit relationship. Based on this criteria, the Retirement System itself has no component units. In determining its component unit status, the Retirement System considered the following:

- The Retirement System exists for the benefit of current and former City-Parish and participating employer employees who are members of the Retirement System;
- Four of the seven Board members are elected by the employees who participate in the Plan, and three are appointed by the Primary Government;
- The Retirement System is funded by the investment of contributions from the City-Parish and member employers who are obligated to make the contributions to the Retirement System based upon actuarial valuations.

The Retirement System complies with the applicable reporting requirements under section PE5 of the GASB Codification.

The Retirement System was created by The Plan of Government and is governed by a seven-member Board of Trustees (the Board). The Board is responsible for administering the assets of the Retirement System and for making policy decisions regarding investments. Four of the trustees are elected members of the Retirement System. Two are elected by non-police and non-fire department employees, and one trustee each is elected by the police and fire department employees. The remaining membership of the Board consists of one member appointed by the Mayor-President, and two members appointed by the Metropolitan Council.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(1) PLAN DESCRIPTION, CONTINUED

A. General Organization, Continued

The Metropolitan Council maintains the authority to establish and amend plan benefits, which are disclosed in paragraph D. of Note 1. Any person who becomes a regular full-time employee of one of the member employers becomes a member of the Retirement System as a condition of employment, except in the case of newly hired employees of certain participating employers who are mandated to enroll in a statewide retirement system, or those covered under a collective bargaining agreement. Contractual employees may or may not become members, depending upon the provisions of their respective contracts.

Substantially all full-time non-police employees of the City-Parish and other member employers are covered by the Retirement System. The Retirement System actuarially determines the contributions required to fund the plan and collects the contributions as a percentage of payroll each payroll period. The Retirement System exists for the sole benefit of current and former employees of the member employers.

B. Police Guarantee Trust (PGT)

The Police Guarantee Trust (PGT) was established as a separate legal trust fund on February 26, 2000 to provide for payment of certain guaranteed lifetime benefits for eligible police employees who transferred membership to the Municipal Police Employees' Retirement System of Louisiana (MPERS) while retaining certain rights in CPERS. When established, the Trust was funded from the original CPERS trust through a trustee-to-trustee transfer for the full actuarially determined amount necessary to pay all present and future contractually guaranteed benefits to eligible members and their survivors. As required under the City-Parish Ordinances, the PGT is charged with all of its direct expenses and with a percentage of indirect expenses at the rate of 14.80% for 2023, down from 15.00% in 2022, based on an administrative cost allocation study performed by an outside consultant. The PGT assets maintain a separate investment performance measurement, separate accounting records, and a separate annual actuarial valuation. The Retirement Board administers the assets of, and makes investment policy decisions for the PGT.

C. Membership

At December 31, 2023 and 2022, membership in the Retirement System for CPERS and the PGT consisted of:

Inactive - CPERS:	<u>2023</u>	<u>2022</u>
Retirees and beneficiaries currently receiving benefits	3,606	3,577
Vested terminated employees	8	11
Deferred retirees	<u>279</u>	<u>290</u>
Total inactive	<u>3,893</u>	<u>3,878</u>
Active - CPERS:		
Fully vested	1,107	1,122
Not vested	<u>1,672</u>	<u>1,734</u>
Total active	<u>2,779</u>	<u>2,856</u>
Total CPERS Membership	<u>6,672</u>	<u>6,734</u>

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(1) PLAN DESCRIPTION, CONTINUED

C. Membership, Continued

The PGT was closed to new members effective February 26, 2000 – the date of its inception.

Inactive - PGT:	<u>2023</u>	<u>2022</u>
Retirees and beneficiaries currently receiving benefits	13	31
Vested terminated employees	1	1
Deferred retirees	<u>54</u>	<u>51</u>
Total inactive	<u>68</u>	<u>83</u>
 Active - PGT:		
Fully vested	13	31
Not vested	<u>0</u>	<u>0</u>
Total active	<u>13</u>	<u>31</u>
 Total PGT Membership	<u>81</u>	<u>114</u>

D. Benefits

An employee's benefit rights vest after he/she has been a member of the Retirement System for 10 years. Benefit payments are classified into two distinct categories: 1.) Full retirement benefits and 2.) Minimum eligibility benefits. As a cost-saving measure, certain benefits were changed affecting members whose most recent hire date was September 1, 2015 or later. The service requirements and benefits granted for each category and by hire date, for NPS (non-public safety members) and PS (public safety members) are shown below.

	Members hired before 9/1/2015	Members hired on or after 9/1/2015
Full retirement benefits	25 years' service, any age	25 years' service, age 55 NPS or age 50 PS
Formula	3% of avg. comp. times number of years of service	3% of avg. comp. times number of years of service
Minimum eligibility benefits	20 years' service, any age, or 10 years at age 55	20 years' service, any age, or 10 years at age 60 NPS, or age 55 PS
Formula	2.5% of avg. comp. times number of years of service	2.5% of avg. comp. times number of years of service
Average compensation	Highest successive 36 months	Highest successive 60 months
Early retirement	20 years' service, 3% penalty for each year below age 55	20 years' service, actuarially reduced benefit below age 55 NPS, or age 50 PS
Disability retirement:		
Service connected	50% of avg. comp. plus 1.5% for each service year above 10 years	50% of avg. comp. plus 1.5% for each service year above 10 years
Ordinary	10 years' service, 50% of avg. comp, or 2.5% times number of years of service, whichever is greater	10 years' service, 50% of avg. comp, or 2.5% times number of years of service, whichever is greater

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(1) PLAN DESCRIPTION, CONTINUED

D. Benefits, Continued

Continued	Members hired before 9/1/2015	Members hired on or after 9/1/2015
Survivor benefits		
Service Allowance	Automatic 50% J&S benefit, or member can purchase additional survivor benefits by actuarial benefit reduction	All survivor benefits must be purchased by actuarial benefit reduction
Service-connected disability	Automatic 50% J&S benefit.	All survivor benefits must be purchased by actuarial benefit reduction
Ordinary disability	No survivor benefits provided	No survivor benefits provided
Member with 20 or more years of service	100% J&S benefit, based on member's benefit	100% J&S benefit, based on member's benefit
Member with less than 20 years of service, not retirement eligible	\$600/month benefit until earlier of death or remarriage, plus \$150/month per child under age 18 (limit \$300/month)	\$600/month benefit until earlier of death or remarriage, plus \$150/month per child under age 18 (limit \$300/month)

The System have a traditional cost of living benefit, but did implement the Supplemental Benefit Payment (SBP) in 2006, which is a non-guaranteed lump sum payment to qualifying retirees, and which must first be declared prior to payment by the Board of Trustees each year. Funding comes from CPERS' share of an ad-valorem tax, mortality savings from a prior benefit adjustment, and from excess investment revenues. In aggregate, the amounts distributed to retirees cannot exceed the funds declared available for distribution. On an individual basis, a formula is used to determine payment amounts based on the retiree's number of years retired, years of service, and participation in the DROP.

E. DROP

Deferred retirees (participants in the Deferred Retirement Option Plan (DROP)) are members who are eligible for retirement, but have chosen to continue employment for up to a maximum of five years. Pension annuities are fixed for these employees and can never be increased, and neither employee nor employer contributions are contributed to the Retirement System on their earnings. DROP deposits for the amount of the participant's monthly benefit are placed in a deferred reserve account until the deferred retirement option period elapses, or until the employee discontinues employment, whichever comes first. These accounts bear interest beginning with the date of the initial deposit for employees who fulfill the provisions of their DROP contract. Failure to fulfill these provisions, specifically to terminate employment at the end of the maximum DROP participation period, results in the enforcement of certain penalty provisions, such as forfeiture of interest and disbursement of the balance of the DROP account to the member or to another qualifying pension plan.

Five-year participation in the DROP after 25 years of service is also a guaranteed benefit available to members who transferred membership to MPERS (See Note 1.B). Because MPERS provides for only a three-year DROP, CPERS guarantees the balance of DROP participation, not to exceed the combined five-year maximum. Penalty provisions remain in place for these members as well. Due to legal requirements, the original CPERS trust DROP accounts are maintained separately from PGT DROP accounts. DROP eligibility requirements and benefits are shown on the following page and may vary for non-public safety (NPS) and public safety (PS) members.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(1) PLAN DESCRIPTION, CONTINUED

E. DROP, Continued

	Members hired before 9/1/2015	Members hired on or after 9/1/2015
5-Year DROP Eligibility	25 years' service, any age	25 years' service, age 55 NPS, or age 50 PS
3-Year DROP Eligibility	=>10 < 25 years' service, age 55	=>10 < 25 years' service, age 60 NPS, or age 55 PS

The amounts of DROP deposits accumulated in the original CPERS trust DROP reserve accounts and the PGT DROP reserve accounts respectively as of December 31, 2023, were \$331,887,708 and \$40,811,773. For December 31, 2022, the DROP accounts for the CPERS and PGT trusts totaled \$325,734,651 and \$39,316,812 respectively. Members maintaining accounts in the original CPERS trust DROP and the PGT DROP respectively as of December 31, 2023 totaled 1,744 and 220. For December 31, 2022, 1,721 and 220 members maintained DROP accounts in the two trusts respectively.

F. Contribution Requirements

Contribution rates for each participating employer and its covered employees are established and may be amended by the Retirement System's Board of Trustees, with approval by the Metropolitan Council of the City-Parish. The contribution rates are determined based on the benefit structure established by the Plan provisions. For both 2023 and 2022, Plan members contributed 9.5% of their annual covered salary, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264A1(b) of the Plan provisions. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the Plan's actuary. For 2023 and 2022, the City-Parish General Fund employer rates were 34.21% and 34.18% respectively, while the non-general fund and other employer rates were 38.46% and 38.76% respectively. The City-Parish provides annual contributions to the Plan as required by Section 9.15 of The Plan of Government of the Parish of East Baton Rouge and the City of Baton Rouge, which requires that the Retirement System be funded on an actuarially sound basis. Administrative costs of the Retirement System are provided through investment earnings. Included in the financial statement employer contributions amounts are non-employer amounts received each year by CPERS for its share of East Baton Rouge Parish ad-valorem taxes. The amounts totaled \$1,466,205 for 2023 and \$1,365,673 for 2022.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting and Presentation

The Retirement System's financial statements are prepared on the accrual basis of accounting. Contributions from the participating entities and their employees are recognized as revenue when due, pursuant to ordinance requirements, formal commitments, and statutory contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

The financial statements present the CPERS trust and Police Guarantee Trust separately and combined for 2023, with combined totals for 2022 presented in the statement of fiduciary net position and the statement of changes in fiduciary net position. In addition, the notes to the financial statements also include certain comparative information for 2022. Such comparative information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Retirement System's financial statements for the year ended December 31, 2022, from which the summarized information was derived. The assets of each trust can only be used to pay expenses of that trust, and therefore the combined total columns are not comparable to a consolidation. Inter-trust transactions have not been eliminated in the aggregation of this data.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

B. 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.

C. Method Used to Value Investments

Retirement System investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sale price at current exchange rates. Investments that do not have an established market are reported at estimated fair value as determined by the custodian bank and verified by the Retirement System's investment consultant. The fair value of real estate investments is based on quarterly independent appraisals. Unrealized gains and losses on investments recorded at fair value are included in investment income.

D. Property and Equipment

Property and equipment are carried at historical cost. Depreciation is computed on the straight-line method over 5 to 25 years. Minor equipment and furniture acquisitions are charged to operations as capital outlays in the period they are made. Depreciation expense totaled \$5,707 for years ended December 31, 2023, and December 31, 2022.

E. Newly Adopted Accounting Standard

The System adopted GASB Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. Under this Statement, SBITA, as defined, are financings of the right to use an underlying asset. SBITA 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 right to use asset may also include certain implementation phase costs. The adoption of this standard did not have a material effect on the financial statements for the year ended December 31, 2023.

(3) CASH AND INVESTMENTS

A. Deposit and Investment Risk Disclosures

The information below presents disclosures of custodial credit risk, portfolio credit risk, interest rate risk and foreign currency risk. These disclosures are included to inform financial statement users of the investment risks that could affect the Retirement System's ability to meet its obligations. The System's Board mitigates custodial credit risk by having the custodian hold securities in the System's name as a requirement of the custody contract. The System's investment policy, as adopted by the Board, sets limits on interest rate risk by prohibiting investments in high volatility and low-quality rated securities. However, interest rate risk is allowed at reasonable levels as determined and monitored by the System's investment consultant to allow the System the opportunity to achieve satisfactory long-term performance results consistent with its objectives. Because the financial statements present the investments by asset class, and because the Retirement System has a substantial amount of investments in pooled investment funds, the data in the tables may not categorically correlate directly with the investments shown in the financial statements.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
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NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

Standard & Poor's rates investment grade debt securities, using AAA, AA, A, and BBB. Securities with these ratings are considered "financially secure". For non-investment grade debt securities, the ratings BB, B, CCC, CC, C, and D are used. These ratings indicate that the security may be "vulnerable" and as such, is regarded as having vulnerable characteristics that may outweigh its strengths. US Treasuries and Government National Mortgage Association (GNMA)'s carry a "Government" rating (equivalent to AA+) and are explicitly backed by the full faith and credit of the US Government, while US Agencies carry an "Agency" rating, which is considered an implied AA+ rating with implicit US Government backing.

B. Cash and Cash Equivalents

All investments of the Retirement System are registered in the System's name, or held by the custodian bank, Bank of New York/Mellon, Everett, MA, or its intermediaries in the System's name. The System utilizes a Short Term Investment Fund (STIF) administered by the custodian bank, BNY/Mellon, in which all uninvested cash balances of CPERS and its full discretionary investment managers are automatically swept by the custodian into the BNY/Mellon Collective Trust Government Short Term Investment Fund, which is an unrated fund that invests in high-quality, short-term securities issued or guaranteed by the US government or by US government agencies and instrumentalities. Deposits in the STIF fund are not insured by the FDIC.

At December 31, 2023, the carrying amount of the Retirement System's demand deposit accounts held with financial institutions classified as cash was \$14,070,034 and the bank balance was \$14,946,181, of which \$250,000 was protected from custodial credit risk by Federal Depository insurance. The remainder of the demand deposit balances were collateralized by securities held by the System's agent, JPMorgan Chase, in a custodial account in the Retirement System's name. Time and savings deposits held with the investment management company are covered by Security Investor Protection Corporation (SIPC) insurance of \$500,000. All demand and time and savings deposits were either FDIC insured, SIPC insured, or fully collateralized at December 31, 2023. Holdings with investment companies are not required to be collateralized. At December 31, 2022, the carrying amount of the Retirement System's cash book balance was \$13,542,819 and the bank balance was \$14,295,599, of which \$250,000 was covered by Federal Depository insurance and the remainder by securities held by the System's agent, JPMorgan Chase, in a custodial account in the Retirement System's name. At December 31, 2022, the carrying amount of the Retirement System's time and savings deposits held with an investment management company was \$225,615 and the bank balance was \$225,615, of which the entire amount was covered by Security Investor Protection Corporation (SIPC) insurance of \$250,000. All demand and time and savings deposits were either FDIC insured, SIPC insured, or fully collateralized on December 31, 2022.

C. Short-Term Investments

The System's short-term funds may be invested in cash equivalent securities, which are defined as any fixed income investment with less than one year to maturity with ratings by both Moody's and S&P of "A" or better, Money Market Funds, or custodian bank STIF or STEP (Short Term Extendable Portfolio) funds.

During 2023, the Retirement System invested monies with Louisiana Asset Management Pool, Inc. (LAMP). LAMP, a local government investment pool, is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-

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(3) CASH AND INVESTMENTS, CONTINUED

C. Short-Term Investments (continued)

quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted and shall not generally exceed 60 days and consists of no securities with a maturity in excess of 397 days. For purposes of determining participants' shares, investments are valued at fair value. The fair value of the participant's position is the same as the value of the pool shares. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. At December 31, 2023, and 2022, the Retirement System's balance in LAMP was \$1,018,740 and \$0, respectively. These balances are classified on the Statement of Net Position under investments as "cash equivalents." LAMP has a Standards & Poor's rating of AAAM.

D. Investments

Section 9.15 of The Plan of Government of the Parish of East Baton Rouge and the City of Baton Rouge authorizes the Retirement Board to have custody of, and invest the assets of the Pension Trust in accordance with the "Prudent Man Rule". As fiduciaries of the Pension Trust, the Board developed and adopted *The Total Plan Statement of Investment Policies and Objectives*, in which are set forth the guidelines for investing the Retirement System's assets. The System historically has invested in the following types of securities:

Cash Equivalent Investments – US Treasury Bills, Commercial Paper, Repurchase Agreements, Money Market Funds, Custodian STIF and STEP Funds

Currency Investments – Foreign Exchange Futures, Forwards, Swaps (applies to global or non-US managers engaged in hedging)

Equity Investments – US and Foreign Common and Preferred Stocks, Convertible Bonds, American Depositary Receipts (ADR's), Equity Real Estate, 144a Securities, and Commingled Funds holding such investments.

Fixed Income Investments – Bonds (Treasury, Corporate, Yankee), Mortgage-Backed Securities (CMO and CMB), Asset-Backed Securities, Trust Preferred Securities, Medium Term Notes, 144a Securities, and Commingled Funds holding such investments.

Alternative Investments – Real Assets, Private Markets, and Hedge Funds

The Retirement System may authorize an agent to participate in securities lending transactions on its behalf. Investments in derivatives, reverse repurchase agreements, and other non-traditional types of investments are not specifically authorized under the Board's investment policy, however, in the case of commingled, or pooled/mutual accounts, the provisions of the prospectus or Declaration of Trust take precedence. At December 31, 2023 and 2022, the Retirement Board had committed, but only partially funded, a 5% allocation to six private equity fund-of-funds, and one fund-of-one, which fall in the category of Private Markets.

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NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

D. Investments (continued)

Equity securities shall not exceed 5% of cost and 7% of fair value in any one company, and fixed income shall not exceed 2.5% of cost and 3% of fair value; however, the direct debt of the federal government shall not be restricted as a percentage of the portfolio. No investments in any one organization shall represent 5% or more of the assets held in trust for pension benefits, and no single company's securities shall represent more than 5% of the cost basis or 7% of the fair value of any manager's portfolio.

There are no investments in loans to, or leases with, parties related to the System. Although the Board continued its contractual relationships with outside third-party investment managers during 2023 and 2022, final oversight of investments and investment performance for both the original CPERS trust and the PGT remains with the Board.

Purchases and sales of investments are recorded on a trade date basis. The Retirement System's Statement of Investment Policies and Objectives prohibits the use of securities that use any form of leverage, or in which interest or principal position is tied to any prohibited type of investment.

The System utilizes various investment instruments, which by nature are exposed to a variety of risk levels and risk types, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of securities will occur in the near term, and that such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

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(3) CASH AND INVESTMENTS, CONTINUED

E. Investment Type- Fair Value Disclosures

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has recurring fair value measurements as of December 31, 2023 and December 31, 2022, respectively as shown in the tables below.

	<u>Fair Value Measurements Using</u>			
	Quoted Prices in Active Markets	Significant Observable Inputs (Level 2)	Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2023	(Level 1)			
Investments by Fair Value Level:				
Equity Securities:				
Domestic Small Cap Growth	\$ 37,826,142	\$ 37,826,142		
Other	\$ 3,487		\$ 2,844	\$ 643
Total Investments at Fair Value Level	\$ 37,829,629	\$ 37,826,142	\$ 2,844	\$ 643
Investments Measured at NAV:				
Commingled Funds:				
Fixed Income - Domestic	\$ 342,513,568			
Fixed Income - International	\$ 23,140,094			
Equities – Domestic	\$ 245,263,036			
Equities - International	\$ 209,242,728			
Real Estate Investments	\$ 140,029,753			
Alternative Investments	\$ 261,185,053			
Total Investments at NAV	\$ 1,221,374,232			
Total Investments at Fair Value	\$ 1,259,203,861			
Investments at Cost:				
Cash Equivalents	\$ 2,907,064			
Total Investments at Cost	\$ 2,907,064			
Total Investments	\$ 1,262,110,925			

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(3) CASH AND INVESTMENTS, CONTINUED

E. Investment Type - Fair Value Disclosures, Continued

	December 31, 2022	Fair Value Measurements Using Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity Securities:				
Domestic Small Cap Growth	\$ 32,161,381	\$ 32,161,381		
Other	\$ 4,103		\$ 3,348	\$ 755
Total Investments at Fair Value Level	\$ 32,165,484	\$ 32,161,381	\$ 3,348	\$ 755
Investments Measured at NAV:				
Commingled Funds:				
Fixed Income - Domestic	\$ 322,792,766			
Fixed Income - International	\$ 27,223,327			
Equities - Domestic	\$ 254,814,087			
Equities - International	\$ 188,825,108			
Real Estate Investments	\$ 165,140,260			
Alternative Investments	\$ 224,763,194			
Total Investments at NAV	\$ 1,183,558,742			
Total Investments at Fair Value	\$ 1,215,724,226			
Investments at Cost:				
Cash Equivalents	\$ 2,175,638			
Total Investments at Cost	\$ 2,175,638			
Total Investments	\$ 1,217,899,864			

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

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NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

E. Fair Value Disclosures, Continued

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2023 is presented in the table below:

	Fair Value December 31, 2023	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Funds:				
Fixed Income - Domestic	\$ 342,513,568	--	Daily	2 – 15 Days
Fixed Income - International	\$ 23,140,094	--	Daily	2 – 15 Days
Equities - Domestic	\$ 245,263,036	--	Daily	2 – 5 Days
Equities - International	\$ 209,242,728	--	Monthly	2 - 30 Days
Real Estate Investments	\$ 140,029,753	--	Quarterly	90 Days
Alternative Investments	\$ 261,185,053	\$126,156,741	Mthly, Qtrly	30 - 90 Days
Total Investments at NAV	\$ 1,221,374,232			

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2022 is presented in the following table:

	Fair Value December 31, 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Funds:				
Fixed Income - Domestic	\$ 322,792,766	--	Daily	2 – 15 Days
Fixed Income - International	\$ 27,223,327	--	Daily	2 – 15 Days
Equities - Domestic	\$ 254,814,087	--	Daily	2 – 5 Days
Equities - International	\$ 188,825,108	--	Monthly	2 - 30 Days
Real Estate Investments	\$ 165,140,260	--	Quarterly	90 Days
Alternative Investments	\$ 224,763,194	\$123,575,412	Mthly, Qtrly	30 - 90 Days
Total Investments at NAV	\$ 1,183,558,742			

Fixed Income

This investment type includes several commingled funds that invest within agreed upon guidelines to maximize returns, but with processes designed to limit risk. Strategies ranked by risk include core bonds, core-plus bonds, and an unconstrained fund. The core-plus and unconstrained funds have the ability to invest in below investment grade and international fixed income securities to enhance performance. Each fund seeks diversification with multiple sources of return. The fair value of these investment funds has been determined using the NAV per share (or equivalent) of the investments.

Domestic Equity

These investment commingled funds include both large capitalization and small capitalization strategies for diversification purposes. The underlying indices they operate around include the Russell 1000 Index, the S&P 500 Index, and the Russell 2000 Value Index. The S&P 500 fund and Russell 2000 Value funds are actively managed quantitative strategy commingled funds, while the Russell 1000 fund is a true index fund. The System uses this fund to gain exposure to the broad domestic equity markets, but without the higher fees of active management, since there are fewer inefficiencies inherent in large capitalization stocks. The fair value of these investment funds has been determined using the NAV per share (or equivalent) of the investments.

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NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

E. Fair Value Disclosures, Continued

International Equity

These investments are commingled funds consisting of an international equity large cap value fund, an international equity large cap growth fund, and an international equity small cap fund. All funds are actively managed and can acquire exposure to a small percentage of emerging markets equity securities to enhance returns. Additionally, the system holds two emerging markets commingled funds, both of which are actively managed but with very different investment approaches. One fund operates as a long-only fund, investing in deep value emerging markets equities. The other fund purchases closed-end funds of emerging markets countries at deep discounts and sells them at target levels of appreciation. The fair value of these investment funds has been determined using the NAV per share (or equivalent) of the investments.

Real Estate

These investments contain two funds, one open-end commingled fund that seeks to maximize returns in a core real estate strategy that diversifies holdings by property type (office, apartment, retail, industrial, hotel, etc.), and by geographical location within the US. The strategy concentrates on high occupancy properties for generating income, combined with the market appreciation of the properties themselves. The second fund is an open-end commingled fund that focuses on buying growing income streams in the office, retail, and multifamily sectors. The fair value of these investment funds has been determined using the NAV per share (or equivalent) of the investments.

Alternative Investments

The risk parity investment employs a unique strategy of asset selection by risk profile or volatility. The portfolio is comprised of equities, fixed income securities, and commodities in proportions that spread the asset class risk equally within the portfolio. Risk parity can generate equity-like performance while also protecting in downside markets. The System invested in a new global infrastructure fund in 2022. This fund seeks to provide long term consistent income generation and inflation linked returns through investments in transportation, utilities and the energy sector. The System did not invest in a new global infrastructure fund in 2023. The fair value of these investment funds has been determined using the NAV per share (or equivalent) of the investments.

The Hedge Fund of Funds commingled fund is designed to provide consistent equity-like returns in a variety of market conditions, and to protect and preserve equity in down markets. A Fund of Funds manager purchases units in approximately 40 individual underlying hedge funds which employ many different investment strategies (e.g. equity long-short, statistical arbitrage, etc.). The manager has full discretion to liquidate positions and purchase new or additional positions in various funds. The fair value of these investment funds has been determined using the NAV per share (or equivalent) of the investments.

The private equity exposure is comprised of several different vintage year funds made up of securities and debt in operating companies that are not publicly traded on an exchange. These funds separately employ a combination of strategies (e.g. buyout, venture capital, special situations) seeking to earn superior risk-adjusted returns.

The investors in these funds commit a fixed amount of capital, which is transferred to the fund manager (General Partner) through a series of capital calls. The investors in turn receive distributions from the manager as underlying investments of the funds are liquidated. The life of any one fund is anticipated to be approximately 10 years from the final close of fund raising. These funds are illiquid to the investor outside of regular distributions from the General Partner. The fair value of these investment funds has been determined using the NAV per share (or equivalent) of the System's ownership interest in partners' capital.

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NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

F. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. Exposure to custodial credit risk arises when securities are uninsured, or are not registered in the name of the System, and are held by either the counterparty or the counterparty's trust department or agent, but not in the System's name.

The System's investments are held by its custodian separately from the custodian's assets in the name of the System, and would not be adversely affected if the custodian were placed in receivership. 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. The System had no custodial credit risk as of December 31, 2023 and December 31, 2022.

G. Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The standardized rating systems are a good tool with which to assess credit risk on debt obligations. The System requires that debt obligations be investment grade at time of purchase (BBB / Baa or higher as rated by Standard & Poor's and/or Moody's respectively). Securities that are later downgraded below investment grade are required to be liquidated unless the investment manager and the investment consultant deem it in the System's best interest to continue to hold the securities. At December 31, 2023 the System's fixed income securities were managed only in commingled or pooled accounts.

The System's 2023 Core, Core-Plus, Absolute Return fixed income strategies are managed in pooled accounts. For these contractual relationships, each Declaration of Trust takes precedence over the System's investment policy, and the custodian bank does not have custody of the assets in these accounts. Assets and ratings for these pooled or commingled funds are shown in the following table:

Pooled Funds	Fair Value @ 12/31/2023	Rating*	Fair Value @ 12/31/2022	Rating*
Core	\$ 137,689,961	Aa2	\$ 133,429,277	Aa2
Core-Plus	\$ 147,705,790	A	\$ 140,989,040	A-
Absolute Return	\$ 71,935,047	A	\$ 69,459,824	A

*Pooled funds as of December 31, 2023 and 2022 are rated by Moody's.

H. Concentration of Credit Risk

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 System's *Total Plan Statement of Investment Policies and Objectives* limits the concentration in any one issuer to 7% of fair value. At December 31, 2023 and December 31, 2022, the System had exposure of less than 5% in any single investment issuer.

**EMPLOYEES' RETIREMENT SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

I. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates (in the U.S. or other world markets) may reduce (or increase) the market value of a debt instrument. Interest rate risk—also commonly referred to as market risk—increases the longer you hold the instrument. As a result, one indicator of the measure of interest rate risk is the dispersion of maturity dates for debt instruments.

The System does not have a formal policy relating to interest rate risk. The System’s 2023 Core, Core-Plus, and Absolute Return fixed income strategies are managed in pooled accounts. For these contractual relationships, each Declaration of Trust takes precedence over the System’s investment policy, and the custodian bank does not have custody of the assets in these accounts. Assets and average durations for these funds are shown below.

Pooled Funds	Fair Value @ 12/31/2023	Average Duration	Fair Value @ 12/31/2022	Average Duration
Core	\$ 137,689,961	6.22 years	\$ 133,429,277	6.13 years
Core-Plus	\$ 147,705,790	6.14 years	\$ 140,989,040	5.80 years
Absolute Return	\$ 71,935,047	2.64 years	\$ 69,459,824	3.19 years

J. 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 System’s investment policy restricts equity investments to securities that are U.S. dollar denominated and are registered with the SEC. Although foreign exchange futures, forwards and swaps are permissible for those managers with non-US or global mandates, at December 31, 2023 and December 31, 2022, the System had no investments allocated in foreign currencies in non-pooled accounts of either fixed-income or equity managers.

K. Money-Weighted Rate of Return

The annual money-weighted rate of return on pension plan investments is the calculated internal rate of return on pension plan investments, net of pension plan investment expense, and adjusted for changing amounts actually invested. It employs the accrual basis of accounting and is the result in aggregate of the monthly internal rates of return for the year.

Year	CPERS Original Trust	Police Guarantee Trust
2023	8.03%	14.46%
2022	-10.38%	-13.48%

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NOTES TO THE FINANCIAL STATEMENTS

(4) ACTUARIAL – GASB 67 DISCLOSURES - CPERS

A. Net Pension Liability

	<u>12/31/2023</u>	<u>12/31/2022</u>
Total pension liability	\$ 2,017,112,620	\$ 1,977,804,120
Plan fiduciary net position	<u>(1,259,898,337)</u>	<u>(1,219,507,767)</u>
Net pension liability	\$ 757,214,283	\$ 758,296,353
Plan Fiduciary Net Position as a percent of the Total Pension Liability	62.46%	61.66%

B. Actuarial Assumptions

Actuarial cost method	Entry Age Normal
Asset method	Market Value of Assets
Discount rate	7.00%
Municipal bond rate	4.00%
Inflation	2.25%
Investment rate of return, including inflation, and net of investment expenses	7.00%
Mortality rates (healthy, active and inactive)	RP-2006 Blue Collar Employee/Annuitant Projected Back to 2001, Generational with MP- 2018 (2016 base year)
Mortality rates (disabled)	RP-2006 Disability Table Projected Back to 2001, Generational with MP-2018 (2016 base year)
Salary increases	

<u>Age</u>	<u>BREC/Reg.</u>	<u>Fire/Police</u>
30	+3.50%	+3.25%
35	+3.25%	+3.00%
40	+2.55%	+2.75%
45	+1.85%	+2.00%
50	+1.55%	2.00%
55	1.55%	2.00%

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NOTES TO THE FINANCIAL STATEMENTS

(4) ACTUARIAL – GASB 67 DISCLOSURES – CPERS, CONTINUED

D. Long-Term Expected Rate of Return on Pension Plan Investments, Continued

Asset Class	2023 Target Allocation %	Long-Term Expected Real Rate of Return %
Domestic Equity	34.50	7.50
International Equity	15.50	8.50
Domestic Bonds	25.00	2.50
International Bonds	5.00	3.50
Real Estate	15.00	4.50
Alternative Assets	5.00	5.66
Total	100.0%	

E. Discount Rate

The Discount Rate used to measure the Total Pension Liability for 2023 was 7.0%. The projection of cash flows used to determine the Discount Rate assumed that plan member contributions will be made at the current contribution rate, and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, 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. For purposes of the valuation, the expected rate of return on pension plan investments is 7.0%; the municipal bond rate is 4.00% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index); and the resulting single discount rate is 7.0%.

F. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following chart presents the net pension liability, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
Net Pension Liability	\$ 935,657,348	\$ 757,214,283	\$ 606,907,259

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NOTES TO THE FINANCIAL STATEMENTS

(5) ACTUARIAL – GASB 67 DISCLOSURES - PGT

A. Net Pension Liability

	<u>12/31/2023</u>	<u>12/31/2022</u>
Total pension liability	\$ 49,470,231	\$ 48,846,914
Plan fiduciary net position	<u>(20,771,281)</u>	<u>(16,248,812)</u>
Net pension liability	\$ 28,698,950	\$ 32,598,102
Plan Fiduciary Net Position as a percent of the Total Pension Liability	41.99%	37.19%

B. Actuarial Assumptions

Actuarial cost method	Entry Age Normal
Asset method	Market Value of Assets
Discount rate	5.75%
Municipal bond rate	4.00%
Inflation	2.25%
Investment rate of return, including inflation, and net of investment expenses	5.75%
Mortality rates (healthy, active and inactive)	RP-2006 Employee/Annuity Blue Collar Projected back to 2001, Generational with MP-2018 (2016 base year)
Mortality rates (disabled)	RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year)

Salary increases

<u>Age</u>	<u>Police</u>
37	+3.75%
42	+3.75%
47	+2.75%
52	+2.75%
55 & >	2.50%

Retirement rates

<u>< 25 Years of Service</u>		<u>=>25 Years of Service</u>	
Age 55-60	10%	25 years	20%
Age 61-63	20%	26 years	30%
Age 64	25%	27 years	40%
Age 65+	100%	28+ years' service	100%

Ad-hoc cost-of-living increases

None

Measurement date

December 31, 2023 with a valuation date of January 1, 2024

Experience study

Last performed for the period January 1, 2014 to December 31, 2018

**EMPLOYEES' RETIREMENT SYSTEM
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(5) ACTUARIAL – GASB 67 DISCLOSURES – PGT, CONTINUED

C. Plan Membership (as of December 31, 2023)

Inactive plan members and beneficiaries currently receiving benefits	264
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>13</u>
Total plan members	<u>278</u>

D. Long-Term Expected Rate of Return on Pension Plan Investments

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 weighting 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 pension plan's target asset allocation as of December 31, 2023 are summarized in the table below.

Asset Class	Target Allocation %	Long-Term Expected Real Rate of Return %
Domestic Equity	29.50	7.50
International Equity	17.00	8.50
Domestic Bonds	31.00	2.50
International Bonds	10.00	3.50
Alternative Assets	12.50	5.47
Total	100.0%	

E. Discount Rate

The Discount Rate used to measure the Total Pension Liability was 5.75%. The projection of cash flows used to determine the Discount Rate assumed that plan member contributions will be made at the current contribution rate, and that sponsor contributions for 2024 will be \$5.0 million, and will remain on this level, based on information provided by the City of Baton Rouge- Parish of East Baton Rouge, but not to exceed the sponsor contribution required for that year. The projection further assumes that no further contributions are due after all benefits are paid out. Based on those assumptions, 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. For purposes of the valuation, the expected rate of return on pension plan investments is 5.75%; the municipal bond rate is 4.00% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20-Year High Grade Rate Index); and the resulting single discount rate is 5.75%.

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NOTES TO THE FINANCIAL STATEMENTS

(5) ACTUARIAL – GASB 67 DISCLOSURES – PGT, CONTINUED

F. Sensitivity Of the Net Pension Liability to Changes in The Discount Rate

The following chart presents the net pension liability, calculated using the discount rate of 5.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.75%) or one percentage point higher (6.75%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	4.75%	5.75%	6.75%
Net Pension Liability	\$ 29,006,748	\$ 28,698,950	\$ 28,424,904

(6) OTHER POST EMPLOYMENT BENEFITS (OPEB)

The Retirement System participates in the employees' group life, health, and dental insurance programs sponsored by the City-Parish. The program is administered by the City-Parish Human Resources Department along with outside third-party insurance providers or administrative agents. Both employee/retiree premiums and the employer contribution toward the premiums are set each year in the Metropolitan Council approved budget.

Plan description:

The City-Parish OPEB Plan is a single-employer defined benefit plan. The OPEB plan does not issue a stand-alone financial report. Retirees may continue personal health and dental insurance coverage in accordance with Parish Resolution 10179 adopted by the Parish Council on December 13, 1972, and amended by Metropolitan Council Resolution 42912 adopted November 12, 2003. Based on current practices, upon retirement, a totally vested employee may continue his coverage paying the same premiums and receiving the same benefits as active employees.

The Retirement System pays the following percentages of the employer portion of scheduled premiums on employees hired after January 1, 2004.

<u>Years of Service</u>	<u>Vested Percentage</u>
Fewer than 10 years	25%
10-15 years	50%
15-20 years	75%
Over 20 years	100%

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(6) OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

The contribution requirements are established in the annual operating budget of the City-Parish and may be amended in subsequent years. During the measurement period, the dental plan was funded with employees and retirees contributing 48 percent of the dental premium and the City-Parish contributing 52 percent of the dental premium. One hundred percent of required premiums on the \$5,000 retiree life insurance policy is funded by the employer. The City-Parish's health plan is a self-insured program with a third-party administrator. During the measurement period, employees and retirees contributed 11% - 40% of the annually adopted premium base, dependent on the type of coverage chosen and the number of family members covered. The City-Parish contributed the corresponding 60% - 89% of the premium base. Effective January 1, 2004, the employer portion of pay-as-you-go OPEB insurance premiums are allocated over all employers and funds that participate in the OPEB Plan. There are no assets accumulated in a trust that meets the criteria of paragraph four of GASB Statement 75.

The number of active employees and retirees along with applicable dependents that were covered by the plan at each of the respective measurement dates below were as follows:

	December 31, 2022	December 31, 2023
Active Employees	32	36
Retirees' and Dependents	9	9
Total	41	45

Total OPEB Liability:

For the year ended December 31, 2023, the Retirement System's proportional share (.38%) of Total OPEB Liability (\$3,964,903) was measured as of December 31, 2022, from the actuarial valuation date of December 31, 2022. For the year ended December 31, 2022, the Retirement System's proportional share (.30%) of Total OPEB Liability (\$4,177,688) was measured as of December 31, 2021, from the actuarial valuation date of December 31, 2020. The Retirement System's proportion of the Total OPEB liability was based on a percentage of enrolled participants in proportion to total enrolled for all participating employers. There was a change of 0.08% to the Retirement System's proportionate share since the prior measurement period.

The Retirement System's proportional share of Total OPEB Liability is properly allocated between the original CPERS Trust and the Police Guarantee Trust in the same proportions or percentages that indirect expenses are allocated for the corresponding years. For 2023, that percentage allocation was 85.0% for the original CPERS Trust, and 15.0% for the Police Guarantee Trust (See Note 1.B). For 2022, the allocation was 85.2% and 14.8% respectively.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(6) OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

Actuarial Assumptions:

	2023	2022
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Inflation Rates	2.50%	2.50%
Salary Increases	3.27% – 18.39% (includes inflation) compounded annually	3.27% – 18.39% (includes inflation) compounded annually
Discount Rates *	3.75%	2.06%
Mortality Rates	RP2006 Blue Collar base tables projected back 2001 using the Scale MP-2019 mortality Improvement rates and projected beyond 2016 using the Scale MP-2018 mortality improvement rates	RP2006 Blue Collar base tables projected back 2001 using the Scale MP-2019 mortality Improvement rates and projected beyond 2016 using the Scale MP-2018 mortality improvement rates
Healthcare Cost Trend Rates: <i>(Medical)</i>		
Medicare Eligible	6.00% for FY24 to FY29 decreasing 0.5% per year to an ultimate rate of 4.5% for FY32 and later years	6.00% for FY22 to FY27 decreasing 0.5% per year to an ultimate rate of 4.5% for FY30 and later years
Non-Medicare Eligible	6.00% for FY24 to FY29 decreasing 0.5% per year to an ultimate rate of 4.5% for FY32 and later years	6.00% for FY22 to FY27 decreasing 0.5% per year to an ultimate rate of 4.5% for FY30 and later years
Medicare Advantage	6.00% for FY24 to FY29 decreasing 0.5% per year to an ultimate rate of 4.5% for FY32 and later years	6.00% for FY22 to FY27 decreasing 0.5% per year to an ultimate rate of 4.5% for FY30 and later years
<i>(Dental)</i>	4.50% for FY24 and later years years	0% for FY22 and FY23 increasing to 4.5% for FY24 and later years
Retirement Rates	Earlier of 25.5 years of service or age 61 and 11 years of service	Earlier of 25.5 years of service or age 61 and 11 years of service
Withdrawal Rates	85% of future retirees not subject to the Insurance Vesting Plan are assumed to elect health and dental coverage at retirement and remain covered until death	85% of future retirees not subject to the Insurance Vesting Plan are assumed to elect health and dental coverage at retirement and remain covered until death
	75% of future retirees subject to the Insurance Vesting Plan are assumed to elect health and Dental coverage at retirement and remain covered until death	75% of future retirees subject to the Insurance Vesting Plan are assumed to elect health and Dental coverage at retirement and remain covered until death
<i>*Bond Buyer's 20 Year Bond General Obligation Index at the measurement date</i>		

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(6) OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

Changes to the Total OPEB Liability of the City-Parish OPEB Plan:

	2023	2022	
Balance at the Beginning of the Year	\$ 4,177,688	\$ 3,916,169	
Changes for the Year			
Service Cost	144,997	109,235	
Interest	111,235	86,908	
Plan Changes	--	--	
Differences between expected and actual experience	(89,060)	40,939	
Changes in Assumptions	(1,362,316)	41,758	
Changes in Proportion	1,104,079	66,951	
Benefit Payments	(121,720)	(84,272)	
Net change in Total OPEB Liability	(212,785)	261,519	
Balance at the End of the Year	\$ 3,964,903	\$ 4,177,688	
2023			
	CPERS	PGT	Total
Balance at the Beginning of the Year	\$ 3,476,005	\$ 701,683	\$ 4,177,688
Changes for the Year			
Service Cost	123,247	21,750	144,997
Interest	94,550	16,685	111,235
Plan Changes	--	--	--
Differences between expected and actual experience	(75,701)	(13,359)	(89,060)
Changes in Assumptions	(1,157,969)	(204,347)	(1,362,316)
Changes in Proportion	938,467	165,612	1,104,079
Benefit Payments	(103,462)	(18,258)	(121,720)
Net change in Total OPEB Liability	(180,867)	(31,987)	(212,785)
Balance at the End of the Year	\$ 3,295,137	\$ 669,766	\$ 3,964,903
2022			
	CPERS	PGT	Total
Balance at the Beginning of the Year	\$ 3,253,192	\$ 662,977	\$ 3,916,169
Changes for the Year			
Service Cost	93,068	16,167	109,235
Interest	74,046	12,862	86,908
Plan Changes	--	--	--
Differences between expected and actual experience	34,880	6,059	40,939
Changes in Assumptions	35,578	6,180	41,758
Changes in Proportion	57,041	9,910	66,951
Benefit Payments	(71,800)	(12,472)	(84,272)
Net change in Total OPEB Liability	222,813	38,706	261,519
Balance at the End of the Year	\$ 3,476,005	\$ 701,683	\$ 4,177,688

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(6) OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

Changes in assumptions reflect an increase of 1.66 percent in the discount rate from 2.06 percent to 3.72 percent.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:

The following table presents the Total OPEB Liability of the Retirement System calculated using the current discount rate, as well as what the Retirement System's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate. Some small differences are due to rounding.

	1% Decrease	Current Discount Rate	1% Increase
2023	2.72%	3.72%	4.72%
CPERS Trust	\$ 3,984,298	\$ 3,295,137	\$ 2,938,497
Police Guarantee Trust	703,111	669,766	518,558
Total OPEB Liability	\$ 4,687,409	\$ 3,964,903	\$ 3,457,055
	1% Decrease	Current Discount Rate	1% Increase
2022	1.06%	2.06%	3.06%
CPERS Trust	\$ 4,203,142	\$ 3,476,005	\$ 2,999,986
Police Guarantee Trust	800,598	701,683	571,426
Total OPEB Liability	\$ 5,003,741	\$ 4,177,688	\$ 3,571,412

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate:

The following table presents the Total OPEB Liability of the Retirement System calculated using the current healthcare cost trend rates, as well as what the Retirement System's total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current rates.

	1% Decrease	Current Trend Rate	1% Increase
2023			
CPERS Trust	\$ 3,077,940	\$ 3,295,137	\$ 3,807,263
Police Guarantee Trust	543,166	669,766	671,870
Total OPEB Liability	\$ 3,621,106	\$ 3,964,903	\$ 4,479,133
	1% Decrease	Current Trend Rate	1% Increase
2022			
CPERS Trust	\$ 3,165,446	\$ 3,476,005	\$ 3,993,177
Police Guarantee Trust	602,942	701,683	760,605
Total OPEB Liability	\$ 3,768,388	\$ 4,177,688	\$ 4,753,783

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

NOTES TO THE FINANCIAL STATEMENTS

(6) OTHER POST EMPLOYMENT BENEFITS (OPEB), CONTINUED

OPEB Expense and Deferred Outflows of Resources and Deferred Inflow of Resources Related to OPEB:

Changes in Total OPEB Liability are either reported in OPEB expense in the year the change occurred or recognized as a deferred outflow of resources or a deferred inflow of resources in the year the change occurred and amortized into OPEB expense over the average service life. For the measurement date of December 31, 2022, and 2023, the average service life was 3.5 years.

For the year ended December 31, 2023, the Retirement System recognized \$93,100 in OPEB expense. At December 31, 2023, the Retirement System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2023	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 56,180	\$ (75,908)
Changes in Assumptions	24,564	(1,126,835)
Change in Proportion	817,541	(30,050)
Benefit payments after the measurement date	173,734	--
Total	\$ 1,072,019	\$ (1,232,793)

For the year ended December 31, 2022, the Retirement System recognized \$600,684 in OPEB expense. At December 31, 2022, the Retirement System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2022	Deferred Outflows Of Resources	Deferred Inflows Of Resources
Differences between expected and actual experience	\$ 136,084	\$ (15,356)
Changes in Assumptions	92,456	(374,140)
Change in Proportion	48,384	(87,695)
Benefit payments after the measurement date	171,644	--
Total	\$ 448,568	\$ (477,191)

Benefit payments due within one year and deferred outflows of resources resulting from benefit payments subsequent to the measurement date are immaterial to the financial statements. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:

2024	\$ (202,550)
2025	(83,197)
2026	(48,761)

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
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NOTES TO THE FINANCIAL STATEMENTS

(7) CONTINGENCIES

At December 31, 2023, the System was not a party to any litigation against it. The System was seeking or had been appointed lead plaintiff status in several class action securities litigation cases for which the System could potentially receive a settlement amount net of any legal or court-related expenses.

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Required Supplementary
Information

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS
CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM

BR

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF CHANGES IN NET PENSION LIABILITY
CPERS TRUST

	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	\$ 23,040,222	\$ 22,949,660	\$ 22,889,247	\$ 22,402,096	\$ 22,147,773
Interest	135,565,027	132,416,868	128,520,344	125,116,162	124,632,274
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	9,229,566	14,877,594	24,243,767	17,602,346	14,403,685
Changes of Assumptions	-	-	-	-	(30,062,495)
Benefit Payments, Including Refunds of Member Contributions	(128,526,315)	(122,138,640)	(118,019,952)	(115,557,416)	(113,135,811)
Net Change in Total Pension Liability	<u>\$ 39,308,500</u>	<u>\$ 48,105,482</u>	<u>\$ 57,633,406</u>	<u>\$ 49,563,188</u>	<u>\$ 17,985,426</u>
Total Pension Liability – Beginning	<u>\$ 1,977,804,120</u>	<u>\$ 1,929,698,638</u>	<u>\$ 1,872,065,232</u>	<u>\$ 1,822,502,044</u>	<u>\$ 1,804,516,618</u>
Total Pension Liability – Ending(a)	<u>\$ 2,017,112,620</u>	<u>\$ 1,977,804,120</u>	<u>\$ 1,929,698,638</u>	<u>\$ 1,872,065,232</u>	<u>\$ 1,822,502,044</u>
Plan Fiduciary Net Position					
Contributions – Employer	\$ 57,263,731	\$ 54,959,598	\$ 53,438,424	\$ 51,108,528	\$ 46,806,504
Contributions – Employee	16,252,325	16,175,593	15,574,250	16,037,215	16,252,239
Contributions – Non-employer Contributing Entity	1,466,205	1,365,673	1,280,855	1,260,272	1,227,486
Net Investment Income (Loss)	95,748,684	(144,181,033)	177,062,732	143,087,206	175,633,971
Retirement Benefits, Including Refunds of Member Contributions	(128,526,315)	(122,138,639)	(118,019,952)	(115,557,416)	(113,135,811)
Administrative Expenses	(1,814,060)	(2,141,444)	(1,534,665)	(1,460,277)	(1,372,143)
Net Change in Plan Fiduciary Net Position	<u>\$ 40,390,570</u>	<u>\$ (195,960,252)</u>	<u>\$ 127,801,644</u>	<u>\$ 94,475,528</u>	<u>\$ 125,412,246</u>
Plan Fiduciary Net Position – Beginning	\$ 1,219,507,767	\$ 1,415,468,019	\$ 1,287,666,375	\$ 1,193,190,847	\$ 1,067,778,601
Restatement – OPEB Related	-	-	-	-	-
Plan Fiduciary Net Position – Ending (b)	<u>\$ 1,259,898,337</u>	<u>\$ 1,219,507,767</u>	<u>\$ 1,415,468,019</u>	<u>\$ 1,287,666,375</u>	<u>\$ 1,193,190,847</u>
Net Pension Liability – Ending (a) – (b)	<u>\$ 757,214,283</u>	<u>\$ 758,296,353</u>	<u>\$ 514,230,619</u>	<u>\$ 584,398,857</u>	<u>\$ 629,311,197</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability Covered Payroll	62.46%	61.66%	73.35%	68.78%	65.47%
Net Pension Liability as a Percentage of Covered Payroll	<u>487.10%</u>	<u>493.86%</u>	<u>339.53%</u>	<u>388.97%</u>	<u>428.61%</u>

Changes of Assumptions -

The changes in assumptions balance were a result of the changes of the following:

Inflation assumption

Measurement Date	Rate	Change
12/31/2019	2.25%	-0.50%
12/31/2018	2.75%	

Investment return assumption

Measurement Date	Rate	Change
12/31/2019	7.00%	-0.25%
12/31/2018	7.25%	

Salary rate assumption

Measurement Date
12/31/2022 - 12/31/2019 *
12/31/2018 **

*Inflation plus experience factors. Current assumptions are based on the system's experience using factors ranging from .75% - 15.50% based on the member's age, years of service, and employer group.

**Inflation plus experience factors. Current assumptions are based on the system's experience using factors ranging from .50% - 4.00% based on the member's age, years of service, and employer group.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF CHANGES IN NET PENSION LIABILITY (CONTINUED)
CPERS TRUST

	2018**	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 21,438,268	\$ 21,731,939	\$ 21,666,750	\$ 21,575,938	\$ 23,180,006
Interest	122,129,050	117,917,332	113,988,166	111,124,207	108,726,199
Changes of Benefit Terms	-	-	(248,311)	-	-
Differences Between Expected and Actual Experience	19,935,775	21,885,751	18,008,432	2,317,200	680,646
Changes of Assumptions	31,656,400	-	-	47,540,972	-
Benefit Payments, Including Refunds of Member Contributions	(106,989,826)	(99,804,180)	(98,765,476)	(96,206,645)	(90,949,249)
Net Change in Total Pension Liability	<u>\$ 88,169,667</u>	<u>\$ 61,730,842</u>	<u>\$ 54,649,561</u>	<u>\$ 86,351,672</u>	<u>\$ 41,637,602</u>
Total Pension Liability – Beginning	<u>\$ 1,716,346,951</u>	<u>\$ 1,654,616,109</u>	<u>\$ 1,599,966,548</u>	<u>\$ 1,513,614,876</u>	<u>\$ 1,471,977,274</u>
Total Pension Liability – Ending(a)	<u>\$ 1,804,516,618</u>	<u>\$ 1,716,346,951</u>	<u>\$ 1,654,616,109</u>	<u>\$ 1,599,966,548</u>	<u>\$ 1,513,614,876</u>
Plan Fiduciary Net Position					
Contributions –Employer	\$ 49,339,335	\$ 42,700,798	\$ 42,003,980	\$ 40,354,154	\$ 38,356,684
Contributions – Employee	15,973,377	15,074,669	15,175,111	15,054,222	14,907,221
Contributions – Nonemployer Contributing Entity	1,160,713	1,138,523	1,045,915	1,033,486	1,006,487
Net Investment Income (Loss)	(67,904,707)	162,787,042	79,044,838	(9,608,883)	50,531,109
Retirement Benefits, Including Refunds of Member Contributions	(106,989,826)	(99,804,180)	(98,765,476)	(96,206,645)	(90,949,249)
Administrative Expenses	(1,490,465)	(1,350,435)	(1,325,595)	(1,318,104)	(1,388,242)
Net Change in Plan Fiduciary Net Position	<u>\$ (109,911,573)</u>	<u>\$ 120,546,417</u>	<u>\$ 37,178,773</u>	<u>\$ (50,691,770)</u>	<u>\$ 12,464,010</u>
Plan Fiduciary Net Position – Beginning	<u>\$ 1,180,912,117</u>	<u>\$ 1,060,365,700</u>	<u>\$ 1,023,186,927</u>	<u>\$ 1,073,878,697</u>	<u>\$ 1,061,414,687</u>
Restatement – OPEB Related	(3,221,943)	-	-	-	-
Plan Fiduciary Net Position – Ending (b)	<u>\$ 1,067,778,601</u>	<u>\$ 1,180,912,117</u>	<u>\$ 1,060,365,700</u>	<u>\$ 1,023,186,927</u>	<u>\$ 1,073,878,697</u>
Net Pension Liability – Ending (a) – (b)	<u>\$ 736,738,017</u>	<u>\$ 535,434,834</u>	<u>\$ 594,250,409</u>	<u>\$ 576,779,621</u>	<u>\$ 439,736,179</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.17%	68.80%	64.09%	63.95%	70.95%
Covered Payroll	<u>\$ 141,506,393</u>	<u>\$ 141,595,929</u>	<u>\$ 136,334,630</u>	<u>\$ 135,556,888</u>	<u>\$ 137,789,518</u>
Net Pension Liability as a Percentage of Covered Payroll	520.64%	378.14%	435.88%	425.49%	319.14%

**Restated due to the implementation of GASB Statement No.75.

OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF CHANGES IN NET PENSION LIABILITY
POLICE GUARANTEE TRUST

	2023	2022	2021	2020	2019
Total Pension Liability					
Service Cost	\$ 121,967	\$ 251,074	\$ 251,074	\$ 317,445	\$ 380,505
Interest	2,718,813	2,545,957	2,300,768	1,798,486	2,078,790
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	1,003,010	3,681,455	4,947,095	(2,217,162)	177,405
Changes of Assumptions	-	-	-	(382,169)	27,828
Benefit Payments, Including Refunds of Member Contributions	(3,220,473)	(3,574,242)	(2,823,307)	(2,957,973)	(2,312,226)
Net Change in Total Pension Liability	<u>\$ 623,317</u>	<u>\$ 2,904,244</u>	<u>\$ 4,675,630</u>	<u>\$ (3,441,373)</u>	<u>\$ 352,302</u>
Total Pension Liability - Beginning	<u>\$ 48,846,914</u>	<u>\$ 45,942,670</u>	<u>\$ 41,267,040</u>	<u>\$ 44,708,413</u>	<u>\$ 44,356,111</u>
Total Pension Liability - Ending (a)	<u>\$ 49,470,231</u>	<u>\$ 48,846,914</u>	<u>\$ 45,942,670</u>	<u>\$ 41,267,040</u>	<u>\$ 44,708,413</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 5,557,734	\$ 5,492,651	\$ 3,724,484	\$ 3,205,654	\$ 1,167,213
Contributions - Employee	15,796	28,715	36,637	33,241	52,178
Net Investment Income (Loss)	2,495,540	(2,408,194)	1,358,449	937,018	1,788,105
Retirement Benefits, Including Refunds of Member Contributions	(3,220,473)	(3,574,243)	(2,823,308)	(2,957,973)	(2,312,226)
Administrative Expenses	(326,128)	(375,475)	(287,421)	(299,516)	(279,405)
Net Change in Plan Fiduciary Net Position	<u>\$ 4,522,469</u>	<u>\$ (836,546)</u>	<u>\$ 2,008,841</u>	<u>\$ 918,424</u>	<u>\$ 415,865</u>
Plan Fiduciary Net Position - Beginning	\$ 16,248,812	\$ 17,085,358	\$ 15,076,517	\$ 14,158,093	\$ 13,742,228
Beginning of the Year Adjustment	-	-	-	-	-
Plan Fiduciary Net Position - Ending (b)	<u>\$ 20,771,281</u>	<u>\$ 16,248,812</u>	<u>\$ 17,085,358</u>	<u>\$ 15,076,517</u>	<u>\$ 14,158,093</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 28,698,950</u>	<u>\$ 32,598,102</u>	<u>\$ 28,857,312</u>	<u>\$ 26,190,523</u>	<u>\$ 30,550,320</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	41.99%	33.26%	37.19%	36.53%	31.67%
Covered Payroll	<u>\$ 1,439,094</u>	<u>\$ 3,101,701</u>	<u>\$ 4,331,038</u>	<u>\$ 6,668,867</u>	<u>\$ 8,100,367</u>
Net Pension Liability as a Percentage of Covered Payroll	1994.24%	1050.97%	666.29%	392.73%	377.15%

**Restated due to the implementation of GASB Statement No.75.

Changes of Assumptions -

The changes in assumptions balance were a result of the changes of the following:

Inflation assumption

Measurement Date	Rate	Change
12/31/2019	2.25%	-0.50%
12/31/2018	2.75%	

MPERS DROP interest rate assumption

Measurement Date	Rate	Change
12/31/2019	6.00%	-1.25%
12/31/2018	7.25%	

Salary rate assumption

Measurement Date	Method Used
12/31/2022 - 12/31/2019 *	
12/31/2018 **	

*Inflation plus experience factors. Current assumptions are based on the system's experience using factors ranging from 2.50% - 3.75% based on the member's age.

**Inflation plus experience factors. Current assumptions are based on the system's experience using factors ranging from 1.00% - 4.00% based on the member's age.

EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF CHANGES IN NET PENSION LIABILITY (CONTINUED)
POLICE GUARANTEE TRUST

	2018**	2017	2016	2015	2014
Total Pension Liability					
Service Cost	\$ 459,750	\$ 467,379	\$ 477,571	\$ 454,961	\$ 437,310
Interest	2,098,336	2,281,368	2,423,493	2,338,200	2,565,879
Changes of Benefit Terms	-	-	-	-	-
Differences Between Expected and Actual Experience	2,147,899	163,883	2,243,050	1,721,888	-
Changes of Assumptions	151,797	287,842	555,501	(979,283)	340,742
Benefit Payments, Including Refunds of Member Contributions	(2,371,530)	(2,340,178)	(2,651,397)	(1,853,004)	(1,679,506)
Net Change in Total Pension Liability	<u>\$ 2,486,252</u>	<u>\$ 860,294</u>	<u>\$ 3,048,218</u>	<u>\$ 1,682,762</u>	<u>\$ 1,664,425</u>
Total Pension Liability – Beginning	<u>\$ 41,869,859</u>	<u>\$ 41,009,565</u>	<u>\$ 37,961,347</u>	<u>\$ 36,278,585</u>	<u>\$ 34,614,160</u>
Total Pension Liability – Ending(a)	<u>\$ 44,356,111</u>	<u>\$ 41,869,859</u>	<u>\$ 41,009,565</u>	<u>\$ 37,961,347</u>	<u>\$ 36,278,585</u>
Plan Fiduciary Net Position					
Contributions –Employer	\$ 778,113	\$ 641,699	\$ 581,006	\$ 951,261	\$ 763,873
Contributions – Employee	54,100	70,460	63,856	99,365	90,774
Net Investment Income (Loss)	(849,966)	1,727,482	974,590	(403,640)	796,414
Retirement Benefits, Including Refunds of Member Contributions	(2,371,530)	(2,340,178)	(2,651,397)	(1,853,004)	(1,679,506)
Administrative Expenses	(300,141)	(275,799)	(269,510)	(313,560)	(333,744)
Net Change in Plan Fiduciary Net Position	<u>\$ (2,689,424)</u>	<u>\$ (176,336)</u>	<u>\$ (1,301,455)</u>	<u>\$ (1,519,578)</u>	<u>\$ (362,189)</u>
Plan Fiduciary Net Position – Beginning	<u>\$ 17,087,813</u>	<u>\$ 17,264,149</u>	<u>\$ 18,565,604</u>	<u>\$ 20,085,182</u>	<u>\$ 20,447,371</u>
Plan Fiduciary Net Position – Ending (b)	<u>\$ (656,161)</u>	<u>\$ 17,087,813</u>	<u>\$ 17,264,149</u>	<u>\$ 18,565,604</u>	<u>\$ 20,085,182</u>
	\$ 13,742,228				
Net Pension Liability – Ending (a) – (b)	<u>\$ 30,613,883</u>	<u>\$ 24,782,046</u>	<u>\$ 23,745,416</u>	<u>\$ 19,395,743</u>	<u>\$ 16,193,403</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	30.98%	40.81%	42.10%	48.91%	55.36%
Covered Payroll	<u>\$ 9,206,458</u>	<u>\$ 11,748,200</u>	<u>\$ 13,271,888</u>	<u>\$ 14,066,156</u>	<u>\$ 14,282,440</u>
Net Pension Liability as a Percentage of Covered Payroll	332.53%	210.94%	178.92%	137.89%	113.38%

**Restated due to the implementation of GASB Statement No.75.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULES OF EMPLOYERS' NET PENSION LIABILITY
CPERS TRUST**

	2023	2022	2021	2020
Total Pension Liability	\$ 2,017,112,620	\$ 1,977,804,120	\$ 1,929,698,638	\$ 1,872,065,232
Plan Fiduciary Net Position	1,259,898,337	(1,219,507,767)	1,415,468,019	1,287,666,375
Employers' Net Pension Liability	\$ 757,214,283	\$ 3,197,311,887	\$ 514,230,619	\$ 584,398,857
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.46%	61.66%	73.35%	68.78%
Covered Payroll	\$ 155,453,389	\$ 153,543,554	\$ 151,451,972	\$ 150,240,931
Employers' Net Pension Liability as a Percentage of Covered Payroll	487.10%	173.00%	339.53%	388.97%
	2019	2018**	2017	2016
Total Pension Liability	\$ 1,822,502,044	\$ 1,804,516,618	\$ 1,716,346,951	\$ 1,654,616,109
Plan Fiduciary Net Position	1,193,190,847	1,067,778,601	1,180,912,117	1,060,365,700
Employers' Net Pension Liability	\$ 629,311,197	\$ 736,738,017	\$ 535,434,834	\$ 594,250,409
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	65.47%	59.17%	68.80%	64.09%
Covered Payroll	\$ 146,827,386	\$ 141,506,393	\$ 141,595,929	\$ 136,334,630
Employers' Net Pension Liability as a Percentage of Covered Payroll	428.61%	520.64%	378.14%	435.88%
	2015	2014		
Total Pension Liability	\$ 1,599,966,548	\$ 1,513,614,876		
Plan Fiduciary Net Position	1,023,186,927	1,073,878,697		
Employers' Net Pension Liability	\$ 576,779,621	\$ 439,736,179		
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.95%	70.95%		
Covered Payroll	\$ 135,556,888	\$ 137,789,518		
Employers' Net Pension Liability as a Percentage of Covered Payroll	425.49%	319.14%		

**Restated due to the implementation of GASB Statement No.75.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULES OF EMPLOYERS' NET PENSION LIABILITY
POLICE GUARANTEE TRUST**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total Pension Liability	\$ 49,470,231	\$ 48,846,914	\$ 45,942,670	\$ 41,267,040
Plan Fiduciary Net Position	20,771,281	16,248,813	17,085,357	15,076,516
Employers' Net Pension Liability	<u>\$ 28,698,950</u>	<u>\$ 32,598,101</u>	<u>\$ 28,857,313</u>	<u>\$ 26,190,524</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	41.99%	33.26%	37.19%	36.53%
Covered Payroll	<u>\$ 1,439,094</u>	<u>\$ 3,101,701</u>	<u>\$ 4,331,038</u>	<u>\$ 6,668,867</u>
Employers' Net Pension Liability as a Percentage of Covered Payroll	1994.24%	1050.97%	666.29%	392.73%
	<u>2019</u>	<u>2018**</u>	<u>2017</u>	<u>2016</u>
Total Pension Liability	\$ 44,708,413	\$ 44,356,111	\$ 41,869,859	\$ 41,009,565
Plan Fiduciary Net Position	14,158,092	13,742,227	17,087,813	17,264,149
Employers' Net Pension Liability	<u>\$ 30,550,321</u>	<u>\$ 30,613,884</u>	<u>\$ 24,782,046</u>	<u>\$ 23,745,416</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	31.67%	30.98%	40.81%	42.10%
Covered Payroll	<u>\$ 8,100,367</u>	<u>\$ 9,206,458</u>	<u>\$ 11,748,200</u>	<u>\$ 13,271,888</u>
Employers' Net Pension Liability as a Percentage of Covered Payroll	377.15%	332.53%	210.94%	178.92%
	<u>2015</u>	<u>2014</u>		
Total Pension Liability	\$ 37,961,347	\$ 36,278,585		
Plan Fiduciary Net Position	18,565,604	20,085,182		
Employers' Net Pension Liability	<u>\$ 19,395,743</u>	<u>\$ 16,193,403</u>		
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	48.91%	55.36%		
Covered Payroll	<u>\$ 14,066,159</u>	<u>\$ 14,282,440</u>		
Employers' Net Pension Liability as a Percentage of Covered Payroll	137.89%	113.38%		

**Restated due to the implementation of GASB Statement No.75.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF INVESTMENT RETURNS

CPERS TRUST

<u>Fiscal Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2023	8.03%
2022	(10.38)%
2021	14.02%
2020	12.24%
2019	16.84%
2018	(5.85)%
2017	15.66%
2016	7.89%
2015	(.87)%
2014	4.93%

POLICE GUARANTEE TRUST

<u>Fiscal Year</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2023	14.46%
2022	(13.48)%
2021	8.82%
2020	6.62%
2019	13.69%
2018	(5.25)%
2017	10.59%
2016	5.59%
2015	(1.93)%
2014	4.50%

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF EMPLOYER CONTRIBUTIONS

CPERS TRUST

Year Ended	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
	\$	\$	\$	\$	
12/31/14	37,417,818	39,363,171	(1,945,353)	137,789,518	28.57%
12/31/15	38,715,270	41,387,640	(2,672,370)	135,556,888	30.53%
12/31/16	39,173,320	43,049,895	(3,876,575)	136,334,630	31.58%
12/31/17	41,887,796	43,839,321	(1,951,525)	141,595,929	30.96%
12/31/18	46,328,083	50,500,048	(4,171,965)	141,506,393	35.69%
12/31/19	47,448,484	48,033,990	(585,506)	146,827,386	32.71%
12/31/20	50,673,054	52,368,800	(1,695,746)	150,240,931	34.86%
12/31/21	54,086,178	54,719,279	(633,101)	151,451,972	36.13%
12/31/22	56,187,499	56,325,271	(137,774)	153,543,554	36.68%
12/31/23	56,431,147	58,729,936	(2,298,789)	155,453,389	37.78%

*Includes East Baton Rouge Parish ad-valorem tax contribution and DROP Severance Contribution

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULES OF EMPLOYER CONTRIBUTIONS

POLICE GUARANTEE TRUST*

Year Ended	Actuarially Determined Contribution	Contributions in Relation to Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
	\$	\$	\$	\$	
12/31/14	2,646,547	763,873	1,882,674	14,282,440	5.35%
12/31/15	3,029,216	951,261	2,077,955	14,066,159	6.76%
12/31/16	2,752,642	581,007	2,171,635	13,271,888	4.38%
12/31/17	3,795,014	641,699	3,153,315	11,748,200	5.46%
12/31/18	2,455,093	778,113	1,676,980	9,206,458	8.45%
12/31/19	3,169,155	1,167,213	2,001,942	8,100,367	14.41%
12/31/20	8,398,532	3,205,654	5,192,878	6,668,867	48.07%
12/31/21	9,368,113	3,724,484	5,643,629	4,331,038	86.00%
12/31/22	8,873,645	5,492,651	3,380,994	3,101,701	177.09%
12/31/23	8,970,637	5,557,734	3,412,903	1,439,094	386.20%

Note: Police Guarantee Trust was fully funded at inception effective February 26, 2000.

*The Police Guarantee Trust used the Aggregate actuarial cost method for funding purposes prior to 2016. In 2016, the cost method was changed to Entry Age Normal. See page 132 for the Schedule of Funding Progress prepared using the entry age actuarial cost method.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SCHEDULES – ACTUARIAL DETERMINED CONTRIBUTIONS

The actuarial determined contribution rates in the schedule of employer contributions are calculated as of January 1, 2018, twelve months prior to the fiscal year end in which the contributions are reported. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

CPERS TRUST

Valuation date	January 1, 2024
Valuation method	Entry Age Normal
Amortization method	30-year amortization method using payroll growth of 2.5% per annum, the amortization period will be reduced in successive years until reaching a 15-year open period.
Remaining amortization period	22 years (phasing down to 15-year open)
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. This method changed effective January 1, 2018, commencing with a “fresh start”, where the AVA equals the MVA.
Actuarial assumptions:	
Investment rate of return	7.00% *
Projected salary increases	Current assumptions are based on the system’s experience using factors ranging from .75% - 15.50% based on the member’s age, years of service, and employer group. For a complete description of the assumptions used, please see the January 1, 2023, actuarial valuation report.
Aggregate payroll growth	2.50% *

* compounded annually and including inflation of 2.75%

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO REQUIRED SCHEDULES – ACTUARIAL DETERMINED CONTRIBUTIONS

POLICE GUARANTEE TRUST

Valuation date	January 1, 2024												
Valuation method	Individual Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Accrued Liability effective January 1, 2016. Prior to 2016, the Aggregate actuarial cost method was used.												
Amortization method	4-year open period amortization method.												
Remaining amortization period	2 years												
Asset valuation method	All assets are valued at market value with an adjustment to uniformly spread actuarial investment gains and losses (as measured by actual market value investment return against expected market value investment return) over a five-year period. This method changed effective January 1, 2018, commencing with a “fresh start”, where the AVA equals the MVA.												
Actuarial assumptions:													
Investment rate of return	5.75%, compounded annually, net of investment related expenses												
Projected salary increases	Inflation, plus												
	<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: left;"><u>Salary Increase</u></th> </tr> </thead> <tbody> <tr> <td>37</td> <td>3.75%</td> </tr> <tr> <td>42</td> <td>3.75%</td> </tr> <tr> <td>47</td> <td>2.75%</td> </tr> <tr> <td>52</td> <td>2.75%</td> </tr> <tr> <td>55+</td> <td>2.50%</td> </tr> </tbody> </table>	<u>Age</u>	<u>Salary Increase</u>	37	3.75%	42	3.75%	47	2.75%	52	2.75%	55+	2.50%
<u>Age</u>	<u>Salary Increase</u>												
37	3.75%												
42	3.75%												
47	2.75%												
52	2.75%												
55+	2.50%												
Aggregate payroll growth	N/A												

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY*

CPERS TRUST

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 123,247	\$ 93,068	\$ 87,415	\$ 70,497	\$ 55,659	\$ 66,335
Interest	94,550	74,046	80,702	108,301	86,288	118,341
Plan Changes	--	--	--	--	107,792	(19,925)
Differences Between Expected and Actual Experience	(75,701)	34,880	1,025,171	--	103,560	4,494
Changes in Other Assumptions	(1,157,969)	35,578	(719,768)	310,232	(292,588)	13,128
Changes in Proportion	938,467	57,041	(179,220)	56,861	(850,509)	--
Benefit Payments	(103,462)	(71,800)	(61,596)	(72,310)	(64,495)	(76,554)
Net Change in Total OPEB Liability	\$ (180,867)	\$ 222,813	\$ 232,704	\$ 473,581	\$ (854,293)	\$ 105,819
Total OPEB Liability - Beginning	\$ 3,476,005	\$ 3,253,192	\$ 3,020,488	\$ 2,546,907	\$ 3,401,200	\$ 3,295,381
Total OPEB Liability - Ending	\$ 3,295,137	\$ 3,476,005	\$ 3,253,192	\$ 3,020,488	\$ 2,546,907	\$ 3,401,200
Covered-Employee Payroll	\$ 863,589	\$ 772,253	\$ 766,476	\$ 705,518	\$ 667,261	\$ 657,074
Employers' OPEB as a Percentage of Covered-Employee Payroll	381.56%	450.11%	424.43%	428.12%	381.70%	517.63%

Amounts are determined as of the measurement date of December 31 of the previous fiscal year. There are no assets accumulated in a trust that meets the criterial of paragraph 4 of GASB Statement No. 75.

Actuarial Methods and Assumptions:

Inflation	2.50%
Salary Increases	3.27% to 18.39% (includes inflation)
Discount Rate	3.72% based on the 20-year Bond Buyer Index for municipal bonds as of the measurement date
Mortality	RP2006 Blue Collar base tables projected back to 2001 using the Scale MP-2018 mortality improvement rates and projected beyond 2016 using the Scale MP-2018 mortality improvement rates
Health cost trend rates:	
Medical	6.0% for FY24 to FY29 decreasing .50% per year to an ultimate rate of 4.50% for FY32 and later
Dental	4.50% for FY24 and later years
Retirement rates:	
Non-fire	– the earlier of 25.5 years of service or age 61 and 11 years of service
Fire	– the earlier of 26 years of service or age 61 and 11years of service

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

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE
REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULES OF CHANGES IN TOTAL OPEB LIABILITY*

POLICE GUARANTEE TRUST

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 21,750	\$ 16,167	\$ 16,650	\$ 14,439	\$ 11,400	\$ 13,587
Interest	16,685	12,862	15,372	22,182	17,673	24,238
Plan Changes	--	--	--	--	22,078	(4,081)
Differences Between Expected and Actual Experience	(13,359)	6,059	195,272	--	21,211	921
Changes in Other Assumptions	(204,347)	6,180	(137,099)	63,541	(59,928)	2,689
Changes in Proportion	165,612	9,909	(34,137)	11,646	(174,201)	--
Benefit Payments	(18,258)	(12,472)	(11,734)	(14,810)	(13,209)	(15,680)
Net Change in Total OPEB Liability	\$ (31,987)	\$ 38,706	\$ 44,324	\$ 96,998	\$ (174,976)	\$ 21,674
Total OPEB Liability - Beginning	\$ 701,683	\$ 662,977	\$ 618,653	\$ 521,665	\$ 696,631	\$ 674,957
Total OPEB Liability - Ending	\$ 669,766	\$ 701,683	\$ 662,977	\$ 618,653	\$ 521,655	\$ 696,631
Covered-Employee Payroll	\$ 152,398	\$ 136,280	\$ 148,091	\$ 146,305	\$ 136,668	\$ 133,819
Employers' OPEB as a Percentage of Covered-Employee Payroll	439.48%	514.88%	447.68%	422.85%	381.70%	520.58%

Amounts are determined as of the measurement date of December 31 of the previous fiscal year. There are no assets accumulated in a trust that meets the criterial of paragraph 4 of GASB Statement No. 75.

Actuarial Methods and Assumptions:

Inflation	2.50%
Salary Increases	3.27% to 18.39% (includes inflation)
Discount Rate	3.72% based on the 20-year Bond Buyer Index for municipal bonds as of the measurement date
Mortality	RP2006 Blue Collar base tables projected back to 2001 using the Scale MP-2018 mortality improvement rates and projected beyond 2016 using the Scale MP-2018 mortality improvement rates
Health cost trend rates:	
Medical	6.0% for FY24 to FY29 decreasing .50% per year to an ultimate rate of 4.50% for FY32 and later
Dental	4.50% for FY24 and later years
Retirement rates:	
Non-fire	– the earlier of 25.5 years of service or age 61 and 11 years of service
Fire	– the earlier of 26 years of service or age 61 and 11years of service

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

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City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

BR

SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
AND COMPARATIVE COMBINED TOTAL FOR 2022

	<u>CPERS Trust</u>	<u>Police Guarantee Trust</u>	<u>2023 Combined Total</u>	<u>2022 Combined Total</u>
Salaries:				
Salaries – regular	\$ 863,589	\$ 152,398	\$ 1,015,987	\$ 908,533
Salaries – severance pay	1,283	226	1,509	-
Other compensation – student interns	12,517	2,209	14,726	20,228
Other compensation – auto allowance	8,160	1,440	9,600	9,046
Related benefits	543,628	95,934	639,562	1,048,634
Total salaries	<u>1,429,177</u>	<u>252,207</u>	<u>1,681,384</u>	<u>1,986,441</u>
Travel and training expenses	<u>20,886</u>	<u>3,686</u>	<u>24,572</u>	<u>11,855</u>
Operating services:				
Dues and memberships	2,416	426	2,842	3,215
Utilities	22,838	4,030	26,868	26,405
Custodial and extermination	13,618	2,403	16,021	16,501
Printing and binding	10,468	677	11,145	11,197
Telephone	2,797	494	3,291	4,505
Postage	26,612	4,696	31,308	33,369
Insurance	16,308	2,878	19,186	15,794
Rentals – office equipment	7,733	1,365	9,098	9,832
Repairs and maintenance - buildings	56,366	9,947	66,313	65,395
Repairs and maintenance - office equipment	2,177	384	2,561	3,629
Miscellaneous Capital Improvements	-	-	-	9,751
Total operating services	<u>161,333</u>	<u>27,300</u>	<u>188,633</u>	<u>199,593</u>
Supplies	<u>10,652</u>	<u>1,797</u>	<u>12,449</u>	<u>17,753</u>
Professional services:				
Accounting and auditing	63,580	11,220	74,800	68,500
Legal	21,107	1,035	22,142	66,181
Actuarial	66,528	20,175	86,703	92,225
Other professional	49,655	8,708	58,363	73,491
Total professional services	<u>200,870</u>	<u>41,138</u>	<u>242,008</u>	<u>300,397</u>
Depreciation expense	<u>5,707</u>	<u>-</u>	<u>5,707</u>	<u>5,707</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other expenses (revenues)	<u>(14,565)</u>	<u>-</u>	<u>(14,565)</u>	<u>(4,827)</u>
Total administrative expenses	<u>\$ 1,814,060</u>	<u>\$ 326,128</u>	<u>\$ 2,140,188</u>	<u>\$ 2,516,919</u>

See accompanying independent auditors' report.

SCHEDULES OF INVESTMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
AND COMPARATIVE COMBINED TOTAL FOR 2022

	<u>CPERS Trust</u>	<u>Police Guarantee Trust</u>	<u>2023 Combined Total</u>	<u>2022 Combined Total</u>
Fixed Income:				
Fixed Income - Domestic	\$ 1,013,576	-	\$ 1,013,576	\$ 888,504
Fixed Income - International	88,227	-	88,227	99,998
Total Fixed Income	<u>1,101,803</u>	<u>-</u>	<u>1,101,803</u>	<u>988,502</u>
Equity Securities:				
Equities - Domestic	551,481	-	551,481	639,972
Equities - International	1,434,358	-	1,434,358	1,521,783
Total Equity Securities	<u>1,985,839</u>	<u>-</u>	<u>1,985,839</u>	<u>2,161,755</u>
Alternative Investments:				
Hedge Fund of Funds	-	-	-	-
Real Estate Investments	1,528,758	-	1,528,758	1,621,354
Risk Parity	-	-	-	-
Private Equity	784,365	-	784,365	1,049,871
Total Alternative Investments	<u>2,313,123</u>	<u>-</u>	<u>2,313,123</u>	<u>2,671,225</u>
Custodian Fees	<u>128,879</u>	<u>13,630</u>	<u>142,509</u>	<u>142,794</u>
Advisor Fees	<u>153,000</u>	<u>27,000</u>	<u>180,000</u>	<u>180,000</u>
Total Investment Expenses	<u>\$ 5,682,644</u>	<u>\$ 40,630</u>	<u>\$ 5,723,274</u>	<u>\$ 6,144,276</u>

See accompanying independent auditors' report.

SCHEDULES OF PAYMENTS TO CONSULTANTS
FOR THE YEAR ENDED DECEMBER 31, 2023
AND COMPARATIVE COMBINED TOTAL FOR 2022

	<u>CPERS Trust</u>	<u>Police Guarantee Trust</u>	<u>2023 Combined Total</u>	<u>2022 Combined Total</u>
Accounting and auditing Auditors - EisnerAmper LLP	\$ 63,580	11,220	\$ 74,800	\$ 68,500
Legal Legal Counsel - Akers & Wisbar LLC Klausner & Kaufman Laura Gail Sullivan	21,107	1,035	22,142	66,181
Actuarial Actuary - Foster & Foster, Inc.	66,528	20,175	86,703	92,225
Other Professionals Computer Consultant - Relational Systems Consultants, Inc. Cost Allocation Services - MGT Consulting Group Web Design Services - Velocity Squared LLC	49,651	8,707	58,358	73,491
Total	<u>\$ 200,866</u>	<u>\$ 41,137</u>	<u>\$ 242,003</u>	<u>\$ 300,397</u>

A schedule of brokerage commissions paid is shown on page 104.
See accompanying independent auditors' report.

**SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO RETIREMENT ADMINISTRATOR
FOR THE YEAR ENDED 2023**

Agency Head Name: James Mack

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 136,919
Benefits-insurance	14,454
Car allowance	<u>4,800</u>
Total	<u>\$ 156,173</u>

See accompanying independent auditors' report.

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

BR

MARINER

May 17th 2024

Board of Trustees

City of Baton Rouge and Parish of East Baton Rouge

Employees' Retirement System and Police Guarantee Trust

P.O. Box 1471

Baton Rouge, LA 70821

2023 Investment Review

Prepared by: Mariner Institutional, Investment Consultant to the Board

Global markets rallied in 2023 after suffering severe losses the year before. Stocks advanced in nearly all major developed markets supported by falling inflation and signs that many of the world's central banks may be finished with raising interest rates. Advancements in artificial intelligence fueled much of markets gain especially in Information Technology stocks.

U.S equities reported impressive gains as a result of strong economic growth, declining inflation and the Federal Reserve slowing its pace of interest rates hikes, taking no action after its July meeting. Despite a banking crisis in March and rising geopolitical risks with ongoing conflicts in Ukraine and the Middle East, the S&P 500 rose 26.3% in 2023. Growth stocks, led by information technology, consumer discretion and communication services, significantly outperformed value as evidenced by the NASDAQ Composite gaining 45.0%.

Positive returns were also reported across most developed and emerging markets. As inflation declined, creating anticipation for European central banks to begin cutting interest rates in 2024, all sectors advanced in MSCI Europe Index which rose 20.7% in U.S. dollar terms and 14.0% for local currency investors. Japanese stocks advanced sharply following corporate reforms, a weak yen, the Bank of Japan's loose monetary policy and a government sponsored stimulus package. Emerging markets rose even though China's economy slowed. Chinese stocks declined for the third consecutive year (-13.3%) as the economy did not recover as expected from the re-opening following the COVID-19 lockdowns. Latin American markets increased the most on a regional basis supported by easing inflation, rate cuts and currency gains. Mexican and Brazilian stock indexes reported returns of 36.2% and 23.4%, respectively.

Fixed income markets rebounded strongly on expectations that the Federal Reserve, the European Central Bank and others are done with rate hikes and may start cutting rates in 2024. Nearly all sectors of the fixed income market reported strong positive returns after negative returns from the previous two years. The Federal Reserve raised its targeted rate by 25 basis points four times through July but did not take any further actions the rest of the year and signaled it could cut rates three times in 2024. The U.S. Treasury curve steepened slightly as the 2-year yield fell 18 basis points to 4.25% and the 10-year yield remained nearly unchanged at 3.88%. The Bloomberg U.S. Aggregate Index gained 5.5%. As spreads compressed, the Bloomberg U.S. Corporate Investment Grade Index gained 8.5%.

MARINER

On December 31, 2023, the CPERS portfolio had a value of \$1,242.8 million. Assets in the Police Guarantee Trust totaled \$20.1 million. For the 12-month period, CPERS investments generated a gain of 8.6%, which underperformed the benchmark index by 3.3%. For the trailing three-year period the portfolio has gained an annualized 3.9% and over the past five years the portfolio has produced an annualized return of 8.3%. The portfolio has outperformed its policy index over the trailing three, five and ten year periods. Over these same 1-, 3-, and 5-year periods the Police Guarantee Trust has generated annualized returns of 14.6%, 2.2%, and 5.8%. Calculations were prepared using a time-weighted rate of return based on the market values as of December 31, 2023. The two portfolios respective sizes, investment horizon and differing liquidity needs dictate implementation differences, resulting in some return differences between the two.

Sincerely



Jonathan Breth
Consulting Group

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES

Introduction

This Statement of Investment Policy serves as the official communication regarding the investment practices of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge ("CPERS"). This document outlines the goals, objectives, responsibilities and restrictions so that there is a clear understanding of the policies of the Plan by the Board of Trustees, Investment Committee, Staff, Investment Managers, Investment Consultant, and Custodian. In addition, this document provides the Board a meaningful basis for the evaluation of the investment performance of the individual Investment Managers and the Plan as a whole, measuring each relative to a set of clearly defined investment objectives. The policy as represented in this document is not in complete form and has been summarized for a general understanding.

Investment Goals and Objectives

Based on general beliefs about the long-term investment returns available from a well-diversified and prudently invested portfolio, the Board has adopted a targeted total annualized return objective which, over time, meets or exceeds its assumed actuarial rate of return on assets. This total return objective will be periodically evaluated by the Board to determine whether it remains relevant given the then-prevailing capital market conditions and the System's financial position.

Asset Allocation

CPERS' Asset Allocation will be the primary tool used to achieve the total return objective. In order to achieve a specified rate of return for the Plan, the Board relies on prevailing financial theory and utilizes an appropriate long-term diversified asset allocation model. Based on its determination of an appropriate risk posture and its associated long-term return expectations, the Board has adopted the following Asset Allocation Policy for CPERS during November 2023. There were no significant changes from the previous Asset Allocation Policy dated August 2021.

Asset Class	Minimum Allocation	Target Allocation	Maximum Allocation
Public Equities	30.0%	38.0%	50.0%
US	17.5%	22.5%	27.5%
Non-US	12.5%	15.5%	22.5%
Private Markets	0.0%	12.0%	20.0%
Public Fixed Income	20.0%	29.0%	40.0%
US Core Fixed Income	20.0%	24.0%	30.0%
Multi Sector/Global Fixed Income	0.0%	5.0%	10.0%
Hedge Funds	0.0%	5.0%	10.0%
Risk Parity	0.0%	0.0%	10.0%
Real Assets	5.0%	15.0%	25.0%
Real Estate	5.0%	10.0%	15.0%
Global Infrastructure	0.0%	5.0%	10.0%
Cash	0.0%	1.0%	2.0%

The Board also adopted the following Asset Allocation Policy for the PGT during November 2023. There were no significant changes from the previous Asset Allocation Policy dated August 2021.

Asset Class	Minimum Allocation	Target Allocation	Maximum Allocation
Public Equities	34.0%	46.5%	59.0%
US	22.0%	29.5%	37.0%
Non-US	12.0%	17.0%	22.0%
Public Fixed Income	29.0%	39.0%	49.0%
US Core Fixed Income	24.0%	29.0%	34.0%
Multi Sector/Global Fixed Income	5.0%	10.0%	15.0%
Multi Asset Class/Global Tactical Allocation	7.0%	12.5%	17.5%
Cash	0.00%	2.0%	5.0%

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES (CONTINUED)

Rebalancing

Using the policy targets and bands stated in the previous section, a rebalancing event will be triggered whenever the aggregate equity, aggregate bond or real asset allocations exceed either their upper or lower band. At this point, the portfolio will be rebalanced across all asset classes to the target allocations to the extent possible without generating undue transactions costs.

Performance Evaluation and Review

On a quarterly basis, the Committee will review actual investment results to ensure that the System’s Asset Allocation is within policy ranges, and that the investment program is maintaining its disciplines and meeting expectations.

The performance of the Total Fund for CPERS will be measured against an appropriate policy index, based on the fund’s asset allocation targets for liquid and/or marketable investments as follows:

Asset Class	Target Allocation	Index
US Equities	22.5%	Russell 3000
Non-US Equities	15.5%	MSCI ACWI ex-US
Private Markets	12.0%	Other strategy-appropriate indices as determined by implementation
Public Fixed Income	29.0%	Barclays US Aggregate
Hedge Funds	5.0%	HFRI, HFRX or other strategy-appropriate indices as determined by implementation
Risk Parity	0.0%	60% MSCI World/40% Citigroup WGBI
Real Estate	10.0%	NCREIF NFI-ODCE or other strategy-appropriate indices as determined by implementation
Global Infrastructure	5.0%	CPI +3%
Cash	1.0%	590 Day T-Bill

The performance of the Total Fund for the PGT will be measured against an appropriate policy index, based on the fund’s asset allocation targets for liquid and/or marketable investments as follows:

Asset Class	Target Allocation	Index
US Equities	29.5%	Russell 3000
Non-US Equities	17.0%	MSCI ACWI ex-US
Public Fixed Income	39.0%	Barclays US Aggregate
Multi Asset Class/Global Tactical Allocation	12.5%	HFRI, HFRX or other strategy-appropriate index as determined by implementation
Cash	2.0%	90-Day T-Bill

Investment Manager Responsibilities and Communications

The Investment Managers are expected to manage the assets in accordance with the statutory requirements, policy guidelines and objectives expressed herein. No deviation is permitted unless the ability to do so is given in a separate written agreement. Investment Managers will regularly communicate with the System’s Staff and Investment Consultant. Written communications should be provided to CPERS at least quarterly. These reports should include a review of investment performance relative to the manager’s objectives.

Internal Cash Management Investment Guidelines

The daily cash balances of CPERS are invested in a Short Term Investment Fund (STIF) managed by the custodian bank. The STIF used must be reviewed by the Consultant for adherence to the Fund’s risk/return profile and list of approved investments, and pre-approved by the Board.

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES (CONTINUED)

Permissible Investments

The Board recognizes that a prudent level of risk is necessary in order to allow the fund the opportunity to achieve satisfactory long-term results consistent with its objectives.

The fund will be invested in a manner consistent with all applicable local and State laws. Investments may not be made in any investment that is prohibited by the Internal Revenue Service, the Department of Labor or statutory restrictions. CPERS' assets may be held in separate accounts, commingled vehicles or limited partnership investment structures. Commingled vehicles including mutual funds, exchange-traded funds, collective trusts and/ or limited partnerships are by necessity governed by the prospectus or offering document.

With certain exceptions such as those strategies investing in non-traditional investments, all assets selected within any portfolio should have a readily attainable market value and should be readily marketable.

The stock and bond holdings of the fund may include individual debtor equity securities issued by state, federal or foreign governments, or business entities domiciled therein. These holdings may also include mutual or commingled funds comprised of stock or bond holdings as well as individual instruments which may be utilized as an alternative to stock or bond positions as specified.

Private Market investments may include illiquid debt and equity securities of private or publicly-traded companies, commonly referred to as venture capital, distressed securities, buy-outs and mezzanine funds. Private Market risk is partially mitigated by maintaining a portfolio that is well diversified by vintage years, investment stages, sectors and geography. Exposure to Private Market strategies and their sub-asset classes may be achieved by investing directly in partnerships and/or fund-of-fund managers.

Real Assets may include but are not limited to real estate, master limited partnerships, infrastructure, commodities, oil and gas, and timber/farmland and may be domestic or international. Leverage in these vehicles is permitted, to be consistent with the strategy in accordance with the prospectus/offering document.

Investments in various Hedge Fund strategies enhance investment returns and/or provide additional diversification benefits to the portfolio. Exposure to Hedge Fund Strategies and their sub-asset classes may be achieved by investing directly in partnerships and/or with fund-of-fund managers. The System understands that hedge fund managers may employ strategies such as short sales of securities, purchase and sale of options, commodities, and the use of leverage and derivatives.

The System may invest in funds that employ a Risk-Parity strategy which improves the risk-adjusted returns of the overall portfolio by reducing market risk, providing low correlation with traditional asset classes and providing consistently positive nominal returns.

Restricted Investments

For separate account managers, categories of investments that are not eligible for investment include, but are not limited to, the following:

- Futures and option transactions (except for those used for bona fide currency hedging purposes or as otherwise expressly permitted);
- Leverage is not permitted;
- Leveraged derivative securities, including but not limited to Mortgage IOs or POs, inverse floating rate notes, or structured notes are not permitted. Unleveraged floating rate securities are allowed but interest payments must be linked to indices within the portfolio's scope;
- Short sales or margin transactions;
- Investments in commodities or commodity contracts;
- Direct loans or extension lines of credit to any interested party;
- Letter stock;
- Unregistered securities and private placements (except those securities regulated by SEC Rule 144A or otherwise specifically permitted by the Board);
- Cash should not comprise more than five (5) percent of the portfolio without prior written approval of the Board.

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES (CONTINUED)

In the event that an investment manager desires to utilize any type of security or investment strategy not expressly permitted in this policy, it is the responsibility of the manager to request authorization from the Board in advance of so doing. Any losses in principal in a CPERS' portfolio as a result of a manager having to liquidate any non-approved investments that are purchased for the portfolio will be borne by the manager.

General Fixed Income Portfolio Guidelines

The portfolio will be invested in fixed income securities, as described in "Investments". Securities are not allowed that use any form of leverage. The overall average credit quality of the fixed income portfolio must be maintained at "AA" or higher. The weighted average credit quality calculation shall be performed using the lower of the ratings by Standard & Poor's, Fitch and/or Moody's.

Diversification

Fixed income securities of any one corporation shall be limited to 2.5% at cost of a portfolio and may not exceed 3% at market. This restriction also applies to asset-backed securities, non-agency mortgage-backed securities (including commercial mortgage-backed securities) and taxable municipals. The total holdings of an agency-issued mortgage-backed security of the same coupon and maturity series of the same agency shall not exceed 10% of the manager's portfolio at cost (agency-issued mortgage-backed securities to include GNMA's). The direct debt of the federal government (treasury bonds, bills and notes) shall not be restricted as a percentage of the manager's portfolio. Private placement bonds are not permitted. 144(a) fixed income securities are allowable, limited in total to 25% of the market value of a manager's portfolio. The effective duration of the fixed income portfolio(s) must remain within a range of 75% to 125% of the duration of the benchmark at all times.

Portfolio Quality

Fixed income securities shall not be rated less than Baa3 or its equivalent by a nationally-recognized rating agency (such as Standard & Poor's, Fitch, or Moody's). Individual issues rated AAA to AA- or its equivalent may have a 2.5% position at cost and 3% at market value.

Individual issues rated below AA- or its equivalent may have a 1.5% position at cost or 2% at market value. Individual issues rated BBB or its equivalent may have a 1% position at market value. Split-rated securities in which one rating is below investment grade shall not comprise more than 3% of the market value in total for AAA to AA- or its equivalent, 2% for issues rated below AA- to BBB+ or its equivalent and 1% for issues rated BBB or its equivalent of any manager's portfolio. The ratings issue does not apply to direct obligations of the U.S. Government and its agencies.

If specific managers are given international flexibility, the same quality restrictions apply. Emerging market securities not listed in the Barclays Capital Aggregate are prohibited. In the event of a bond's downgrade below BBB- or its equivalent (excluding split-rate securities discussed above), the Board shall be notified in writing and the manager shall include a prudent recommended course of action.

General Equity Portfolio Guidelines

The portfolio will be invested in publicly traded equities, as described in "Investments". Restricted or letter stock, etc., is not permitted. Securities are not allowed that use any form of leverage.

Diversification

The diversification of the equity securities held in the portfolio among sectors and issuers is the responsibility of the Investment Manager. No single company's securities shall represent more than 5% of the cost basis or 7% of the market value of any manager's portfolio.

STATEMENT OF INVESTMENT POLICIES AND OBJECTIVES (CONTINUED)

Style Adherence

Quarterly, fundamental portfolio characteristics and style benchmark comparisons will be monitored for adherence to a manager's identified style. Domestic equity managers are allowed to invest in dollar-denominated, SEC registered stock of foreign domiciled companies traded on the NYSE, AMEX or OTC markets. Concentration restrictions for these securities are the same as for any other security. International equity managers may invest in depository receipts as long as the underlying security is permissible within these guidelines and the investment does not expose the Fund to any greater risk than the risk from holding the underlying security. Developed Market International equity managers may also invest in Emerging Markets securities, so long as the aggregate value of those securities does not exceed 10% of the market value of a manager's portfolio.

Proxy Voting

Each Investment Manager is hereby authorized and empowered to vote proxies, said voting to be performed in good faith and for the exclusive benefit of CPERS' participants and beneficiaries. Each Investment Manager shall keep accurate records as to the voting of proxies and shall provide information from such records to the Board upon request.

Securities Lending

The Board may select an agent to lend the financial securities of the fund. Any income gained through the lending program will be deposited monthly in a specified account and invested in short-term instruments until allocated to the Investment Managers. The agent will have full discretion over the selection of borrowers and will continually review credit worthiness of potential borrowers through adequate analysis of all material provided to them. All loans shall be fully collateralized with cash, government securities or irrevocable bank letters of credit at 102% domestic/105% international of the market value of the loaned securities plus accrued income for U.S. and non-U.S. loans, respectively. These collateralization procedures should be marked-to-market daily. The securities lending program shall not inhibit the trading activities of the Investment Managers of CPERS. A copy of the agent's cash collateral Investment Policy shall be sent to the Fund at least annually or if there is a material change made to the document.

CPERS Brokerage Policy

The Board, at its discretion, may identify a brokerage firm or firms to receive consideration from CPERS' managers when it is viewed to be in the best interest of the beneficiaries. This will be officially acted upon by the Board and this directive communicated officially to all investment firms utilized by the Fund. With regard to transaction expense, each manager recognizes commissions as an asset of CPERS and accepts same fiduciary responsibility for managing commissions and execution costs. The Board encourages the equity managers to manage the commission activity using all available trading mechanisms to maintain commission levels on listed trades of three (3) cents per share or less.

Investment Compliance Issues Policy

The Consultant will review the Investment Managers' holdings, where possible, on a quarterly basis to determine compliance with the Retirement Board's Statement of Investment Policy. Issues that arise will be discussed with the Manager and forwarded to the Staff and Investment Committee. To the extent possible, each issue will be resolved by the Investment Consultant, working in conjunction with the Staff, then the Investment Committee, and then the full Board.

Anti-Terrorism Investment Policy

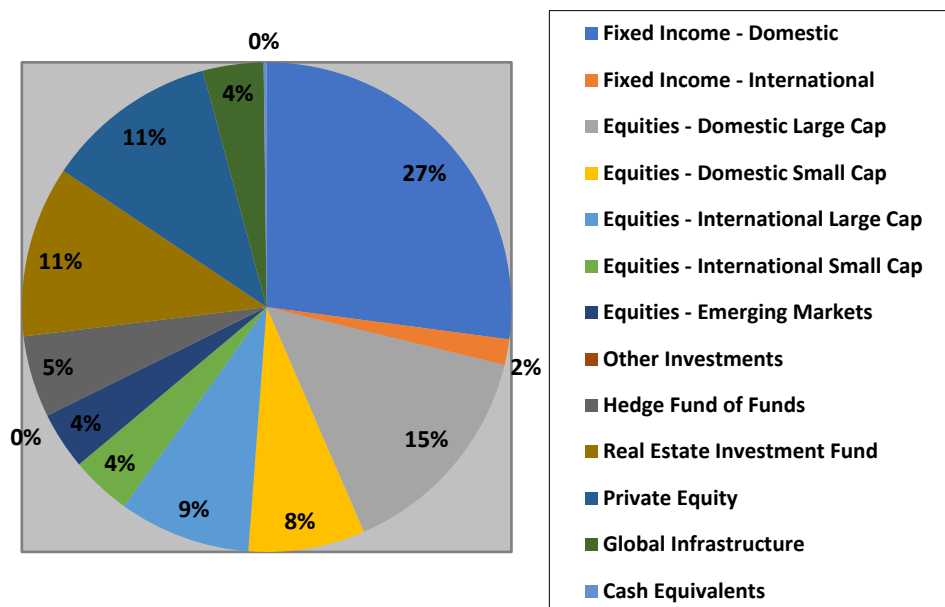
Because of the complexities and lack of public information in the area of terrorism, CPERS must rely upon federal agencies such as the Securities and Exchange Commission and the State, Commerce, Justice and Treasury Departments to provide factual information to act upon. To date this information has not been available to CPERS. When or if this type of information becomes available, CPERS will take the appropriate actions to determine along with the manager if divesting from a company or investment is appropriate.

**INVESTMENT SUMMARY
AS OF DECEMBER 31, 2023 AND 2022**

CPERS TRUST

Type of Investment:	December 31, 2023		December 31, 2022	
	Fair Value	% Total Fair Value	Fair Value	% Total Fair Value
Fixed Income:				
Fixed Income – Domestic	\$ 336,442,155	27.1%	\$ 318,301,761	26.5%
Fixed Income - International	20,888,642	1.7%	25,576,380	2.1%
Other Investments	3,487	0.0%	4,103	0.0%
Equities:				
Equities – Domestic Large Cap	181,957,212	14.7%	201,278,833	16.7%
Equities – Domestic Small Cap	95,808,469	7.7%	81,390,453	6.8%
Equities – International Large Cap	108,588,295	8.7%	93,012,401	7.7%
Equities – International Small Cap	49,980,452	4.0%	47,192,849	3.9%
Equities – Emerging Markets	47,062,663	3.8%	45,842,673	3.9%
Alternative Investments:				
Hedge Fund of Funds	67,221,598	5.4%	64,099,619	5.3%
Real Estate Investment Fund	140,029,752	11.3%	165,140,260	13.7%
Private Equity	141,186,842	11.4%	102,919,852	8.6%
Global Infrastructure	50,000,000	4.0%	55,922,515	4.6%
Cash Equivalents	2,839,045	0.2%	2,121,808	0.2%
Total Investments	\$ 1,242,008,612	100.0%	\$ 1,202,803,507	100.0%

CPERS ASSET ALLOCATION AS OF DECEMBER 31, 2023

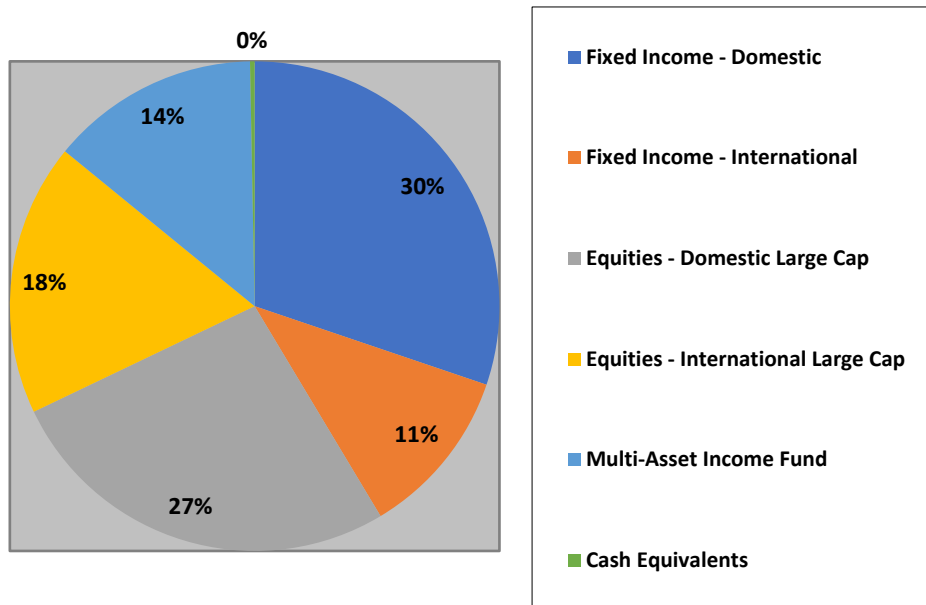


**INVESTMENT SUMMARY
AS OF DECEMBER 31, 2023 AND 2022**

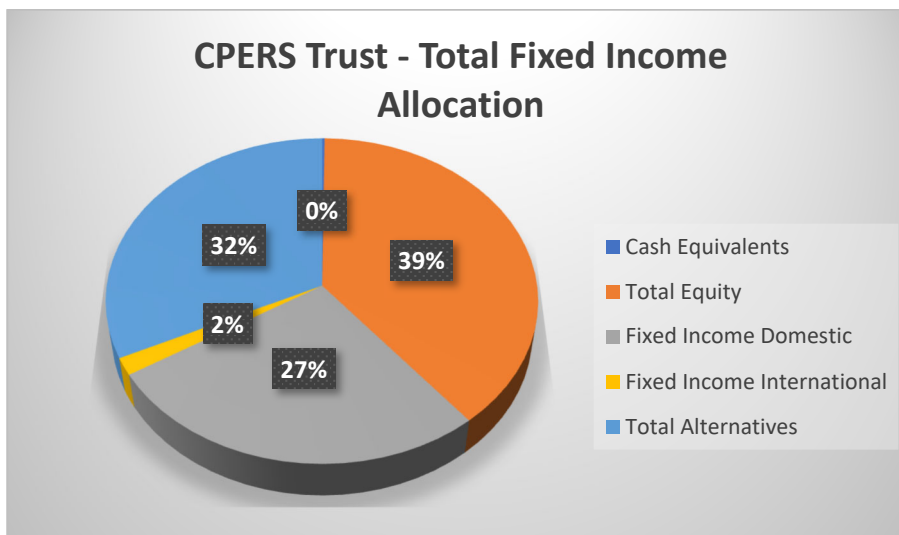
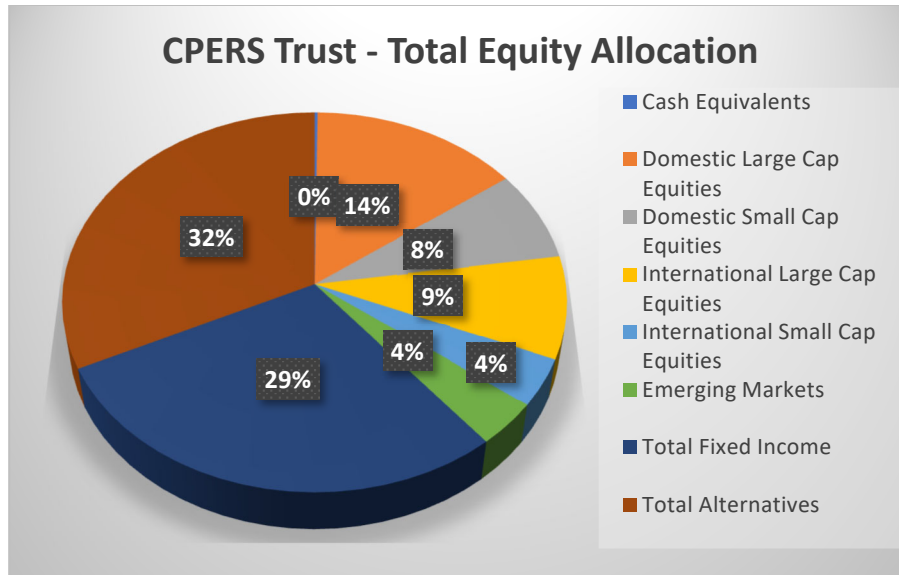
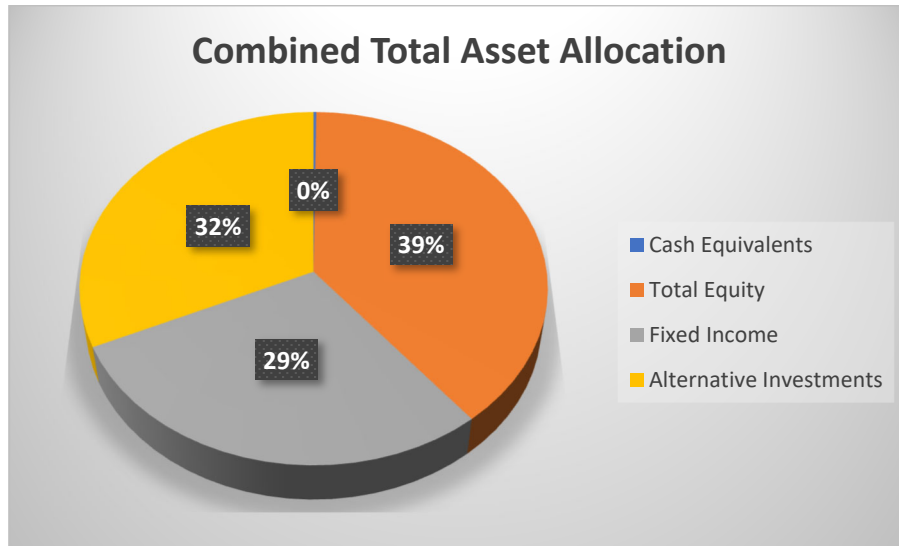
POLICE GUARANTEE TRUST

Type of Investment:	December 31, 2023		December 31, 2022	
	Fair Value	% Total Fair Value	Fair Value	% Total Fair Value
Fixed Income:				
Fixed Income - Domestic	\$ 6,071,415	30.2%	\$ 4,491,005	29.7%
Fixed Income – International	2,2515,452	11.2%	1,646,947	10.9%
Equities:				
Equities – Domestic Large Cap	5,323,496	26.5%	4,306,182	28.5%
Equities – International Large Cap	3,611,318	18.0%	2,777,185	18.4%
Alternative Investments:				
Multi-Asset Income Fund	2,776,613	13.8%	1,821,208	12.1%
Cash Equivalents	68,020	0.3%	53,830	0.4%
Total Investments	\$ <u>20,102,314</u>	<u>100.0%</u>	\$ <u>15,096,357</u>	<u>100.0%</u>

PGT ASSET ALLOCATION AS OF DECEMBER 31, 2023



ASSET ALLOCATION AS OF DECEMBER 31, 2023



**CPERS LIST OF INVESTMENTS
AS OF DECEMBER 31, 2023**

FIXED INCOME

LARGEST FIXED INCOME HOLDINGS BY FAIR VALUE – NON POOLED ACCOUNTS

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	FAIR VALUE
DOMESTIC FIXED INCOME				
VERINT SYSTEM INC	0.000%		\$ 85	\$ 2,298
GSAA HOME EQUITY TRUST	VARIES	12/25/2036	2,284	588
COGNYTE SOFTWARE LTD	0.000%		85	547
WAMU ASSET BACKED CERTIFICATE	VARIES	04/25/2037	79	29
LEHMAN BROTHERS HOLDING	0.000%	08/22/2013	21,000	21
LEHMAN BROTHERS HOLDING	0.000%	12/30/2016	5,000	5
FNMA POOL #0250111	8.500%	08/01/2024	1	1
TOTAL DOMESTIC FIXED INCOME			<u>\$ 28,494</u>	<u>\$ 3,487</u>

DOMESTIC FIXED INCOME – POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
DOMESTIC FIXED INCOME – ABSOLUTE RETURN	2,654,422	\$ 59,583,799
DOMESTIC FIXED INCOME – CORE	5,633,769	137,689,960
DOMESTIC FIXED INCOME – CORE PLUS	6,027,215	139,168,395
TOTAL DOMESTIC FIXED INCOME – POOLED ACCOUNTS	<u>14,315,406</u>	<u>\$ 336,442,154</u>

INTERNATIONAL FIXED INCOME – POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
INTERNATIONAL FIXED INCOME – ABSOLUTE RETURN	550,240	\$ 12,351,248
INTERNATIONAL FIXED INCOME – CORE PLUS	369,744	8,537,395
TOTAL INTERNATIONAL FIXED INCOME – POOLED ACCOUNTS	<u>919,984</u>	<u>\$ 20,888,643</u>

EQUITIES

LARGEST DOMESTIC EQUITY SECURITIES BY FAIR VALUE – NON POOLED ACCOUNTS

DESCRIPTION	SHARES	FAIR VALUE
FTAI AVIATION LTD	35,403	\$ 1,642,699
RAMBUS INC	20,198	1,378,514
WESTERN ALLIANCE BANCORP	16,096	1,058,956
COMFORT SYSTEMS USA INC	4,944	1,016,832
ONTO INNOVATION INC	6,458	987,428
FIRSTCASH HOLDINGS INC	8,517	923,158
MASTEC INC	11,603	878,579
VERTIV HOLDINGS CO	17,810	855,414
AXONICS INC	13,408	834,380
FORMFACTOR INC	19,872	828,861
OTHER EQUITY SECURITIES-DOMESTIC	1,161,498	27,421,321
TOTAL DOMESTIC EQUITY SECURITIES	<u>1,315,807</u>	<u>\$ 37,826,142</u>

**CPERS LIST OF INVESTMENTS (CONTINUED)
EQUITIES (CONTINUED)**

EQUITIES – DOMESTIC POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
SMALL CAP VALUE FUND	11,619	\$ 58,349,352
RUSSELL 1000 FUND	266,890	105,325,097
LARGE CAP DEFENSIVE EQ	3,494,396	76,632,115
TOTAL EQUITIES – DOMESTIC POOLED ACCOUNTS	3,772,905	\$ 240,06,564

EQUITIES – INTERNATIONAL POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
INTERNATIONAL VALUE EQUITY FUND	704,800	\$ 51,845,082
INTERNATIONAL GROWTH EQUITY FUND	801,019	55,679,670
INTERNATIONAL SMALL CAP FUND	1,407,955	49,980,452
EMERGING MARKETS FUND	330,076	47,062,663
TOTAL EQUITIES – INTERNATIONAL POOLED ACCOUNTS	3,243,850	\$ 204,567,867

ALTERNATIVE INVESTMENTS

DESCRIPTION	UNITS	FAIR VALUE
HEDGE FUND OF FUNDS	67,221,598	\$ 67,221,598
REAL ESTATE INVESTMENT FUND	62,627,416	145,073,079
PRIVATE EQUITY	122,917,193	122,917,193
GLOBAL INFRASTRUCTURE	50,000,000	50,000,000
TOTAL ALTERNATIVE INVESTMENTS	602,766,207	\$ 385,211,870

CASH EQUIVALENTS

DESCRIPTION	FAIR VALUE
COLLECTIVE U.S. GOVERNMENT SHORT TERM INVESTMENT FUND	\$ 1,820,305
LOUISIANA ASSET MANAGEMENT POOL, INC. MONEY MARKET FUND	1,018,739
TOTAL CASH EQUIVALENTS	\$ 2,839,044

TOTAL CPERS INVESTMENTS \$ 1,242,008,612

A complete list of portfolio holdings is available upon request.

**PGT LIST OF INVESTMENTS
AS OF DECEMBER 31, 2023**

FIXED INCOME

DOMESTIC FIXED INCOME

DESCRIPTION	UNITS	FAIR VALUE
ISHARES US AGG BOND INDEX FUND	667,188	\$ 6,071,415

INTERNATIONAL FIXED INCOME

DESCRIPTION	UNITS	FAIR VALUE
PIMCO DIVERSIFIED INCOME FUND	235,508	\$ 2,251,452

EQUITIES

EQUITIES – DOMESTIC

DESCRIPTION	UNITS	FAIR VALUE
ISHARES TTL US STOCK MARKET FUND	242,418	\$ 5,323,496

EQUITIES – INTERNATIONAL

DESCRIPTION	UNITS	FAIR VALUE
ISHARES-MSCI TTL INTERNATIONAL INDEX FUND	365,148	\$ 3,611,318

ALTERNATIVE INVESTMENTS

DESCRIPTION	UNITS	FAIR VALUE
BLACKROCK MULTI-ASSET INC-K	277,939	\$ 2,776,613

CASH EQUIVALENTS

DESCRIPTION	FAIR VALUE
TRADE DATE CASH	\$ 68,020

TOTAL PGT INVESTMENTS

\$ 20,102,314

A complete list of portfolio holdings is available upon request.

INVESTMENT PERFORMANCE MEASUREMENTS

	<u>Rate of Return</u>	<u>Rank*</u>
Comparative Rates of Return on Total Fund – Year Ended December 31, 2023		
City-Parish Employees' Retirement System	8.61 %	92
Police Guarantee Trust	14.56 %	22
Median Total Fund	12.69 %	50
Comparative Rates of Return on Domestic Equities – Year Ended December 31, 2023		
City-Parish Employees' Retirement System	20.60 %	57
Police Guarantee Trust	26.03 %	15
Median Domestic Equity Composite	12.85 %	50
Russell 3000	25.96 %	16
Comparative Rates of Return on International Equities – Year Ended December 31, 2023		
City-Parish Employees' Retirement System	16.39 %	60
Police Guarantee Trust	15.24 %	75
Median International Equity Composite	17.01 %	50
MSCI AC World ex US (Net)	15.62 %	71
Comparative Rates of Return on Fixed Income Securities – Year Ended December 31, 2023		
City-Parish Employees' Retirement System	7.34 %	27
Police Guarantee Trust	6.85 %	37
Median Bond Composite	6.09 %	50
Barclays Capital Aggregate Index	5.53 %	64
Comparative Rates of Return on Real Estate – Year Ended December 31, 2023		
City-Parish Employees' Retirement System	(13.05) %	95
Median Real Estate Fund	(4.69) %	50
NCREIF Property Index	(7.94) %	86
Comparative Rates of Return on Hedge Fund – Year Ended December 31, 2023		
City-Parish Employees' Retirement System	N/A	N/A
Police Guarantee Trust	N/A	N/A
HFRI Fund of Funds Comp. Index	6.3 %	N/A
Comparative Rates of Return on Master Limited Partnership – Year Ended December 31, 2023		
Police Guarantee Trust	N/A	N/A
Median Master Limited Partnership	N/A	N/A
S&P MLP Index	N/A	N/A
Comparative Rates of Return on Private Equity – Year Ended December 31, 2023**		
City-Parish Employees' Retirement System	4.53 %	N/A

* Rank indicates CPERS' relative investment performance in relation to other total funds in the Mellon Universe of funds.

** These calculations were prepared using a time-weighted rate of return based on market rates of return at December 31st.

INVESTMENT PERFORMANCE MEASUREMENTS (CONTINUED)

The total performance as compared to public funds in the Mellon Universe, as reported by AndCo Consulting, Investment Consultant for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge, is as follows:

One-year period ending December 31, 2023	8.61 %
Two-year period ending December 31, 2023	(1.12) %
Three-year period ending December 31, 2023	3.88 %
Four-year period ending December 31, 2023	6.15 %
Five-year period ending December 31, 2023	8.31 %

ANNUAL RATES OF RETURN

	ANNUALIZED					3 YRS.	5 YRS.
	2019	2020	2021	2022	2023		
TOTAL FUND							
City-Parish Emp. Retirement System	17.4%	13.3%	14.7%	(10.0)%	8.6%	3.9%	8.3%
Police Guarantee Trust	14.3%	8.8%	9.0%	(14.6)%	14.6%	2.2%	5.8%
Median Total Fund	18.4%	12.2%	13.5%	(12.8)%	12.7%	4.0%	8.7%
Inflation (CPI)	2.3%	2.3%	7.0%	6.5%	3.4%	2.0%	1.5%
DOMESTIC EQUITY							
City-Parish Emp. Retirement System	30.3%	24.3%	27.4%	(15.7)%	20.6%	9.0%	16.0%
Police Guarantee Trust	31.3%	21.7%	25.6%	(19.1)%	26.0%	8.6%	15.4%
Median Domestic Equity Fund	28.7%	18.1%	24.0%	(17.9)%	21.9%	7.1%	13.5%
Russell 3000	31.0%	20.9%	25.7%	(19.2)%	26.0%	8.6%	15.2%
INTERNATIONAL EQUITY							
City-Parish Emp. Retirement System	21.6%	14.4%	10.0%	(21.0)%	18.8%	5.4%	12.1%
Police Guarantee Trust	21.5%	5.1%	7.8%	(16.4)%	22.1%	5.9%	11.4%
Median International Equity Fund	22.7%	11.7%	9.9%	(16.6)%	17.0%	2.3%	8.4%
MSCI AC World ex US (Net)	21.5%	10.7%	7.8%	(16.0)%	15.6%	1.6%	7.1%
FIXED INCOME							
City-Parish Emp. Retirement System	9.7%	8.5%	(0.3)%	(12.7)%	7.3%	(2.3)%	2.1%
Police Guarantee Trust	9.8%	8.1%	(1.1)%	(13.2)%	6.9%	(2.9)%	1.7%
Median Bond Fund	9.1%	8.6%	(0.5)%	(12.7)%	6.1%	(2.6)%	2.0%
Bloomberg US Aggregate Index	8.7%	7.5%	(1.6)%	(13.0)%	5.5%	(3.3)%	1.1%
REAL ESTATE							
City-Parish Emp. Retirement System	7.3%	2.2%	23.4%	8.5%	(13.1)%	5.6%	5.3%
Median Real Estate Fund	7.5%	1.5%	20.8%	12.1%	(4.7)%	8.3%	6.9%
NCREIF Property Index	6.4%	1.6%	17.7%	5.5%	(7.9)%	4.6%	4.3%
HEDGE FUND OF FUNDS							
City-Parish Emp. Retirement System	6.4%	8.4%	9.4%	(4.6)%	7.8%	4.0%	5.4%
Police Guarantee Trust	6.4%	N/A	N/A	N/A	N/A	N/A	N/A
HFRI Fund of Funds Comp. Index	8.3%	10.7%	6.1%	(5.4)%	6.3%	2.2%	5.1%
MASTER LIMITED PARTNERSHIP							
City-Parish Emp. Retirement System	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Police Guarantee Trust	13.0%	N/A	N/A	N/A	N/A	N/A	N/A
Median MLP	11.0%	N/A	N/A	N/A	N/A	N/A	N/A
S&P MLP Index	9.8%	N/A	N/A	N/A	N/A	N/A	N/A
PRIVATE EQUITY							
City-Parish Emp. Retirement System	7.3%	15.6%	47.2%	12.0%	4.5%	20.3%	16.6%
GLOBAL INFRASTRUCTURE							
City-Parish Emp. Retirement System	N/A	N/A	N/A	8.2%	8.6%	N/A	N/A
50% MSCI World/50% FTSE WGBI	N/A	N/A	N/A	(17.9)%	13.8%	N/A	N/A

Note: These calculations were prepared using a time-weighted rate of return based on market rates of return at December 31st of the year indicated.

**SCHEDULE OF CPERS INVESTMENT FEES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Assets Under Management</u>		<u>Investment Service Fees</u>
Fixed Income:			
Fixed Income – Domestic	\$ 336,442,155	\$	1,013,576
Fixed Income – International	20,888,642		88,227
Equity Securities:			
Equities – Domestic	277,765,681		551,481
Equities – International	205,631,410		1,434,358
Alternative Investments:			
Hedge Fund of Funds	67,221,598		--
Real Estate Investments	140,029,752		1,528,758
Private Equity	122,917,193		784,365
Risk Parity	50,000,000		--
Total Investment Managers' Fees			<u>5,400,765</u>
Custodian Fees			128,879
Advisor Fees			<u>153,000</u>
Total Investment Expenses		\$	<u><u>5,682,644</u></u>

**SCHEDULE OF PGT INVESTMENT FEES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<u>Assets Under Management</u>		<u>Investment Service Fees</u>
Fixed Income:			
Fixed Income – Domestic	\$ 6,071,415	\$	--
Fixed Income – International	2,251,452		--
Equity Securities:			
Equities – Domestic	5,323,496		--
Equities – International	3,611,318		--
Alternative Investments:			
Multi-asset Income Fund	2,776,613		--
Total Investment Manager's Fees			<u>--</u>
Custodian Fees			13,630
Advisor Fees			<u>27,000</u>
Total Investment Expenses		\$	<u><u>40,630</u></u>

**SCHEDULE OF COMMISSIONS PAID TO BROKERS
FOR THE YEAR ENDED DECEMBER 31, 2023**

<u>Brokerage Firm</u>	<u>Shares Traded</u>	Commission	
		<u>Dollar Amount</u>	<u>Per Share</u>
Merrill Lynch Pierce Fenner Smith Inc Ny	569,148	\$ 16,725	\$.0294
Instinet Clearing Ser Inc, New York	1,074,816	14,983	.0139
Goldman Sachs & Co, Ny	111,863	3,061	.0274
J.P Morgan Securities Inc, New York	80,793	2,370	.0293
Pershing LLC, Jersey City	86,660	2,217	.0256
B Riley And Co LLC, New York	62,059	1,748	.0282
Raymond James & Assoc Inc, St Petersburg	57,841	1,705	.0295
Rbc Capital Markets LLC, New York	80,645	1,674	.0208
Morgan Stanley And Co., LLC, New York	72,096	1,558	.0216
Jefferies & Co Inc, New York	78,091	1,487	.0190
Stifel Nicolaus	48,759	1,445	.0296
Needham And Co LLC, New York	36,602	1,393	.0381
Guggenheim Capital Markets LLC, New York	66,575	1,358	.0204
Piper Jaffray & Co., Jersey City	62,071	1,320	.0213
Barclays Capital Le, New York	39,454	1,130	.0286
Northland Securities Inc., New York	56,441	1,129	.0200
Davidson (D A) & Co Inc, New York	36,862	1,087	.0295
Seaport Group Securities, LLC, New York	52,386	1,048	.0200
Cowen And Co LLC, New York	30,735	1,016	.0331
Gordon Haskett Cap Corp, Nj	24,074	963	.0400
Jonestrading Inst Svcs LLC, New York	45,059	901	.0200
Liquidnet Inc, New York	60,069	760	.0126
Oppenheimer & Co Inc, New York	34,517	731	.0212
Keybanc Capital Markets Inc, New York	24,658	697	.0283
Ubs Securities LLC, Stamford	33,932	679	.0200
Bernstein Sanford C & Co, New York	55,082	553	.0100
Other (23 firms)*	263,889	6,616	.0251
Total	3,245,177	\$ 70,353	\$.0217

* Firms that had less than \$500 commissions paid.



Actuarial Section
CPERS Trust

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

BR

May 31, 2024

Board of Trustees
Employees' Retirement System
City of Baton Rouge and Parish of East Baton Rouge
209 St. Ferdinand Street
Post Office Box 1471
Baton Rouge, Louisiana 70821

Dear Board Members:

This is to certify that Foster & Foster, Inc. has completed the annual actuarial valuation of the Employees Retirement System of the City of Baton Rouge and Parish of East Baton Rouge as of January 1, 2024. The valuation report was prepared at the request of the Board and is intended for use by the System staff and those designated or approved by the Board.

The primary purpose of the actuarial valuation report is to determine the funding requirements of the members and participating employers, to describe the current financial condition of the System, and to analyze changes in the System's funding condition since the prior valuation. In addition, the report provides various summaries of data. The report may not be appropriate for other purposes. The financial reporting requirements of the Governmental Accounting Standards Board Statement No. 67 (GASB No. 67) are provided under separate cover.

Funding Objective of the Plan

The combined employer and employee contribution requirements are established in order to fully fund all current normal costs and payments sufficient to liquidate the unfunded actuarial accrued liability as determined in accordance with the Board adopted actuarial cost method, asset valuation method, and amortization method. The amortization method was initially established with the objective of liquidating the unfunded liability as of January 1, 1995 over a thirty-year period with subsequent changes in unfunded liabilities amortized over thirty years. The amortization method has been modified several times since 1995. Beginning with the January 1, 1995 valuation the amortization method was changed to a level percentage of payroll 30-year open amortization method. Effective January 1, 2015, the amortization approach was changed to use a level percentage of payroll 30-year closed method with reductions in successive amortization periods until reaching a 15-year open period. As of January 1, 2024, the unfunded liability was \$676,504,988.

The actuarial cost method was changed from the Aggregate Entry Age Normal Cost Method to the Individual Entry Age Normal Cost Method, effective January 1, 2010.

The method for determining the actuarial value of assets uniformly spreads actuarial investment gains and losses over a five-year period, beginning with a "fresh start" on January 1, 2018, where the Actuarial Value of Assets equals the Market Value of Assets in the first year. The resulting actuarial value of assets as of December 31, 2023, is \$1,340,607,632.

Effective with the 2000 year, the Board introduced a one-year delay from the valuation date to the year for which the employer contribution rate calculated in the valuation is applied. The January 1, 2023 valuation was the basis for the 2024 employer contribution rate, and the January 1, 2024 valuation is the basis for the 2025 employer contribution rate. The aggregate employer contribution rate for the 2024 year is set to 38.4%. The aggregate employer contribution rate for the 2025 year is set to 35.5%.

Progress Toward Realization of Funding Objective

The employer contributions determined by the January 1, 2024 actuarial valuation and the member contributions, paid as a percentage of payroll, are expected to be sufficient to achieve the funding objective set forth above. The progress toward achieving the intended funding objectives can be measured by funding level, determined as the ratio of actuarial assets to the actuarial accrued liabilities. Based on current methods and assumptions, this ratio is 66.5% as of January 1, 2024. If the experience develops as assumed this ratio is expected to increase over time, in the absence of benefit improvements.

Plan Provisions

A summary of plan provisions used in the actuarial valuations can be found starting on page 41 of the actuarial valuation report and in the schedules prepared for the Comprehensive Annual Financial Report.

Data

In performing the January 1, 2024 valuation, we have relied upon the employee data and financial information provided by the administrative staff of the Employee's Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. Participant data was not audited but was reviewed for reasonableness and consistency relative to data used for prior year valuations. Plan assets were compared with information furnished for the prior plan year's valuation and reviewed for consistency.

Actuarial Methods and Assumptions

The present values shown in the January 1, 2024 actuarial valuation and supporting schedules of this certification have been prepared in accordance with the actuarial methods and assumptions approved by the Board. Beginning with the first full payroll period in January 2023, employers were required to submit employer contributions for new DROP participants and for all current and future part-time rehired retirees. The contribution rate for fiscal year 2025 was determined as a percentage of payroll that included an estimate of 2025 payroll for these members. All other assumptions and methods remain unchanged and are detailed starting on page 14 of the valuation report. The assumptions were selected by the Board based on our recommendations from the results of the most recent experience study. We believe the assumptions are reasonable and represent a reasonable expectation of future experience under the plan.

The actuarial assumptions and methods used for accounting purposes are, in the actuary's opinion, reasonable and compliant with the parameters set forth by the Governmental Accounting Standards Board (GASB) Statement No. 67.

We provided the following schedules, included in the Actuarial Section of this report:

Summary of Principal System Provisions
Summary of Actuarial Assumptions and Methods
Schedule of Funding Progress
Summary of Actuarial Accrued Liabilities
Actuarial Gain/Loss Analysis
Percentage covered by Actuarial Value of Assets/Solvency Test
Active Membership Data
Schedule of Retirees and Beneficiaries Added
Total Membership Data

We certify to the best of our knowledge, the methods and assumptions comply with generally recognized and accepted actuarial principles and practices set forth in the Actuarial Standards of Practice established by the Actuarial Standards Board, are reasonable and represent our best estimate of the funding requirement to achieve the Retirement System's Funding Objective, unless otherwise noted herein. Shelley is an Associate in the Society of Actuaries and Pat is a Fellow in the Society of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

FOSTER & FOSTER INC.



Shelley R. Johnson, ASA, MAAA



D. Patrick McDonald, FSA, EA, MAAA, FCA

SUMMARY OF PRINCIPAL SYSTEM PROVISIONS
(Source: 2023 Actuarial Report)
(Based on Ordinance Nos. 235 and 276)

Effective Date: (1:250, 1:258)	December 31, 1953, as restated effective April 1, 1997 (Ordinance No. 10779). Amended effective January 1, 1998, (Ordinance No. 11019 and 11020). Amended effective February 23, 2000, August 26, 2000 and December 31, 2001 (Ordinance 11827) and May 22, 2002 (Ordinance 12323 and Ordinance 12322) \$600 spouse benefit November 25, 2003 (Ordinance 12814) SBP, April 28, 2004 (Ordinance 12936) Disability earned income offset September 27, 2006 (Ordinance 13760) Ad valorem taxes for SBP. Amended effective August 12, 2015 (Ordinance No. 16039 and 16040).
Fiscal Year	Calendar year.
Membership: (1:259, 1:266)	Any regular employee of the City-Parish, excluding Police employees who elected to transfer into the Municipal Police Employees' Retirement System (MPERS) as of February 26, 2000 and Police employees hired after that date. Part-time council members with service prior to January 1, 1997, retroactive to December 31, 1976.
Contributions:	<p>Members: 8% of compensation (1:264 A1(a)). Effective January 1, 2002, member contribution is equal to Maximum Employer Contribution, if less than 8% (1:264 A1 (c)). If the Maximum Employer Contribution rate is 17% or greater, the members' contribution rate will be 50% of the Employer Contribution rate, but not more than 9.5% (1:264 A(b)). The Maximum Employer Contribution rate is the larger of the City rate and the Special Funds rate.</p> <p>Employer contribution: Balance, actuarially determined (1:253N). Maximum employer contribution: Employer contribution plus adjusting percentages for pro-rata allocation of obligations for transfer of members to plans maintained by the State or a political subdivision thereof (1:251).</p> <p>MERS payments received for 2006 and later are reserved for future Supplemental Benefit Payments.</p>
Creditable Service:	Service credited under Retirement System; military service (maximum of three years); additional military service as required under USERRA for which member contributions are received.
Final Average Compensation:	<p><u>For members hired prior to September 1, 2015:</u> Average compensation during the highest 36 successive months of creditable service.</p> <p><u>For members hired on or after September 1, 2015:</u> Average compensation during the highest 60 successive months of creditable service.</p>

SUMMARY OF PRINCIPAL SYSTEM PROVISIONS (CONTINUED)

Service Retirement
Eligibility: (1:265A)

For members hired prior to September 1, 2015:

- (1) Full retirement: 25 years of service, regardless of age.
- (2) Minimum eligibility: Age 55 with 10 years of service, or 20 years of service regardless of age.

For non-public safety members hired on or after September 1, 2015:

- (1) Full retirement: 25 years of service, age 55.
- (2) Minimum eligibility: Age 60 with 10 years of service, or 20 years of service regardless of age.

For public safety members hired on or after September 1, 2015:

- (1) Full retirement: 25 years of service, age 50.
- (2) Minimum eligibility: Age 55 with 10 years of service, or 20 years of service regardless of age.

Service Retirement
Benefits:
(1:265A-1, 1:265A-3)

Full Retirement: 3.0% of final compensation for each year of creditable service.

Minimum Eligibility: 2.5% of final average compensation for each year of creditable service.

Maximum of 90% of final average compensation.

Early Service
Retirement: (1:265A-2)

For members hired prior to September 1, 2015:

If not eligible for full retirement: Benefits are reduced by 3% per year for each year under age 55.

For non-public safety members hired on or after September 1, 2015:

If not eligible for full retirement: Benefits are reduced to an actuarial equivalent benefit.

For public safety members hired on or after September 1, 2015:

If not eligible for full retirement: Benefits are reduced to an actuarial equivalent benefit.

Disability:
(1:265D)

Ordinary Disability: After 10 or more years of creditable service, 2.5% of final average compensation times creditable service, with a minimum benefit of 50% of final average compensation. Ordinary disability benefits are paid on a life annuity basis.

Service-Connected: 50% of final average compensation, plus 1.5% of final average compensation times creditable service in excess of 10 years, with a maximum benefit of 90% of final average compensation. For members hired prior to September 1, 2015, service-connected disabilities are paid on a 50% Joint & Survivor basis.

Benefits are offset by workers' compensation (1:264F).

Benefits are offset by earned income (1:265G).

SUMMARY OF PRINCIPAL SYSTEM PROVISIONS (CONTINUED)

Survivor Benefits: (1:270)	<ol style="list-style-type: none">(1) If member eligible for retirement, or at least twenty (20) years of creditable service, surviving spouse may elect 100% joint & survivor actuarially equivalent without reduction for early commencement or a refund of the member's contributions.(2) If not eligible for retirement, surviving spouse may elect a monthly benefit of \$600 payable until remarriage, or a refund of the member's contributions.(3) If eligible children under age 18, monthly benefit of \$150 per child (maximum \$300), payable until age 18. These benefits are in addition to any benefits payable under (1) or (2).(4) If member died prior to May 24, 1989, monthly benefit to surviving spouse of \$600. (July 1, 2002)(5) If no benefits are payable under (1), (2) or (3), \$150 monthly benefit to unmarried dependent parent until death or remarriage.
Employment Termination: (1:267, 1:268)	After 10 years of creditable service, based on creditable service and final average compensation at termination date. For members hired prior to September 1, 2015 benefits are deferred to age 55, for members hired on or after September 1, 2015, benefits are deferred to age 60 for non-public safety and age 55 for public safety. If member contributions are withdrawn, benefit is forfeited.
Optional Allowances: (1:265C)	For members hired prior to September 1, 2015, normal form is joint and 50% contingent survivor. For members entitled to service retirement benefits, actuarially equivalent to regular retirement allowance: Option 1: Refund of excess of member's contributions over aggregate benefits paid; Option 2: 100% Joint & Survivor to designated contingent annuitant; any other form, approved by the Board. For members hired on or after September 1, 2015, Options 1 through 5 joint and survivor benefits available for purchase.
Retirement Benefit Adjustments: (1:269)	For members who retired on or before December 31, 1989, or surviving spouses of such members, who did not enter DROP, an annual payment of \$600 effective July 1, 1992 plus \$30 for each full year retired.
Supplemental Benefit Payments: (1:269)	To be funded from (i) 1/10 of the first 2%, and 1/20 of the remainder, of excess return on the actuarial value of assets, provided the aggregate experience from all sources is an actuarial gain; and (ii) decreases in Retirement Benefit Adjustment payments under 1:269 since July, 2002; and (iii) MERS payments received for 2006 and later.

SUMMARY OF PRINCIPAL SYSTEM PROVISIONS (CONTINUED)

Compensated Absences: (1:262)	<p>Upon written consent of the member or his surviving spouse, the Retirement System will provide the following with respect to unused, accumulated vacation time and sick leave:</p> <p>(a) Cash payment for a portion, with the remainder added to the member’s Creditable Service, on the basis of one (1) hour for each two (2) hours of unused time.</p> <p>(b) Conversion of all of the accumulated time to creditable service, on the basis of one (1) hour for each hour of unused accumulated vacation time and sick leave.</p> <p>Any unused time converted to service credit is included in determining eligibility for retirement and benefits. For purposes of determining final average compensation, compensation at the time of retirement or death is assumed to continue for the period of added service.</p>
Deferred Retirement Option Plan (DROP): (1:271)	<p><u>Prior to July 1, 1991:</u></p> <p><u>Eligibility:</u> If eligible to retire with an immediate service retirement allowance and between 25 and 30 years of creditable service.</p> <p><u>Duration:</u> The lesser of 5 years, or 32 years minus creditable service at DROP entry.</p> <p><u>Benefits:</u> Service retirement allowances are paid into the member’s DROP account, and credited with interest at the rate set by the actuarial formula. No further member or employer contributions are payable, and no further benefits are accrued.</p> <p>Upon retirement and termination of DROP participation (or death), the member (or beneficiary) may elect one of the following:</p> <p>(a) A lump sum of DROP account balance;</p> <p>(b) A life annuity based on the DROP balance;</p> <p>(c) Any other method of payment approved by the Board of Trustees.</p> <p>Normal survival benefits payable to survivors of retirees are paid upon death of the member while a DROP participant.</p> <p><u>On and after July 1, 1991:</u></p> <p>Comparable to pre-July 1, 1991 provisions, except interest is not credited to DROP account until the conditions of DROP participation have been satisfied. If the member does not terminate employment at the end of the DROP period, potential interest credits are forfeited.</p> <p><u>On and after July 1, 2002:</u> If the member has at least ten (10) years of creditable service and has attained at least age 55, with DROP duration not greater than three (3) years</p> <p><u>On and after September 1, 2015:</u></p> <p><u>Eligibility:</u> Not less than 25 years of creditable service at age 55 for non-public safety employees or age 50 for public safety. Duration 5 years if election to participate is exercised prior to attaining 33 years of creditable service. except for members not reaching minimum required retirement age, option to participate made no later than 60 days after age 55 for non-public safety employees and age 50 for public safety employees. Has not less than 10 years of creditable service at age 60 for non-public safety employees or age 55 for public safety, duration 3 years.</p>
Changes Since Prior Valuation:	None

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
(Source: 2024 Actuarial Report)

Valuation Date:	December 31, 2023
Valuation Method:	Entry Age Normal Actuarial Cost Method. This method produces a normal cost as a level percentage of pay over the service life of each participant and amortization of the Unfunded Actuarial Accrued Liability (UAAL). Gains and losses are reflected in the UAAL and are included in its amortization. <i>(Adopted March 25, 2010)</i> Starting January 1, 2015, the UAAL is amortized over a 30-year period using an annual total payroll growth assumption. The period will be reduced in successive years until reaching a 15-year open period. <i>(Adopted February 26, 2015)</i>
Actuarial Value of Assets:	Market Value as of January 1, 1996. Beginning January 1, 1997, adjusted Market Value with 20% of unrealized gains (or losses) recognized each year. Beginning January 1, 2002, Expected Value Method, with 20% of investment gains or (losses) recognized each year. Beginning January 1, 2018, method changed to uniformly spread actuarial gains and losses over a five-year period which ensures the Actuarial Value of Assets converge to the Market Value of Assets within a reasonable time.
Investment Return and Expense:	7.00% compounded annually. <i>(Adopted March 26, 2020)</i> . The rate of return on assets is assumed to be net of investment expense. <i>(Adopted October 18, 2004)</i>
Inflation:	2.25% per year <i>(Adopted March 26, 2020)</i>
Salary Increases:	Inflation plus experience factors. Current assumptions are based on the system's experience using factors ranging from .75% - 15.50% based on the member's age, years of service, and employer group. For a complete description of the assumptions used, please see the January 1, 2020 actuarial valuation report. <i>(Adopted March 26, 2020)</i>
Aggregate Payroll Growth:	2.5% compounded annually. <i>(Adopted October 18, 2004)</i>
Non-Disabled Mortality:	Healthy Active Lives: RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year) and Healthy Inactive Lives: RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year). <i>(Adopted March 26, 2020)</i>
Disabled Mortality:	RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base). <i>(Adopted March 26, 2020)</i>

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

Turnover and Disability: Current termination rate assumptions are based on the system’s experience using a factor ranging from .5% - 34.1% based on the member’s age, years of service, and employer group. For a complete description of the assumptions used, please see the January 1, 2020 actuarial valuation report. *(Adopted March 26, 2020)*

Current disability rate assumptions are based on the system’s experience using a factor ranging from .01% - .7% based on the member’s age. It is assumed that 45% of BREC/Regular, 70% Firefighter, and 55% of Police Officer disablements are service related. For a complete description of the assumptions used, please see the January 1, 2020 actuarial valuation report. *(Adopted March 26, 2020)*

Type of Disability: Probabilities of disability are in accordance with the Eleventh Actuarial Valuation of the Railroad Retirement System. The disability rates for all members are increased by 100%. A percentage of disabilities is assumed to be ordinary disabilities, as shown below:

BREC, Regular	25% service-connected, 75% ordinary
Fire	50% service-connected, 50% ordinary
Police	75% service-connected, 25% ordinary

Retirement Rates: Current assumptions are based on the system’s experience using a factor ranging from 1.5% - 100% based on the member’s age, years of service and employer group. Please note that a 100% probability of retirement will apply once a member reaches age 70 or BREC and General or age 65 for Fire and Police. For a complete description of the assumptions used, please see the January 1, 2020 actuarial valuation report. *(Adopted March 26, 2020)*

Assumed Transfers to Retirement System for accumulated vacation and sick leave. *(Adopted March 26, 2020)*

Hired before April 4, 2015:

	<u>Total</u>
BREC	0.65 years
Regular	0.55 years
Fire	1.25 years
Police	0.75 years

Hired on or after April 4, 2015:

	<u>Total</u>
BREC	0.50 years
Regular	0.40 years
Fire	0.95 years
Police	0.55 years

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

Recovery:	No probabilities of recovery are used. <i>(Adopted March 2, 1995)</i>
Remarriage:	No probabilities of remarriage are used. <i>(Adopted March 2, 1995)</i>
Marital Status:	80% of employees are assumed to be married with males three years older than female spouses. <i>(Adopted March 2, 1995)</i>
Administrative Expenses:	The actual amount of the prior year's expense is added to the normal cost.
Withdrawal of Employee Contributions:	75% of employees who terminate (other than retirement, death, or disability) are assumed to withdraw their contributions. <i>(Adopted March 26, 2020)</i>
Other:	The liability for Retirement Benefit Adjustments and the funding of the Supplemental Benefit Payments from decreases in the Retirement Benefit Adjustments is combined into perpetuity.
Sources of Data:	Membership and asset data was furnished by Retirement Office staff.
Changes Since Prior Valuation:	None

SCHEDULE OF FUNDING PROGRESS
(Source: 2024 Actuarial Report)

Actuarial Valuation Date	Actuarial Value of Assets (a) \$	Actuarial Accrued Liability (AAL) (b) \$	Unfunded AAL (b-a) \$	Funded Ratio (a/b)	Annual Covered Payroll* (c) \$	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/14	1,106,575,866	1,559,275,063	452,699,197	71.0%	135,556,888	334.0%
12/31/15	1,119,731,517	1,614,978,634	495,247,117	69.3%	137,591,450	360.0%
12/31/16	1,137,769,215	1,674,790,880	537,021,665	67.9%	139,807,313	384.1%
12/31/17	1,178,878,851	1,734,951,874	556,073,023	67.9%	145,219,716	383.0%
12/31/18	1,190,267,261	1,785,955,516	595,688,255	66.6%	144,939,664	411.0%
12/31/19	1,201,491,055	1,838,970,234	637,479,179	65.3%	147,942,231	430.9%
12/31/20	1,236,056,460	1,885,380,523	649,324,063	65.6%	151,242,996	429.3%
12/31/21	1,293,095,058	1,929,698,639	636,603,581	67.0%	152,715,183	416.9%
12/31/22	1,309,125,295	1,977,804,120	668,678,824	66.2%	154,800,557	432.0%
12/31/23	1,340,607,632	2,017,112,620	676,504,988	66.5%	157,024,292	430.8%

*Based on the actuarial method and assumptions used for funding purposes, this schedule was prepared using the annual covered payroll rolled forward from the previous year to produce liability results.

**SUMMARY OF ACTUARIAL ACCRUED LIABILITIES AND PERCENTAGE
COVERED BY ACTUARIAL VALUE OF ASSETS/SOLVENCY TEST
FOR THE TEN YEARS ENDED DECEMBER 31, 2023
(Source: 2024 Actuarial Report)**

Valuation Date	(1)	(2)	(3)	(4)	Actuarial Value of Assets	Percentage of Actuarial Liabilities Covered by Assets			
	Active Members' Contributions*	Terminated Vested Members	Retirees And Survivors**	Active Members Employer Contribution		(1)	(2)	(3)	(4)
	-\$-	-\$-	-\$-	-\$-		-%-	-%-	-%-	-%-
12/31/14	284,306,327	2,236,906	932,088,088	340,643,742	1,106,575,866	100.0	100.0	88.0	0.0
12/31/15	306,319,701	2,005,865	966,095,357	340,557,711	1,119,731,517	100.0	100.0	84.0	0.0
12/31/16	315,984,448	2,019,223	996,658,142	300,316,821	1,137,769,215	100.0	100.0	82.3	0.0
12/31/17	340,087,199	1,838,007	1,025,213,152	367,813,516	1,178,878,851	100.0	100.0	81.6	0.0
12/31/18	360,926,159	1,851,006	1,049,464,845	373,713,506	1,190,267,261	100.0	100.0	78.8	0.0
12/31/19	378,730,258	1,996,035	1,062,122,817	396,121,124	1,201,491,055	100.0	100.0	77.3	0.0
12/31/20	394,394,393	1,227,715	1,068,678,381	421,080,034	1,236,056,460	100.0	100.0	78.6	0.0
12/31/21	411,060,269	1,009,455	1,091,335,603	426,293,312	1,293,095,058	100.0	100.0	80.7	0.0
12/31/22	432,867,067	1,083,174	1,126,117,469	417,736,409	1,309,125,295	100.0	100.0	77.7	0.0
12/31/23	439,200,537	687,499	1,153,301,796	423,922,788	1,340,607,632	100.0	100.0	78.1	0.0

* Including DROP accounts.

** Including DROP participants' future benefits.

ANALYSIS OF ACTUARIAL GAIN/LOSS
(Source: 2024 Actuarial Report)

GAINS AND LOSSES IN UNFUNDED ACTUARIAL LIABILITY DURING YEARS ENDED 2018 – 2023
RESULTING FROM DIFFERENCES BETWEEN ASSUMED EXPERIENCE AND ACTUAL EXPERIENCE

	\$ Gain or (Loss) For Year					
	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Investment Return	\$ (30,400,229)	\$ (19,208,162)	\$ 1,079,187	\$ 22,967,444	\$ (20,488,910)	\$ (2,517,244)
Salary Increases	(2,806,302)	(2,622,006)	(4,224,946)	(311,506)	(1,195,888)	(7,062,815)
Retirements	(1,573,861)	(267,613)	(1,962,081)	(1,127,215)	(591,305)	(626,186)
Mortality	2,181,709	(472,270)	171,776	1,732,281	2,947,988	(2,734,408)
Disability	(479,657)	(9,988)	(59,543)	(320,486)	(169,433)	153,573
Turnover	85,179	(1,555,198)	(2,504,493)	(540,075)	791,560	1,678,294
New Members	(1,639,910)	(1,141,384)	(525,037)	(1,710,232)	(2,155,408)	(442,248)
Contribution Differences	N/A	N/A	N/A	N/A	N/A	N/A
Leaves, Transfers, Etc.	<u>(9,158,023)</u>	<u>(6,272,044)</u>	<u>(4,606,130)</u>	<u>(9,280,697)</u>	<u>(15,545,479)</u>	<u>(319,430)</u>
Gain or (Loss) from Financial Experience	(43,791,094)	(31,548,665)	(12,631,267)	11,409,514	(36,406,875)	(11,870,464)
Non Recurring Elements:						
Data (Optional Forms)	--	--	--	--	--	--
Valuation Software	--	--	--	--	--	--
Assumption Changes	--	(5,943,063)	--	--	--	--
Asset Method Changes	--	--	--	--	--	--
Plan Amendment	--	--	--	--	--	--
Valuation Software	--	--	--	--	--	--
Composite Gain/(Loss) During Year	<u>\$ (43,791,094)</u>	<u>\$ (37,491,728)</u>	<u>\$ (12,631,267)</u>	<u>\$ 11,409,514</u>	<u>\$ (36,406,875)</u>	<u>\$ (11,870,464)</u>

**ACTIVE MEMBERSHIP DATA
FOR THE TEN YEARS ENDED DECEMBER 31, 2023
(Source: 2024 Actuarial Report)**

<u>Valuation Date</u>	<u>Total Active Members</u>	<u>Percentage Change</u> -%-	<u>Annual Payroll</u> -\$-	<u>Average Annual Pay</u> -\$-	<u>% Increase in Average Pay</u> -%-
12/31/14	3,181	(3.1)	135,556,888	42,615	1.5
12/31/15	3,138	(1.4)	137,591,450	43,847	2.9
12/31/16	3,062	(2.4)	139,807,313	45,659	4.1
12/31/17	3,047	(0.5)	145,219,716	47,660	4.4
12/31/18	2,961	(2.8)	144,939,664	48,950	2.7
12/31/19	2,934	(0.9)	147,942,231	50,423	3.0
12/31/20	2,889	(1.5)	151,242,996	52,351	3.8
12/31/21	2,875	(0.5)	152,715,183	53,119	1.5
12/31/22	2,856	(0.7)	154,800,557	54,202	2.0
12/31/23	2,779	(2.7)	157,024,292	56,504	4.2

**SCHEDULE OF RETIREES AND BENEFICIARIES ADDED
FOR THE TEN YEARS ENDED DECEMBER 31, 2023
(Source: 2024 Actuarial Report)**

<u>Valuation Date</u>	<u>Change in Number at EOY</u>				<u>*Number of Annuitants</u>	<u>Percentage Change in Membership</u> -%-	<u>**Annual Annuities</u> -\$-	<u>Percentage Change in Annuities</u> -%-	<u>Average Annual Allowances</u> -\$-
	<u>Additions</u>	<u>Annual Allowances</u> -\$-	<u>Deletions</u>	<u>Annual Allowances</u> -\$-					
12/31/14	144	4,349,774	89	1,404,169	3,181	1.8	72,462,363	4.2	22,780
12/31/15	197	4,942,646	121	2,018,112	3,257	2.4	75,386,897	4.0	23,146
12/31/16	170	4,446,732	123	2,032,306	3,304	1.4	77,801,323	3.2	23,548
12/31/17	165	4,578,514	122	1,999,524	3,347	1.3	80,380,313	3.3	24,016
12/31/18	188	5,734,403	132	2,254,669	3,403	1.6	83,860,047	4.3	24,643
12/31/19	177	5,652,788	103	1,713,223	3,477	2.2	87,799,612	4.7	25,252
12/31/20	170	5,223,869	124	2,372,446	3,523	1.3	90,651,035	3.2	25,731
12/31/21	152	4,784,356	133	2,589,960	3,542	0.5	92,845,431	2.4	26,213
12/31/22	177	5,749,378	142	2,776,191	3,577	1.0	95,818,618	3.2	26,787
12/31/23	166	5,691,304	137	2,573,036	3,606	0.8	98,936,886	3.3	27,437

TOTAL MEMBERSHIP DATA
(Source: 2024 Actuarial Report)

Actives:

	2023		2022	
	Count	Average Salary	Count	Average Salary
BREC	427	\$49,463	441	\$48,018
Regular	1,872	53,248	1,922	50,776
Fire	475	75,431	488	72,910
Police	5	78,703	5	90,559
Total/Average	2,779	\$56,504	2,856	\$54,202

Annuitants:

	2023		2022	
	Count	Average Annuity	Count	Average Annuity
Retirees and Survivors	3,432	\$27,963	3,398	\$27,305
Disabilities	174	17,058	179	16,974
DROP	279	52,278	290	50,265
Total/Average	3,885	\$29,221	3,867	\$28,548

Inactive Members:

	2023		2022	
	Count	Average Deferred Annuity	Count	Average Deferred Annuity
Deferred Vested	8	\$8,581	11	\$9,390

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**Actuarial Section Police
Guaranteed Trust**

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS
CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM

BR

May 31, 2024

Board of Trustees
Police Guarantee Trust of the Employees' Retirement System
of the City of Baton Rouge and Parish of East Baton Rouge
209 St. Ferdinand Street
Post Office Box 1471
Baton Rouge, Louisiana 70821

Dear Board Members:

This is to certify that Foster & Foster, Inc. has completed the annual actuarial valuation of the Police Guarantee Trust of the Employees Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (PGT) as of January 1, 2024. The valuation report was prepared at the request of the Board and is intended for use by the System staff and those designated or approved by the Board.

The primary purpose of the actuarial valuation report is to determine the funding requirements of the participating employers, to describe the current financial condition of the System, and to analyze changes in the System's funding condition since the prior valuation. In addition, the report provides various summaries of data. The report may not be appropriate for other purposes. The financial reporting requirements of the Governmental Accounting Standards Board Statement No. 67 (GASB No. 67) are provided under separate cover.

Funding Objective of the Plan

The Police Guarantee Trust was established on February 26, 2000 to provide supplemental benefits to a closed group of 637 police officers electing to transfer to the statewide Municipal Police Employees' Retirement system. The funding objective was established as follows:

- a) Fully fund all projected liabilities determined at inception, through a trust-to-trust transfer of \$24,627,209 in assets from CPERS; and
- b) Fund any future actuarial losses through employee and employer contributions on included compensation for CPERS that is excluded for MPERS benefits; and
- c) Any shortfall after taking into account the above will be funded as a level percentage of future payroll, using the Aggregate Actuarial Cost Method. This method was subsequently changed as described below.

The initial valuation, prepared as of January 1, 2000, is the basis for the city contribution rates of 0% for the 2000 and 2001 years. The Board has adopted a one-year delay from the valuation date to the year for which the contribution rate calculated in the valuation is applied. Thus, the contribution rate calculated in the 2024 valuation will apply to the year 2025.

Effective January 1, 2017, the Board of Trustees adopted a change in actuarial cost method from Aggregate to Entry Age Normal.

The method for determining the actuarial value of assets uniformly spreads actuarial investment gains and losses over a five-year period, beginning with a "fresh start" on January 1, 2018, where the Actuarial Value of Assets equals the Market Value of Assets in the first year. The resulting actuarial value of assets as of December 31, 2023, is \$21,416,554.

Based on our recommendation, the Board adopted a change in the method used to amortize the unfunded actuarial accrued liability, effective January 1, 2019, from 15-year open amortization with level payments, to 4-year open amortization with level payments.

Progress Toward Realization of Funding Objective

Since the intent was to fund the projected liability through the initial trust-to-trust transfer of \$24,627,209 from the Employees' Retirement System, no unfunded actuarial accrued liability was expected. However, due to substantial contribution deficits relative to the actuarially determined contributions and actuarial losses, there is a current unfunded actuarial accrued liability in the PGT of \$28,194,997 as of December 31, 2023.

The progress toward achieving the intended funding objectives can be measured by the ratio of the actuarial value of assets to the actuarial accrued liabilities. Based on current methods and assumptions, the funded ratio is 43.2% as of January 1, 2024. In the absence of benefit improvements, and assuming the full actuarially determined contribution is paid when due, this ratio should increase over time and future contribution requirements are expected to be sufficient to achieve the funding objective set forth above. However, if contribution deficits continue, there is significant risk of the plan not meeting benefit obligations.

Plan Provisions and Data

A summary of plan provisions, on which the actuarial valuation is based, can be found in the actuarial valuation report and in the schedules prepared for the Comprehensive Annual Financial Report.

In performing the January 1, 2024 valuation, we have relied upon the employee data and financial information provided by the administrative staff of the Employee's Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. Participant data was not audited but was reviewed for reasonableness and consistency relative to data used for prior year valuations. Plan assets were compared with information furnished for the prior plan year's valuation and reviewed for consistency.

Actuarial Assumptions and Methods

The present values shown in the January 1, 2024 actuarial valuation and supporting schedules of this certification have been prepared in accordance with the actuarial methods and assumptions approved by the Board. The assumptions and methods remain unchanged and are detailed starting on page 13 of the valuation report. The assumptions were selected by the Board based on our recommendations from the results of the most recent experience study. We believe the assumptions are reasonable and represent a reasonable expectation of future experience under the plan.

The actuarial assumptions and methods used for accounting purposes are, in the actuary's opinion, reasonable and compliant with the parameters set forth by the Governmental Accounting Standards Board (GASB) Statement No. 67. The same actuarial assumptions and methods were employed in the development of the schedules which we prepared for the Actuarial Section of this report.

We provided the following schedules included in this section:

Summary of Principal System Provisions
Summary of Actuarial Assumptions and methods
Schedule of Funding Progress
Summary of Actuarial Accrued Liabilities
Percentage covered by Actuarial Value of Assets/Solvency Test
Active Membership Data
Schedule of Retirees and Beneficiaries Added
Total Membership Data

We certify to the best of our knowledge, the methods and assumptions comply with generally recognized and accepted actuarial principles and practices set forth in the Actuarial Standards of Practice established by the Actuarial Standards Board, are reasonable and represent our best estimate of the funding requirement to achieve the Retirement System's Funding Objective, unless otherwise noted herein. Shelley is an Associate in the Society of Actuaries and Pat is a Fellow in the Society of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

FOSTER & FOSTER INC.



Shelley R. Johnson, ASA, MAAA



D. Patrick McDonald, FSA, EA, MAAA

SUMMARY OF PRINCIPAL SYSTEM PROVISIONS

(Source: 2024 PGT Actuarial Report)

(Based on Ordinance No. 11669)

Effective Date:	February 26, 2000, amended February 28, 2001.
Fiscal Year:	Calendar year.
Membership:	Eligible police employees who were active members or in the Deferred Retirement Option Plan (DROP) of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (CPERS) on February 26, 2000 who elected to transfer into the Municipal Police Employees' Retirement System of Louisiana (MPERS) are automatically included in the Police Guarantee Trust (PGT).
Transferred Assets:	Initially funded by a trust to trust transfer of \$24,627,209 from CPERS, as of January 1, 2000.
Contributions:	Members: Based on current member contribution rate under CPERS, applied to member's compensation not covered by MPERS. Member contributions are "picked up" by the City. City: Actuarially determined.
Benefit Amounts:	The excess of the benefits that would have been payable under CPERS, based on the provisions in effect on February 26, 2000, over the benefits payable under MPERS. MPERS benefits are calculated under a 50% joint and survivor option. PGT benefits reflect any increases in MPERS benefits due to cost-of-living adjustments.
DROP:	A. Members in CPERS DROP at February 26, 2000: (1) If in CPERS DROP for 3 or more years, DROP payments are credited to PGT DROP account. Investment returns for CPERS and PGT accounts are credited to PGT account after February 26, 2000. (2) If in CPERS DROP less than 3 years, up to 3 years since transfer, in MPERS DROP. After 3 years in DROP (CPERS and MPERS combined) DROP payments are credited to PGT DROP account for remainder of DROP period (5 years maximum for total DROP periods). Investment returns for CPERS, MPERS, and PGT accounts are credited to the PGT account after February 26, 2000. B. Active members at February 26, 2000: Members enter PGT DROP first, with payments credited to PGT DROP account, until the later of 2 years or eligibility for MPERS DROP. Investment returns for MPERS and PGT DROP accounts are credited to PGT DROP account.
Changes Since Prior Valuation:	None.

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

(Source: 2024 PGT Actuarial Report)

(Based on Ordinance No. 11669)

Valuation Date:	December 31, 2023												
Valuation Method:	Entry Age Normal Actuarial Cost Method <i>(Adopted July 28, 2016)</i>												
Actuarial Value of Assets:	Market Value as of January 1, 2000 and January 1, 2001. Beginning January 1, 2002, Expected Value Method, with 20% of unrealized gains (or losses) recognized each year. Beginning January 1, 2018, method changed to uniformly spread gains and losses over a five-year period which ensures the Actuarial Value of Assets converge to the Market Value of Assets within a reasonable time.												
Investment Return:	5.75% compounded annually, net of investment expenses. <i>(Adopted January 31, 2019)</i>												
Inflation:	2.25% per year <i>(Adopted March 26, 2020)</i>												
Salary Increases:	Inflation plus: <i>(Adopted March 26, 2020)</i>												
	<table border="0"> <thead> <tr> <th><u>Age</u></th> <th><u>PGT</u></th> </tr> </thead> <tbody> <tr> <td>37</td> <td>3.75%</td> </tr> <tr> <td>42</td> <td>3.75%</td> </tr> <tr> <td>47</td> <td>2.75%</td> </tr> <tr> <td>52</td> <td>2.75%</td> </tr> <tr> <td>55+</td> <td>2.50%</td> </tr> </tbody> </table>	<u>Age</u>	<u>PGT</u>	37	3.75%	42	3.75%	47	2.75%	52	2.75%	55+	2.50%
<u>Age</u>	<u>PGT</u>												
37	3.75%												
42	3.75%												
47	2.75%												
52	2.75%												
55+	2.50%												
Aggregate Payroll Growth:	Not applicable.												
MPERS COLA	0.62% compounded annually <i>(Adopted March 26, 2020)</i>												
Non-Disabled Mortality:	Active Lives: RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year). Inactive Lives: RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year). <i>(Adopted March 26, 2020)</i>												
Disabled Mortality:	RP-2006 Disabled Table Projected back to 2001, Generational with MP-2018 (2016 base year). <i>(Adopted March 26, 2020)</i>												
Type of Disability:	75% service connected, 25% ordinary. <i>(Adopted February 26, 2000)</i>												

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

Turnover and Disability: 1.0% for all ages for turnovers (*Adopted March 26, 2020*) Disability rates: (*Adopted February 26, 2015*)

<u>Age</u>	<u>Disability</u>
22	0.06%
27	0.06%
32	0.06%
37	0.08%
42	0.15%
47	0.28%
52	0.69%
57	1.25%
62	4.00%
65	1.95%

It is assumed that 75% of disablements are service related.

Assumed transfers to CPERS (for accumulated vacation and sick leave e.g.): .75 years. (*Adopted March 26, 2020*)

Retirement Rates: Upon attaining 25.5 years of service or age 61 and 11 years of service, the following rates: (*Adopted March 26, 2020*)

<u>Prior to 25 years of creditable service</u>		<u>After 25 years of creditable service</u>		
<u>Age</u>	<u>Retirement</u>	<u>Service</u>	<u>Age</u>	<u>Retirement</u>
<55	3%	25	<55	15.0%
55-60	7%	26	<55	25.0%
61-63	20%	27	<55	25.0%
64	25%	28+	<55	70.0%
65+	100%	25	55+	33.3%
		26	55+	50.0%
		27	55+	50.0%
		28+	55+	100.0%

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS (CONTINUED)

Recovery:	No probabilities of recovery are used. <i>(Adopted February 26, 2000)</i>
Remarriage:	No probabilities of remarriage are used. <i>(Adopted February 26, 2000)</i>
Marital Status:	80% of employees are assumed to be married. Female spouses are assumed to be 3 years younger than males <i>(Adopted February 26, 2000)</i>
Interest on Future MPERS DROP Accounts:	6.00%, compounded annually for three years, payable at DROP exit. <i>(Adopted March 26, 2020)</i>
Withdrawal of Employee Contributions:	100% of employees who terminate (other than retirement, death, or disability) are assumed to withdraw their contributions. <i>(Adopted February 26, 2000)</i>
Ancillary Benefits:	MPERS ancillary benefits (turnover, disability, death) are assumed to be greater than CPERS ancillary benefits. <i>(Adopted February 26, 2000)</i>
Sources of Data:	Membership data, asset information, and aggregate DROP balances were furnished by Retirement Office. For active members, MPERS compensation was estimated as: CPERS compensation, minus member contributions to PGT divided by .095. For members who are in CPERS DROP but not in MPERS DROP, MPERS compensation was assumed to be the same as the prior year.
Administrative Expense Load:	\$287,863 annually, based on the average of actual expenses incurred in the prior two fiscal years. <i>(Adopted March 26, 2020)</i>
Unfunded Actuarial Accrued Liability Amortization Period:	Beginning January 1, 2019, the UAAL is amortized as a level dollar over a 4 year open period. <i>(Adopted January 31, 2019)</i>
Changes Since Prior Valuation:	The Administrative Expenses assumption was updated from the average of actual expenses incurred in the prior two fiscal years to an average of actual expenses incurred in the prior fiscal year and the budgeted expenses for the next fiscal year.

SCHEDULE OF FUNDING PROGRESS*
(Source: 2024 PGT Actuarial Report)

Actuarial Valuation Date	Actuarial Value of Assets (a) \$	Actuarial Accrued Liability (AAL) (b) \$	Unfunded AAL (b-a) \$	Funded Ratio (a/b)	Annual Covered Payroll** (c) \$	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/14	23,382,542	35,574,753	12,192,211	65.7%	14,066,159	86.7%
12/31/15	22,850,794	38,992,367	16,141,573	58.6%	14,177,878	113.9%
12/31/16	21,173,125	40,258,037	19,084,912	52.6%	13,271,888	143.8%
12/31/17	17,087,813	42,947,777	25,859,964	39.8%	11,748,200	220.1%
12/31/18	16,033,810	44,276,128	28,242,318	36.2%	9,206,458	306.8%
12/31/19	14,545,124	45,063,101	30,517,977	32.3%	8,100,367	376.7%
12/31/20	15,164,485	44,216,755	29,052,270	34.3%	6,668,867	435.6%
12/31/21	16,622,640	46,331,153	29,708,513	35.9%	4,331,038	686.0%
12/31/22	18,456,888	49,134,834	30,677,946	37.6%	3,101,701	989.1%
12/31/23	21,416,554	49,611,551	28,194,997	43.2%	1,439,094	1,959.2%

*The above schedule of funding progress is prepared using the entry age normal actuarial cost method. The purpose of this disclosure is to provide information that serves as a surrogate for the funding progress of the plan.

**Based on the actuarial method and assumptions used for funding purposes, this schedule was prepared using the annual covered payroll rolled forward from the previous year to produce liability results.

**SUMMARY OF ACTUARIAL ACCRUED LIABILITIES AND PERCENTAGE
COVERED BY ACTUARIAL VALUE OF ASSETS/SOLVENCY TEST
FOR THE TEN YEARS ENDED DECEMBER 31, 2023
(Source: 2024 PGT Actuarial Report)**

Valuation Date	(1)	(2)	(3)	(4)	Actuarial Value of Assets -\$-	Percentage of Actuarial Liabilities Covered by Assets			
	Active Members' Contributions*	Retirees And Survivors**	Terminated Vested Members	Active Members Employer Contribution		(1)	(2)	(3)	(4)
	-\$-	-\$-	-\$-	-\$-		-%-	-%-	-%-	-%-
12/31/14	20,632,861	2,755,604	12,763	9,604,613	23,382,542	100.0	99.8	0.0	0.0
12/31/15	23,724,080	3,186,174	8,900	13,220,191	22,850,794	96.3	0.0	0.0	0.0
12/31/16	23,716,549	3,611,137	68,781	12,861,570	21,173,125	89.3	0.0	0.0	0.0
12/31/17	25,909,677	5,085,959	74,805	11,877,336	17,087,813	66.0	0.0	0.0	0.0
12/31/18	28,705,043	5,757,629	85,587	9,727,869	16,033,810	55.9	0.0	0.0	0.0
12/31/19	31,685,741	5,005,957	90,530	8,280,873	14,545,124	45.9	0.0	0.0	0.0
12/31/20	33,597,229	4,583,940	79,970	5,955,616	15,164,485	45.1	0.0	0.0	0.0
12/31/21	36,293,728	6,039,722	72,620	3,925,083	16,622,640	45.8	0.0	0.0	0.0
12/31/22	39,491,049	6,327,673	24,971	3,291,141	18,456,888	46.7	0.0	0.0	0.0
12/31/23	40,875,017	7,387,230	26,490	1,322,814	21,416,554	52.4	0.0	0.0	0.0

* Including DROP accounts.

** Including DROP participants' future benefits.

**ACTIVE MEMBERSHIP DATA
FOR THE TEN YEARS ENDED DECEMBER 31, 2023
(Source: 2024 PGT Actuarial Report)**

<u>Valuation Date</u>	<u>Total Active Members</u>	<u>Percentage Change</u> -%-	<u>Annual Payroll</u> -\$-	<u>Average Annual Pay</u> -\$-	<u>% Increase in Average Pay</u> -%-
12/31/14	188	(5.1)	14,066,159	74,820	3.7
12/31/15	174	(7.4)	14,177,878	81,482	8.9
12/31/16	158	(9.2)	13,271,888	83,999	3.1
12/31/17	137	(13.3)	11,748,200	85,753	2.1
12/31/18	106	(22.6)	9,206,458	86,853	1.3
12/31/19	90	(15.1)	8,100,367	90,004	3.6
12/31/20	70	(22.2)	6,668,867	95,270	5.9
12/31/21	47	(32.9)	4,331,038	92,150	(3.3)
12/31/22	31	(34.0)	3,101,701	100,055	8.6
12/31/23	13	(58.1)	1,439,094	110,700	10.6

**SCHEDULE OF RETIREES AND BENEFICIARIES ADDED
FOR THE TEN YEARS ENDED DECEMBER 31, 2023
(Source: 2024 PGT Actuarial Report)**

<u>Valuation Date</u>	<u>Change in Number at EOY</u>				<u>*Number of Annuitants</u>	<u>Percentage Change in Membership</u> -%-	<u>**Annual Annuities</u> -\$-	<u>Percentage Change in Annuities</u> -%-	<u>Average Annual Allowances</u> -\$-
	<u>Additions</u>	<u>Annual Allowances</u> -\$-	<u>Deletions</u>	<u>Annual Allowances</u> -\$-					
12/31/14	0	--	6	18,242	17	(26.1)	145,593	(11.1)	8,564
12/31/15	3	18,365	1	27,915	19	11.8	136,043	(6.6)	7,160
12/31/16	0	--	2	72,719	17	(10.5)	63,324	(53.5)	3,725
12/31/17	4	48,835	0	--	21	23.5	112,159	77.1	5,341
12/31/18	6	28,212	1	1,676	26	23.8	138,695	23.7	5,334
12/31/19	0	--	0	--	26	--	138,695	--	5,334
12/31/20	4	98,816	0	--	30	15.4	237,511	71.2	7,917
12/31/21	4	117,662	0	--	34	13.3	355,173	49.5	10,446
12/31/22	5	82,240	8	12,716	31	(8.8)	424,697	19.6	13,700
12/31/23	4	73,022	1	109,341	34	9.7	388,378	(8.6)	11,423

* Includes only those annuitants who receive full or partial monthly retirement benefits from PGT.

** Includes only monthly annuities paid through PGT annualized

TOTAL MEMBERSHIP DATA
(Source: 2024 PGT Actuarial Report)

Actives:

	2023		2022	
	Count	Average Salary	Count	Average Salary
Police	13	\$110,700	31	\$100,055

Annuitants:

	2023		2022	
	Count	Average Annuity	Count	Average Annuity
Retirees and Survivors	33	\$71,880	30	\$67,367
Disabilities	1	17,697	1	17,697
DROP	55	77,453	51	77,414
Total/Average	89	\$74,684	82	\$72,970

Inactive Members:

	2023		2022	
	Count	Average Deferred Annuity	Count	Average Deferred Annuity
Deferred Vested	1	\$15,054	1	\$15,054

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Statistical Section

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

BR

STATISTICAL SECTION NARRATIVE

The objective of the Statistical Section is to provide financial statement users with a source of information regarding the system's economic condition by providing information on historical financial trends, demographic trends, and operating information.

For the purposes of the schedules contained in the statistical section, active members are defined as those actively employed full time by an eligible employer and contributing to the system at the end of the current fiscal year. Deferred retirees are those members who have, in lieu of immediate termination of employment and receipt of a service allowance retirement, elected to continue employment with an eligible employer for a specified period of time, while deferring the receipt of retirement benefits. Retirees and beneficiaries are those who were receiving benefits at the end of the current fiscal year, including those members who retired after participating in the Deferred Retirement Option Plan (DROP).

The Police Guarantee Trust (PGT) only guarantees benefits in the form of extended participation in the Deferred Retirement Option Plan (DROP) greater than what is available to them in Municipal Police Employees' Retirement System of Louisiana (MPERS). Also, there are a minority of members that are paid a residual benefit from the PGT when their calculated pension in MPERS is less than would have otherwise been calculated in CPERS. The PGT members receive their monthly pensions from MPERS, not the PGT. Since the payments made from PGT represent only the difference between MPERS calculated benefits and CPERS calculated benefits, not an actual monthly pension amount, some of the schedules only pertain to CPERS members. Each schedule is noted as to whether it is describing CPERS members, PGT members, or both.

Financial Trends

The schedules listed below provide financial trend information that assists users in understanding and assessing how the retirement system's position has changed over time:

- Schedule of Changes in Net Position (CPERS)
- Schedule of Changes in Net Position (PGT)

Demographic Trends

The schedules listed below provide information to assist the users in understanding the system's socioeconomic environment and to facilitate comparisons for financial statement information over time:

- Schedule of Participating Employers for 2022 and 2013
- Number of Active Members
- Number of Retirees, Beneficiaries, Vested Terminated, and Deferred Retirees
- Schedule of Retired Members by Type of Benefit (CPERS)
- Number of Refunds of Contributions
- Retirees at December 31, 2022

Operational Information

The schedules listed below provide information about the system's operations and uses of resources as well as to provide a context for understanding and assessing its economic condition:

- Number of Administrative Staff Positions
- Number of Retirees and Benefit Expenses
- Number of Retired Deferred Retirement Option Plan Participants and Payments
- Schedule of Benefit Expenses by Type (CPERS)
- Average Monthly Service Retiree Benefit (CPERS)
- Average Monthly Service Retiree Benefit (PGT)
- Number of Excess Benefit Plan Participants and Benefit Expenses

STATISTICAL SECTION NARRATIVE (CONTINUED)

Data Sources, Assumptions, and Methodologies

Data for the statistical section is derived from financial statements, active member data files, and retired member data files, all of which are prepared by CPERS. These data files are also used by CPERS' independent actuary to prepare the annual actuarial valuations.

CPERS uses custom computer programming as well as database queries to extract data to produce the information for the statistical section. The data is either imported into pre-defined file formats or personal computer software applications for further analysis, calculations, and formatting for presentation in the statistical section.

NUMBER OF ADMINISTRATIVE STAFF POSITIONS

<u>Fiscal Year</u>	<u>Staff</u>	<u>% Increase Each Year</u>
2014	12	0.00%
2015	12	0.00%
2016	12	0.00%
2017	12	0.00%
2018	12	0.00%
2019	12	0.00%
2020	12	0.00%
2021	12	0.00%
2022	12	0.00%
2023	13	8.33%

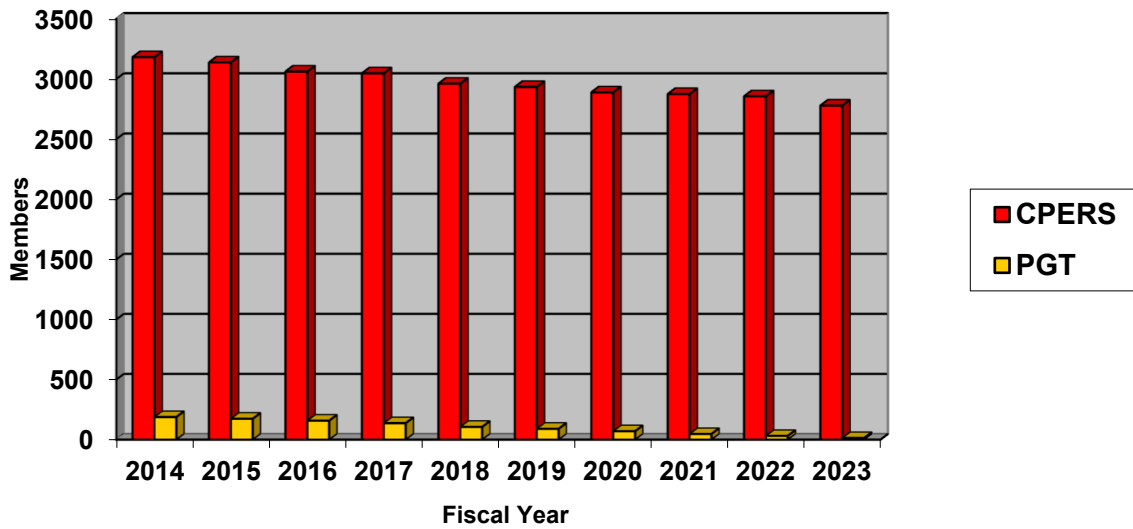
SCHEDULE OF PARTICIPATING EMPLOYERS FOR 2023 AND 2014

<u>Participating Employer</u>	<u>Covered Active Employees</u>	<u>Rank</u>	<u>Percentage of System Membership</u>
<u>2023</u>			
City of Baton Rouge and Parish of East Baton Rouge	2,225	1	80.06%
Recreation and Park Commission for the Parish of East Baton Rouge	427	2	15.37%
District Attorney of the Nineteenth Judicial District	74	3	2.66%
Office of the Coroner of East Baton Rouge Parish	19	4	.68%
East Baton Rouge Parish Juvenile Court	15	5	.54%
East Baton Rouge Parish Family Court	14	6	.50%
Brownfield Fire Protection District	3	7	.11%
St. George Fire Protection District	1	8	.04%
Eastside Fire Protection District	1	9	.04%
2023 Total	2,779		100.00%

<u>Participating Employer</u>	<u>Covered Active Employees</u>	<u>Rank</u>	<u>Percentage of System Membership</u>
<u>2014</u>			
City of Baton Rouge and Parish of East Baton Rouge	2,636	1	82.87%
Recreation and Park Commission for the Parish of East Baton Rouge	423	2	13.30%
District Attorney of the Nineteenth Judicial District	76	3	2.39%
East Baton Rouge Parish Juvenile Court	15	4	.47%
Office of the Coroner of East Baton Rouge Parish	13	5	.41%
East Baton Rouge Parish Family Court	12	6	.38%
Brownfield Fire Protection District	4	7	.12%
St. George Fire Protection District	1	8	.03%
Eastside Fire Protection District	1	9	.03%
2014 Total	3,181		100.00%

NUMBER OF ACTIVE MEMBERS

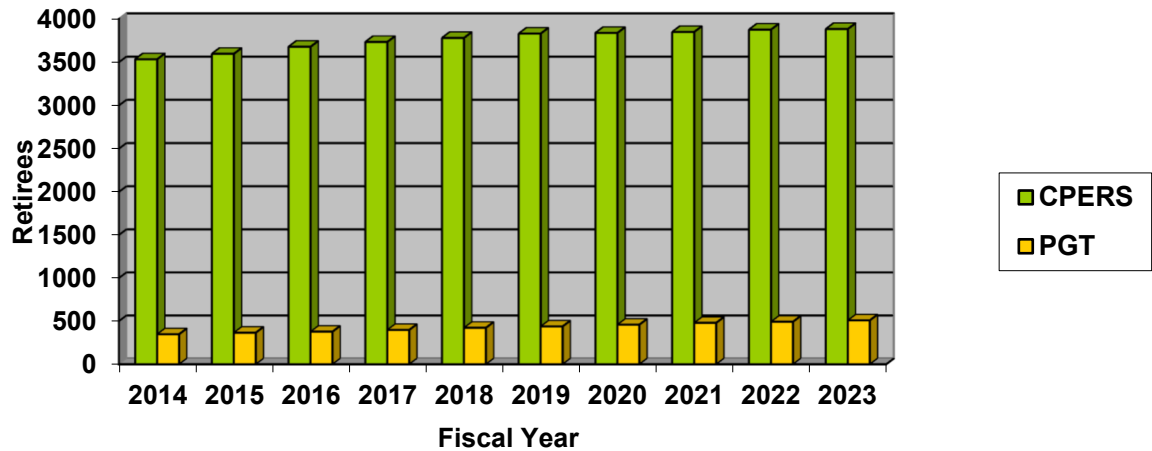
Fiscal Year	CPERS		PGT	
	Members	% Increase Each Year	Members	% Increase Each Year
2014	3,181	(3.1)%	188	(5.1)%
2015	3,138	(1.4)%	174	(7.4)%
2016	3,062	(2.4)%	158	(9.2)%
2017	3,047	(0.5)%	137	(13.3)%
2018	2,961	(2.8)%	106	(22.6)%
2019	2,934	(0.9)%	90	(15.1)%
2020	2,889	(1.5)%	70	(22.2)%
2021	2,875	(0.5)%	47	(32.9)%
2022	2,856	(0.7)%	31	(34.0)%
2023	2,779	(2.7)%	13	(58.1)%



NUMBER OF RETIREES, BENEFICIARIES, VESTED TERMINATED, AND DEFERRED RETIREES

Fiscal Year	CPERS		PGT	
	Retirees and Deferred Retirees	% Increase Each Year	Retirees and Deferred Retirees*	% Increase Each Year
2014	3,535	2.4%	348	2.4%
2015	3,618	2.3%	366	5.2%
2016	3,680	1.7%	378	3.3%
2017	3,735	1.5%	398	5.3%
2018	3,782	1.3%	423	6.3%
2019	3,832	1.3%	439	3.7%
2020	3,840	0.2%	459	4.6%
2021	3,851	0.3%	480	4.6%
2022	3,878	0.7%	493	2.7%
2023	3,885	0.2%	509	3.3%

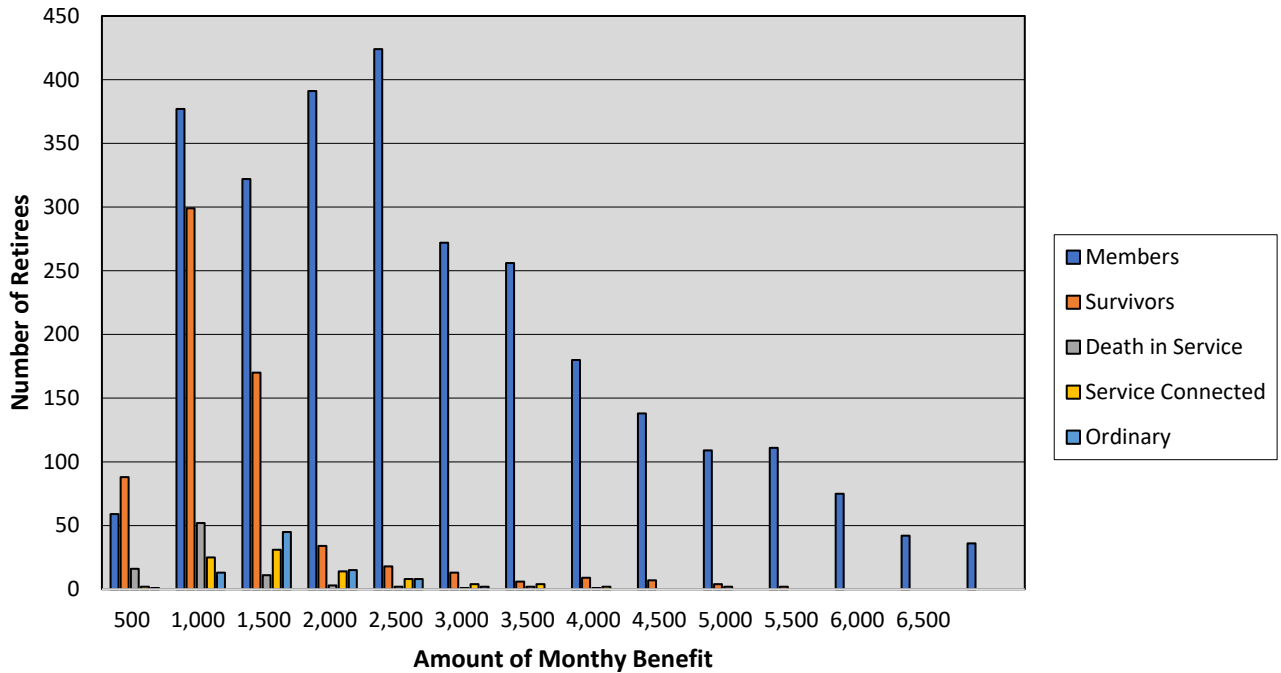
* Includes annuitants who participated in the PGT but receive monthly retirement benefits from MPERS.



SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT (CPERS)

Amount of Monthly Benefit	Number of Retirees *	Types of Retirement				
		Service Benefits			Disability Benefits	
		Members	Survivors	Death in Service	Service Connected	Ordinary
\$1-500	166	59	88	16	2	1
501-1,000	666	377	299	52	25	13
1,001-1,500	579	322	170	11	31	45
1,501-2,000	457	391	34	3	14	15
2,001-2,500	460	424	18	2	8	8
2,501-3,000	292	272	13	1	4	2
3,001-3,500	268	256	6	2	4	--
3,501-4,000	192	180	9	1	2	--
4,001-4,500	145	138	7	--	--	--
4,501-5,000	115	109	4	2	--	--
5,001-5,500	113	111	2	--	--	--
5,501-6,000	75	75	--	--	--	--
6,001-6,500	42	42	--	--	--	--
Above \$6,500	36	36	--	--	--	--
Totals	3,606	2,792	550	90	90	84

* Does not include deferred retirees



NUMBER OF RETIREES AND BENEFIT EXPENSES

<u>Fiscal Year</u>	<u>CPERS*</u>		<u>PGT*</u>	
	<u>Retirees</u>	<u>Benefit Expenses</u> \$	<u>Retirees**</u>	<u>Benefit Expenses</u> \$
2014	3,181	72,940,687	17	160,795
2015	3,257	75,613,052	19	132,445
2016	3,304	78,214,124	17	116,396
2017	3,347	80,585,661	21	86,083
2018	3,403	83,785,001	26	132,957
2019	3,477	87,748,808	26	138,695
2020	3,523	91,036,856	30	196,659
2021	3,542	93,899,905	34	294,690
2022	3,577	96,533,858	31	423,810
2023	3,598	99,335,775	34	416,487

* Does not include deferred retirees

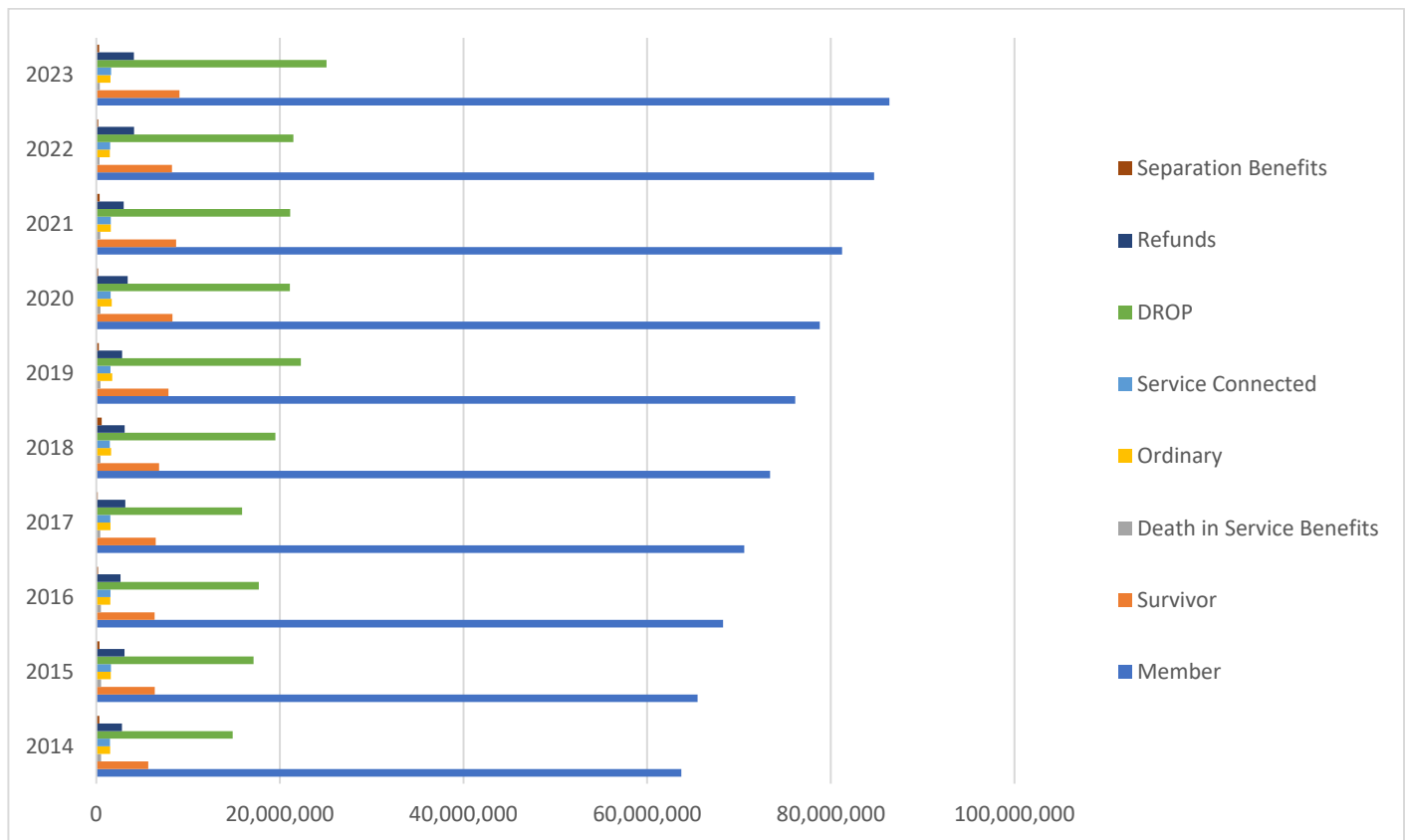
** Includes only retirees receiving monthly benefits from PGT

NUMBER OF RETIRED DEFERRED RETIREMENT OPTION PLAN PARTICIPANTS AND PAYMENTS

<u>Fiscal Year</u>	<u>CPERS</u>		<u>PGT</u>	
	<u>Retired Deferred Retirement Participants</u>	<u>Retired Deferred Retirement Benefit Expenses</u> \$	<u>Retired Deferred Retirement Participants</u>	<u>Retired Deferred Retirement Benefit Expenses</u> \$
2014	1,085	14,859,565	98	1,211,521
2015	1,133	17,140,815	110	1,170,706
2016	1,164	17,703,924	116	2,062,190
2017	1,201	15,888,090	121	1,908,513
2018	1,297	19,505,050	136	1,771,964
2019	1,347	22,294,682	137	1,800,289
2020	1,387	21,095,357	149	2,061,728
2021	1,422	21,122,309	162	1,832,700
2022	1,453	21,476,429	167	2,445,915
2023	1,495	25,082,744	179	2,390,781

SCHEDULE OF BENEFIT EXPENSES BY TYPE (CPERS)

Year Ending	Service Benefits		Death in Service Benefits	Disability Benefits			Refunds	Separation Benefits	Total
	Members	Survivors		Ordinary	Service Connected	DROP			
	\$	\$	\$	\$	\$	\$	\$	\$	
2014	63,720,199	5,673,581	523,267	1,525,387	1,498,253	14,859,565	2,806,619	342,378	90,949,249
2015	65,487,500	6,380,359	536,492	1,595,590	1,613,111	17,140,815	3,088,270	364,508	96,206,645
2016	68,263,205	6,352,841	520,166	1,532,200	1,545,712	17,703,924	2,655,064	192,364	98,765,476
2017	70,580,751	6,472,585	447,020	1,545,180	1,540,125	15,888,090	3,167,338	163,091	99,804,180
2018	73,388,557	6,838,385	455,300	1,624,382	1,478,377	19,505,050	3,102,453	597,322	106,989,826
2019	76,124,669	7,866,119	464,296	1,738,567	1,555,157	22,294,682	2,811,623	280,698	113,135,811
2020	78,810,444	8,307,683	463,911	1,687,848	1,562,423	21,095,357	3,425,203	204,547	115,557,416
2021	81,228,606	8,697,913	434,114	1,581,634	1,583,346	21,122,309	2,997,738	374,292	118,019,952
2022	84,711,953	8,243,291	363,364	1,477,712	1,524,768	21,476,429	4,128,352	212,771	122,138,640
2023	86,390,632	9,073,412	385,395	1,547,140	1,618,034	25,082,744	4,107,796	320,862	128,526,315



AVERAGE MONTHLY SERVICE RETIREE BENEFIT (CPERS) *

Retirement Date		Years of Service Credit						
		0-5	6-10	11-15	16-20	21-25	26-30	>30
2014	Avg. Monthly Benefit - \$	0.00	739.40	1,219.88	2,071.86	3,837.78	4,043.91	5,813.26
	Avg. Final Average Salary - \$	0.00	2,757.72	3,322.29	4,753.06	5,238.71	4,998.69	6,459.18
	Number of Retirees	0	7	22	8	29	36	1
2015	Avg. Monthly Benefit - \$	966.66	670.56	1,131.77	1,711.34	3,294.81	4,052.35	0.00
	Avg. Final Average Salary - \$	1,933.32	2,682.75	3,285.76	3,586.49	4,839.45	5,103.55	0.00
	Number of Retirees	2	13	32	20	44	33	0
2016	Avg. Monthly Benefit - \$	0.00	829.20	1,228.06	1,653.32	3,548.38	4,738.66	0.00
	Avg. Final Average Salary - \$	0.00	2,972.79	3,483.89	3,456.11	4,649.35	5,721.25	0.00
	Number of Retirees	0	16	20	20	29	29	0
2017	Avg. Monthly Benefit - \$	151.09	1,165.02	1,410.41	2,116.93	3,942.14	4,624.90	0.00
	Avg. Final Average Salary - \$	4,029.19	4,062.79	3,212.41	4,452.60	5,332.00	5,365.79	0.00
	Number of Retirees	1	14	15	13	44	26	0
2018	Avg. Monthly Benefit - \$	0.00	1,509.87	1,157.91	2,793.10	4,405.01	4,592.94	0.00
	Avg. Final Average Salary - \$	0.00	4,126.74	3,381.22	5,323.86	5,115.81	5,785.43	0.00
	Number of Retirees	0	9	25	17	32	44	0
2019	Avg. Monthly Benefit - \$	0.00	1,143.06	1,273.03	1,846.07	3,632.92	4,776.11	0.00
	Avg. Final Average Salary - \$	0.00	4,442.86	3,561.10	3,984.75	4,942.44	6,048.37	0.00
	Number of Retirees	0	20	19	15	36	49	0
2020	Avg. Monthly Benefit - \$	0.00	877.47	1,213.50	1,735.35	3,333.31	4,635.88	0.00
	Avg. Final Average Salary - \$	0.00	3,511.16	3,622.41	3,757.99	4,664.50	5,812.36	0.00
	Number of Retirees	0	6	16	13	39	42	0
2021	Avg. Monthly Benefit - \$	0.00	829.56	1,263.85	1,760.59	3,460.47	4,444.74	0.00
	Avg. Final Average Salary - \$	0.00	3,259.14	3,357.00	3,864.94	5,000.38	5,577.64	0.00
	Number of Retirees	0	4	22	20	45	29	0
2022	Avg. Monthly Benefit - \$	0.00	954.60	1,262.98	2,039.98	3,265.59	4,759.33	0.00
	Avg. Final Average Salary - \$	0.00	3,481.64	3,543.28	4,710.09	4,694.91	6,080.40	0.00
	Number of Retirees	0	13	24	15	43	41	0
2023	Avg. Monthly Benefit - \$	0.00	834.17	1,518.73	2,317.09	4,001.46	5,184.74	0.00
	Avg. Final Average Salary - \$	0.00	3,125.81	4,595.94	4,939.12	5,487.66	6,568.34	0.00
	Number of Retirees	0	16	14	19	33	34	0

* Includes service and disability retirees with effective retirement dates as shown. Does not include survivor or beneficiary annuitants.

AVERAGE MONTHLY SERVICE RETIREE BENEFIT (PGT) *

Retirement Date		Years of Service Credit						
		0-5	6-10	11-15	16-20	21-25	26-30	>30
2014	Avg. Monthly Benefit - \$	0.00	0.00	0.00	0.00	4,056.75	5,434.89	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	0.00	5,397.17	6,707.29	0.00
	Number of Retirees	0	0	0	0	4	8	0
2015	Avg. Monthly Benefit - \$	0.00	0.00	0.00	2,460.79	5,217.95	5,941.29	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	5,543.43	6,957.65	7,389.42	0.00
	Number of Retirees	0	0	0	2	10	9	0
2016	Avg. Monthly Benefit - \$	0.00	0.00	0.00	2,800.96	5,102.17	5,917.25	6,583.92
	Avg. Final Average Salary - \$	0.00	0.00	0.00	5,683.32	6,772.91	7,315.74	7,315.46
	Number of Retirees	0	0	0	2	8	6	1
2017	Avg. Monthly Benefit - \$	0.00	0.00	0.00	2,533.44	4,047.63	5,961.64	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	6,584.66	5,877.42	7,352.37	0.00
	Number of Retirees	0	0	0	1	7	8	0
2018	Avg. Monthly Benefit - \$	0.00	0.00	0.00	0.00	2,803.80	5,633.00	6,987.31
	Avg. Final Average Salary - \$	0.00	0.00	0.00	0.00	5,665.57	6,953.71	7,962.75
	Number of Retirees	0	0	0	0	5	12	1
2019	Avg. Monthly Benefit - \$	0.00	0.00	0.00	2,703.66	4,249.22	5,346.24	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	5,868.76	6,729.96	6,503.49	0.00
	Number of Retirees	0	0	0	1	4	9	0
2020	Avg. Monthly Benefit - \$	0.00	0.00	0.00	1,892.79	4,501.88	5,797.90	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	4,157.99	6,677.51	7,387.49	0.00
	Number of Retirees	0	0	0	2	9	15	0
2021	Avg. Monthly Benefit - \$	0.00	0.00	0.00	0.00	4,954.44	6,109.37	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	0.00	6,862.39	7,492.67	0.00
	Number of Retirees	0	0	0	0	14	11	0
2022	Avg. Monthly Benefit - \$	0.00	0.00	0.00	2,236.48	5,804.47	6,368.24	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	5,508.18	8,096.87	8,029.38	0.00
	Number of Retirees	0	0	0	1	9	15	0
2023	Avg. Monthly Benefit - \$	0.00	0.00	0.00	3,151.83	0.00	6,545.64	0.00
	Avg. Final Average Salary - \$	0.00	0.00	0.00	6,225.84	0.00	8,241.64	0.00
	Number of Retirees	0	0	0	1	0	15	0

* Includes service and disability retirees with effective retirement dates as shown. Does not include survivor or beneficiary annuitants. The data represents members that retired in the years listed and the creditable service and average salary that was used to compute pensions for those members. Note that these members are paid by the Municipal Police Employees' Retirement System of Louisiana and the pensions computed are not paid by Police Guarantee Trust (PGT).

**NUMBER OF EXCESS BENEFIT PLAN PARTICIPANTS
AND BENEFIT EXPENSES**

<u>Fiscal Year</u>	<u>CPERS</u>		<u>PGT</u>	
	<u>Excess Benefit Plan Participants</u>	<u>Benefit Expenses</u> \$	<u>Excess Benefit Plan Participants</u>	<u>Benefit Expenses</u>
2014	12	167,932	N/A	N/A
2015	14	195,611	N/A	N/A
2016	18	291,532	N/A	N/A
2017	19	270,746	N/A	N/A
2018	20	273,608	N/A	N/A
2019	20	281,992	N/A	N/A
2020	20	267,212	N/A	N/A
2021	21	299,646	N/A	N/A
2022	21	262,640	N/A	N/A
2023	14	240,368	N/A	N/A

NUMBER OF REFUNDS OF CONTRIBUTIONS

<u>Fiscal Year</u>	<u>CPERS</u>		<u>PGT</u>	
	<u>Number of Refunds</u>	<u>% Increase Each Year</u> %	<u>Number of Refunds</u>	<u>% Increase Each Year</u> %
2014	238	(0.4)	2	0.0
2015	239	0.4	0	(100.0)
2016	215	(10.0)	0	0.0
2017	237	10.2	0	0.0
2018	210	(11.4)	0	0.0
2019	192	(8.6)	0	0.0
2020	177	(7.8)	0	0.0
2021	184	(5.7)	0	0.0
2022	259	40.8	0	0.0
2023	208	(19.7)	0	0.0

SCHEDULE OF CHANGES IN NET POSITION (CPERS)

Fiscal Year	Member Contributions	Employer and Non-Employer Contributions	Net Investment Income	Total Additions to Net Position
	\$	\$	\$	\$
2014	14,907,221	39,363,171	50,531,109	104,801,501
2015	15,054,222	41,387,640	(9,608,883)	46,832,979
2016	15,175,111	43,049,895	79,044,839	137,269,845
2017	15,074,669	43,839,321	162,787,042	221,701,032
2018	15,973,377	50,500,048	(67,904,707)	(1,431,282)
2019	16,252,239	48,033,990	175,633,971	239,920,200
2020	16,037,215	52,368,800	143,087,206	211,493,221
2021	15,574,251	54,719,279	177,062,729	247,356,259
2022	16,175,593	56,325,271	(144,181,033)	(71,680,169)
2023	16,252,325	57,263,731	95,748,684	170,730,945

Fiscal Year	Benefit Payments	Refunds and Withdrawals	Administrative Expenses	Total Deductions from Net Position	Total Changes in Net Position
	\$	\$	\$	\$	\$
2014	88,142,630	2,806,619	1,388,242	92,337,491	12,464,010
2015	93,118,375	3,088,270	1,318,104	97,524,749	(50,691,770)
2016	96,110,412	2,655,064	1,325,596	100,091,072	37,178,773
2017	96,636,842	3,167,338	1,350,435	101,154,615	120,546,417
2018*	103,887,373	3,102,453	1,490,465	108,480,291	(109,911,573)
2019	110,324,188	2,811,623	1,372,143	114,507,954	125,412,246
2020	112,132,213	3,425,203	1,460,277	117,017,693	94,475,528
2021	115,022,214	2,997,738	1,534,663	119,554,615	127,801,644
2022	118,010,287	4,128,352	2,141,444	124,280,083	(195,960,252)
2023	124,418,519	4,107,796	1,814,060	130,340,375	40,390,570

*Restated due to the implementation of GASB Statement No.75.

SCHEDULE OF CHANGES IN NET POSITION (PGT)

<u>Fiscal Year</u>	<u>Member Contributions</u>	<u>Employer Contributions</u>	<u>Net Investment Income</u>	<u>Total Additions To Net Position</u>
	\$	\$	\$	\$
2014	90,774	763,873	796,414	1,651,061
2015	99,365	951,261	(403,640)	646,986
2016	63,856	581,007	974,589	1,619,452
2017	70,460	641,699	1,727,482	2,439,641
2018	54,100	778,113	(849,966)	(17,753)
2019	52,178	1,167,213	1,788,105	3,007,496
2020	33,241	3,205,654	937,018	4,175,913
2021	36,637	3,724,484	1,358,448	5,119,569
2022	28,715	5,492,651	(2,408,194)	3,113,172
2023	15,796	5,557,734	2,495,540	8,069,070

<u>Fiscal Year</u>	<u>Benefit Payments</u>	<u>Refunds and Withdrawals</u>	<u>Administrative Expenses</u>	<u>Total Deductions from Net Position</u>	<u>Total Changes In Net Position</u>
	\$	\$	\$	\$	\$
2014	1,662,603	16,903	333,744	2,013,250	(362,189)
2015	1,853,004	0	313,560	2,166,564	(1,519,578)
2016	2,651,397	0	269,510	2,920,907	(1,301,455)
2017	2,340,178	0	275,799	2,615,977	(176,336)
2018*	2,371,530	0	300,141	2,671,671	(2,689,424)
2019	2,312,226	0	279,405	2,591,631	415,865
2020	2,957,973	0	299,516	3,257,489	918,424
2021	2,823,307	0	287,421	3,110,728	2,008,842
2022	3,574,242	0	375,475	3,949,717	(836,545)
2023	3,220,473	0	326,128	3,546,601	4,522,469

*Restated due to the implementation of GASB Statement No.75.

RETIREES AT DECEMBER 31, 2023
(CPERS and PGT members)

Louisiana Breakdown by Parish



LOUISIANA	3,633
OTHER STATES	297
TOTAL RETIREES	3,930

STATES	Count
ALABAMA	19
ARKANSAS	9
ARIZONA	3
CALIFORNIA	4
COLORADO	8
FLORIDA	29
GEORGIA	12
IDAHO	1
ILLINOIS	2
INDIANA	1
KANSAS	3
KENTUCKY	4
MASSACHUSETTS	1
MICHIGAN	4
MINNESOTA	1
MISSISSIPPI	70
MISSOURI	7
MONTANA	1
NEBRASKA	1
NEVADA	2
NEW JERSEY	1
NEW YORK	2
NORTH CAROLINA	4
OHIO	3
OKLAHOMA	5
PENNSYLVANIA	3
SOUTH CAROLINA	1
TENNESSEE	13
TEXAS	66
UTAH	3
VIRGINIA	10
WASHINGTON	1
WISCONSIN	1
WYOMING	2



Alternative Retirement Plans

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

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DEFERRED RETIREMENT OPTION PLAN - DROP

The Deferred Retirement Option Plan became effective January 1, 1982, and was created essentially to provide a cost of living increase for retirees, which would be cost neutral to the System and the employer. It has undergone several structural changes over the years, including changes in 2015. The fundamental provisions of the DROP are as follows:

Eligibility

A member eligible for retirement may contractually, in lieu of immediate termination of employment and receipt of a service allowance retirement, continue employment for a specified period of time while deferring the receipt of retirement benefits. At the end of the contractually specified time, the employee terminates employment. **For members hired prior to September 1, 2015**, eligible members are considered those who (a) have attained 25 years of creditable service and not more than 30 years of creditable service or (b) have attained at least 10 years of service and are age 55 or older. **For members hired on or after September 1, 2015**, eligible members are considered those who (a) have attained 25 years of creditable service and not more than 33 years of creditable service, (b) are non-public safety members age 55 or public safety members age 50, or (c) have attained at least 10 years of service and are non-public safety members age 60 or public safety members age 55, or (d) do not reach the minimum required retirement age but exercise the option to participate in the DROP no later than 60 days following the attainment of age 55 for non-public safety members or age 50 for public safety members.

Participation

For members hired prior to September 1, 2015, participation in the DROP is for a period not exceeding either 5 years or a number of years which, when added to the number of years of creditable service, equals 32. **For members hired on or after September 1, 2015**, participation in the DROP is for a period not exceeding 5 years. For members entering the DROP with less than 25 years of service, DROP participation is limited to 3 years. The ordinance provides for a member with interrupted service, while on the DROP, to resume participation if he has not received any distributions from his DROP account that were not based on his life expectancy.

For members electing to participate in the DROP after July 1, 1991, the member shall agree to terminate employment at the end of the DROP participation period or immediately receive a distribution, representing a lump-sum payment in the amount equal to the member's DROP account balance, without the addition of any interest amount, and the member's DROP account shall be terminated. Should a member choose to remain employed, no additional service credit or additional benefits shall be earned.

For members who transferred to the Municipal Police Employees' Retirement System, the total DROP participation in both systems combined cannot exceed 5 years. In some cases, the member may be required to enroll in one system's DROP for a period of time prior to enrolling in the other system's DROP. Rights in the CPERS and Police Guarantee Trust DROP are contractually guaranteed through the *Agreement and Guarantee of Retirement Rights and Benefits*.

Interest Rate

Each year a DROP interest rate is determined by the System's actuary and paid to members' accounts where applicable. The rate is an average of five (5) years of market rates of return, compounded quarterly, as measured by the System's investment consultant. The DROP interest rate credited to members' accounts is the percentage rate certified by the actuary less one annual percentage point (100 basis points).

Termination of Participation

For a member who terminates employment in accordance with the DROP contract terms, and thus becomes a retiree, an election can be made regarding the withdrawal of DROP account funds. The retiree can choose any of the following options:

1. a lump-sum distribution of the balance in the DROP account, provided he has not yet received his first regular pension payment.
2. a method of distribution based on life expectancy.
3. any other method of distribution approved by the Retirement Board of Trustees.

If the terminating member is age 55 or older (age 50 for public safety officers), any severance/separation pay must be rolled into his existing DROP account. For members less than 55 years of age (age 50 for public safety officers), the option is given to either roll the severance/separation pay into his DROP account or take receipt of it. The option to roll is not available to transferred police members.

DEFERRED RETIREMENT OPTION PLAN – DROP (CONTINUED)

Survivor Benefits

Essentially, a surviving spouse of a DROP participant retains the same rights for the account as the member had. The methods of withdrawal are basically the same also. For beneficiaries other than the spouse, the beneficiary receives a lump-sum payment equal to the member's individual account balance in the DROP account. If no beneficiary is named, the member's estate receives the lump-sum payment from the DROP account.

EXCESS BENEFIT PLAN

The Excess Benefit Plan was created as a separate, unfunded, non-qualified plan, and intended to be a qualified governmental excess benefit arrangement as defined in Section 415(m)(3) of the Internal Revenue Code.

A member whose benefit exceeds the maximum benefit allowed under Section 415 of the Code, is entitled to a monthly benefit under the excess benefit plan in an amount equal to the lesser of the member's unrestricted benefit less the maximum benefit, or the amount by which the member's monthly benefit from the pension plan has been reduced because of the limitations as provided for in section 1:272 of the Retirement Ordinance.

The Excess Benefit Plan is administered by the Retirement Board of Trustees who are assigned the same rights, duties, and responsibilities for this plan as for the pension plan. The System's actuary is responsible for determining the amount of benefits that may be provided under the pension plan solely because of the limitations of section 1:272 of the Retirement Ordinance and Section 415 of the Code. The actuary also determines the amount of contributions that will be made to the Excess Benefit Plan rather than to the pension plan.

Contributions may not be accumulated under the Excess Benefit Plan to pay future retirement benefits. Instead, each payment made by the employer is reduced by the amount determined by the System's actuary to be required as funding for the Excess Benefit Plan. Employer contributions made to fund the Excess Benefit Plan are not commingled with the monies of the pension plan or any other qualified plan. Also, this plan may never receive any transfer of assets from the pension plan.

City of Baton Rouge and Parish of East Baton Rouge
EMPLOYEES' RETIREMENT SYSTEM

FOR THE YEAR END DECEMBER 31, 2023

A Blended Component Unit of the Consolidated Government of
City of Baton Rouge and the Parish of East Baton Rouge, LA



CPERS
CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM

BR



CPERS | BR

**CITY PARISH EMPLOYEES'
RETIREMENT SYSTEM**

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Baton Rouge, LA 70802

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A Blended Component Unit of the Consolidated Government of the City of baton Rouge and the
Parish of East Baton Rouge, LA

EISNERAMPER

**THE EMPLOYEES' RETIREMENT SYSTEM OF
THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE**

**REPORT ON STATEWIDE
AGREED-UPON PROCEDURES on COMPLIANCE and
CONTROL AREAS**

FOR THE YEAR ENDED DECEMBER 31, 2023



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To: Board of Trustees of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge and the Louisiana Legislative Auditor

We have performed the procedures enumerated in Schedule A on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) of the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge (Retirement System) for the fiscal period January 1, 2023 through December 31, 2023. The Retirement System's management is responsible for those C/C areas identified in the SAUPs.

The Retirement System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of performing specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2023 through December 31, 2023. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by the Retirement System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs of the Retirement System for the fiscal period January 1, 2023 through December 31, 2023. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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

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



EISNERAMPER LLP
Baton Rouge, Louisiana
June 26, 2024

**EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE AND PARISH OF EAST
BATON ROUGE
AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS
DECEMBER 31, 2023**

Schedule A

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read *"no exception noted"* or for step 13 *"we performed the procedure and discussed the results with management"*. If not, then a description of the exception ensues.

1) *Written Policies and Procedures*

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):

i. **Budgeting**, including preparing, adopting, monitoring, and amending the budget.

No exception noted.

ii. **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the Public Bid Law; and (5) documentation required to be maintained for all bids and price quotes.

The Retirement System's written policies over Purchasing do not address (2) how vendors are added to the vendor list, (4) controls to ensure compliance with the Public Bid Law, or (5) documentation required to be maintained for all bids and price quotes. However, the Retirement System's written policies over Purchasing did address (1) how purchases were initiated and (3) the preparation and approval process of purchase requisitions and purchase orders.

iii. **Disbursements**, including processing, reviewing, and approving

No exception noted.

iv. **Receipts/Collections**, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exception noted.

v. **Payroll/Personnel**, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

No exception noted.

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- vi. **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exception noted.

- vii. **Travel and Expense Reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exception noted.

- viii. **Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)**, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exception noted.

- ix. **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

No exception noted.

- x. **Debt Service**, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable as the Retirement System does not issue debt, therefore written policies and procedures do not exist.

- xi. **Information Technology Disaster Recovery/Business Continuity**, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exception noted.

- xii. **Prevention of Sexual Harassment**, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

No exception noted.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
- i. Observe whether the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

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No exception noted.

- ii. For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternatively, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

The Retirement System maintains two separate trusts reported as fiduciary funds. As such this procedure is not applicable.

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

The Retirement System maintains two separate trusts reported as fiduciary funds. As such this procedure is not applicable.

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

No exception noted.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:

A listing of bank accounts was provided and included a total of 7 bank accounts. Management identified the Retirement System's main operating account. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected 5 bank accounts (1 main operating and 4 randomly) and obtained the bank reconciliations for the month ending August 31, 2023, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

- i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);

No exception noted.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation

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within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exception noted.

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

No exception noted.

4) Collections (excluding electronic funds transfers)

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

The Retirement System does not collect cash and deposit sites do not exist. Therefore this control and compliance area is not applicable and no procedures were performed.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:

This is not applicable. See step 4A.

- i. Employees responsible for cash collections do not share cash drawers/registers;

This is not applicable. See step 4A.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit;

This is not applicable. See step 4A.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

This is not applicable. See step 4A.

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee verifies the reconciliation.

This is not applicable. See step 4A.

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

This is not applicable. Employees of the Retirement System do not have access to cash.

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

This is not applicable. See step 4A.

- i. Observe that receipts are sequentially pre-numbered.

This is not applicable. See step 4A.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

This is not applicable. See step 4A.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

This is not applicable. See step 4A.

- iv. Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

This is not applicable. See step 4A.

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

This is not applicable. See step 4A.

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

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

The listing of locations that process payments for the fiscal period was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we selected the 1 location and performed the procedures below.

- B. For each location selected under #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that:

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The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #5A was provided. No exceptions were noted as a result of performing this procedure.

Review of the Retirement System's written policies and procedures or inquiry with employee(s) regarding job duties was performed in order to perform the procedures below.

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exception noted.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exception noted.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

One employee responsible for processing payments is also able to add vendors to the Retirement System's purchasing/disbursement system, without periodic review of changes to vendor files by another employee.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exception noted.

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exception noted.

- C. For each location selected under #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and

A listing of non-payroll disbursements for each payment processing location selected in procedures #5A was provided related to the reporting period. No exceptions were noted as a result of performing this procedure.

From each of the listings provided, we randomly selected 5 disbursements and performed the procedures below.

- i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity, and

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- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exception noted.

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

No exception noted.

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

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

A listing of cards was provided. No exceptions were noted as a result of performing this procedure.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and

From the listing provided, we selected all cards (1 credit card) used in the fiscal period. We randomly selected one monthly statement, May 2023, for the card selected and performed the procedures noted below.

- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved) by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported; and

No exception noted.

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

No exception noted.

- C. Using the monthly statements or combined statements selected under procedure #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For

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missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

No exceptions noted.

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

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:

The listing of travel and travel-related expense reimbursements was provided for the fiscal period. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 reimbursements and performed the procedures below.

- i. If reimbursed using a per diem, observe that the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

No exception noted.

- ii. If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

No exception noted.

- iii. Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by "Written Policies and Procedures", procedure #1A(vii); and

No exception noted.

- iv. Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

No exception noted.

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternatively, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

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A listing of all agreements/contracts that were initiated or renewed during the fiscal year was provided. No exceptions were noted as a result of performing this procedure.

From the listing provided, we randomly selected 5 contracts and performed the procedures below.

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

Of the 5 contracts selected for our procedures, none were subject to Louisiana Public Bid Law. No exception noted.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter);

No exception noted.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

Of the 5 contracts selected for our procedures, none were amended. No exception noted.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

No exception noted.

9) Payroll and Personnel

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

The Retirement System's employees are employed and paid directly by the City of Baton Rouge and the Parish of East Baton Rouge. See the separately issued SAUP report for the City of Baton Rouge and Parish of East Baton Rouge for the results of this procedure. As a result, this area of controls and compliance is not applicable, and no procedures were performed.

- B. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and

This is not applicable. See step 9A.

- i. Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

This is not applicable. See step 9A.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

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This is not applicable. See step 9A.

- iii. Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

This is not applicable. See step 9A.

- iv. Observe the rate paid to the employees or officials agrees to the authorized salary/pay rate found within the personnel file.

This is not applicable. See step 9A.

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

This is not applicable. See step 9A.

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

This is not applicable. See step 9A.

10) Ethics

- A. Using the 5 randomly selected employees/officials from procedure "Payroll and Personnel" procedure #9A, above obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

This is not applicable. See step 9A.

- ii. Observe whether the entity maintains documentation which demonstrates that each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

This is not applicable. See step 9A.

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

No exception noted.

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11) Debt Service

- A. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued as required by Article VII, Section 8 of the Louisiana Constitution.

This is not applicable. See comments at step 1Ax.

- B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

This is not applicable. See comments at step 1Ax.

12) Fraud Notice

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

No exception noted.

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

No exception noted.

13) Information Technology Disaster Recovery/Business Continuity

- A. Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management."**

- i. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe evidence that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- ii. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

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- iii. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

We performed the procedure and discussed the results with management.

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

This is not applicable. See step 9A.

- C. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:12671. The requirements are as follows:

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

This is not applicable. See step 9A.

14) Prevention of Sexual Harassment

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

The Retirement System's employees are employed and paid directly by the City of Baton Rouge and the Parish of East Baton Rouge. See the separately issued SAUP report for the City of Baton Rouge and Parish of East Baton Rouge for the results of this procedure. As a result, this area of controls and compliance is not applicable, and no procedures were performed.

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

No exception noted.

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

¹ While it appears to be a good practice for charter schools to ensure its employees are trained to keep their information technology assets safe from cyberattack, charter schools do not appear required to comply with 42:1267. An individual charter school, though, through specific provisions of its charter, may mandate that all employees/officials receive cybersecurity training.

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The Retirement System's employees are employed and paid directly by the City of Baton Rouge and the Parish of East Baton Rouge. See the separately issued SAUP report for the City of Baton Rouge and Parish of East Baton Rouge for the results of this procedure. As a result, this area of controls and compliance is not applicable, and no procedures were performed. See step 14A.

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

This is not applicable. See step 14A.

- ii. Number of sexual harassment complaints received by the agency;

This is not applicable. See step 14A.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

This is not applicable. See step 14A.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

This is not applicable. See step 14A.

- v. Amount of time it took to resolve each complaint.

This is not applicable. See step 14A.

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BATON ROUGE
MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN
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Schedule B

Management's responses for the exceptions noted in Schedule A are set forth below.

1Aii) CPERS closely follows the City-Parish procedures for routine items and will obtain three bids for contracts when it's over the threshold limits to do so.

5Biii) Due to limited staff, the Financial Manager can both process payments and add new vendors only with the approval of the Director and/or Assistant Director. The Financial Manager does not have the ability to hire vendors. That is the responsibility of Administration. Invoices are submitted for payment and a voucher is produced that is signed off by the Administration before any payments are issued.