2021

Annual Comprehensive Financial Report

For the Fiscal Year Ended December 31, 2021

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

ERS

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM OF THE
CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
COMPREHENSIVE ANNUAL 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, 2021

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:
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BATON ROUGE, LOUISIANA
www.standarkcreative.com

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

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EMPLOYEES' RETIREMENT SYSTEM

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City of Baton Rouge and Parish of East Baton Rouge

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CITY OF BATON ROUGE
PARISH OF EAST BATON ROUGE

Employees' Retirement System of the City of Baton Rouge
and Parish of East Baton Rouge

James A. Mack
Director | Retirement Administrator

LETTER OF TRANSMITTAL

June 29, 2022

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, 2021. 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 2021 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, the Certificate of Achievement for Excellence in Financial Reporting, 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 Recommendations.

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 fifteenth consecutive Supplemental Benefits Payment (SBP) to eligible retirees in September of 2021. It was again necessary to continue the scaled-back amounts established in 2012 in order to make meaningful distributions to qualifying retirees. The aggregate amount paid to 2,685 retirees totaled $1.49 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.

The Covid-19 pandemic remained a challenging obstacle for the office to navigate, however the staff remained focused and diligent in their efforts to serve our members. The office followed city and state mandates, temporarily closing our office doors during the spring of 2020. The staff however, made sure member benefits continued to be paid in a timely fashion every month while working with our members via phone, email and fax to ensure questions were answered, retirement application were processed, and office operations continued with as little disruption as possible. In the last quarter of 2021 the management team began to put into place a new strategy to allow our retirement counselors to begin offering in-person retirement education and training to our members again.

Relative to investments, the Retirement System's Board passed a motion to completely restructure the investments of the Police Guarantee Trust in 2020, while also making significant structural changes to the original CPERS trust. Some of those structural changes carried over into the first half of 2021. As a result, the second half of the year required very little change in terms of asset allocation or manager selection.

SERVICE EFFORTS AND ACCOMPLISHMENTS

The Retirement System continues to concentrate its efforts in 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 continue to increase, and in 2021 the System paid out $93.8 million in regular monthly benefits compared to $91.0 million in 2020; an increase of 3.1%. Distributions of $23.0 million were paid to participants from the Deferred Retirement Option Plan (DROP), representing a small decrease as compared to the $23.2 million paid out in 2020. Combined, CPERS and PGT paid out $116.8 million to eligible retirees, survivors, and beneficiaries during the year, exclusive of separation benefits. Compared to $114.2 million paid out in 2020, total benefits paid increased by 2.3%.

The average monthly benefit of CPERS retirees continued to increase as both salaries and the number of retirements increased. For 2021, retirees drew an average monthly benefit of $2,292, which represented an increase of 6.9% over the 2020 average of $2,144. For CPERS, the average monthly withdrawal for DROP funds was $1,217, a decrease of 2.5% from 2020's average of $1,248. The DROP interest rate was computed by the actuary as 7.1 percent, which helped encourage members to keep DROP funds on deposit. DROP withdrawals for CPERS included approximately $2,173,000 in rollovers to qualified Individual Retirement Accounts (IRAs) or other qualified plans.

Also, during 2021, refunds were issued to 176 members who terminated employment, and to beneficiaries of deceased members, compared to 177 issued during 2020. Additionally, some former members chose to rollover the portion of their contributions that was tax-sheltered, into an IRA or another qualified plan. A total of 123 CPERS members retired during 2021, which represented an increase from the 118 who retired in 2020. A total of 92 CPERS members entered DROP during 2021 compared to 75 during 2020.

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 2021 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 36.0 percent produced 2021 General Fund and non-General Fund/Other Employer contribution rates of 33.73 percent and 38.36 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. CPERS' 2021 gross investment performance of 14.66% represented a continued trend in positive performance from the prior year, and was a much needed boost to funding, coming off a 2020 gross performance of more than 13%. In accordance with applicable accounting standards, the System's net position as a percent of the total pension liability increased to 73.35 percent when comparing the plan fiduciary net position to the total pension liability. The comparable number for 2020 was 68.78 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 2021 was 37.19 percent as compared to 2020 when it was 36.53 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.

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 2021, the System initiated new relationships with three new investment managers, and retained 21 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 now 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. Investment return for CPERS' assets, gross of investment fees for 2021 was 14.66 percent with the three-year, and five-year returns being 15.10 percent and 10.98 percent respectively. For the PGT, the 2021 gross investment return was 9.02 percent, with the three-year and five-year returns being 10.70 percent and 7.79 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 the 2021 annual audit, the auditors were Postlethwaite & Netterville, Baton Rouge, Louisiana. Their opinion letter can be found in the Financial Section of this report and matters 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 the year ended December 31, 2020. This was the twenty-fourth consecutive year that CPERS has achieved 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. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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 2021 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, they were dedicated to gathering and inputting data, proofing, and assembling this document.

Lastly, we would like to acknowledge two special retirements that occurred during the 2021 calendar year. Former Retirement Administrator, Jeff Yates, retired after over four decades with the City-Parish. His leadership and expertise navigating the system throughout the years has been invaluable and will be sorely missed. Additionally, the system said goodbye to former Assistant Retirement Administrator, Russell Smith, who retired after thirty-two years with the System. The institutional knowledge, relationship building, and high degree of fiduciary care that they exhibited during their respective tenures have provided an excellent foundation for the future.

James A. Mack
Retirement Administrator

Aisha K. Mirza
Assistant Retirement Administrator

2021
RETIREMENT BOARD OF TRUSTEES

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

Regan Alexander
Senior Administrative Specialist

Jeffrey Lagarde, C.P.A.
Chief Financial Analyst

Katherine Wesley
Financial Analyst

Marshall Reilly
Financial Analyst

Rae Labat
Senior Financial Analyst

Salli Withers
Senior Retirement Analyst

Ana Paula Oby
Senior Retirement Analyst

Rebecca Delaughter
Senior Retirement Analyst

PROFESSIONAL CONSULTANTS

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AUDITOR
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INVESTMENT CONSULTANT
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Winter Park, FL 32789

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Baton Rouge, LA 70810

MEDICAL CONSULTANT
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Baton Rouge, LA 70810

IT CONSULTANT
Relational Systems Consultants
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Lafayette, LA 70508

COST ANALYSIS CONSULTANT
MGT Consulting Group
3800 Esplanade Way
Tallahassee, FL 32311

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

FIXED INCOME
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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
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400 Howard Street
San Francisco, CA 94105

INTECH
250 S. Australian Ave., Suite 1800
West Palm Beach, FL 33401

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

INTERNATIONAL EQUITY
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
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Coatesville, PA 19320

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New York, NY 10104

Morgan Stanley Investment Management
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West Conshohocken, PA 19428

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San Francisco, CA 94111

PROFESSIONAL CONSULTANTS (CONTINUED)

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Fort Washington Investment Advisors
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Cincinnati, OH 45202

Aberdeen Capital Management, LLC
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Stamford, CT 06902

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

MASTER LIMITED PARTNERSHIPS
Harvest Fund Advisors LLC
100 West Lancaster Avenue, 2nd Floor
Wayne, PA 19087

HEDGE FUND OF FUNDS
Magnitude Capital LLC
200 Park Avenue, 56th Floor
New York, NY 10166

GLOBAL TACTICAL ASSETS
BlackRock
55 East 52nd Street
New York, New York 10055

REAL ESTATE
Clarion Partners
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New York, NY 10169

Principal Real Estate Investors, LLC
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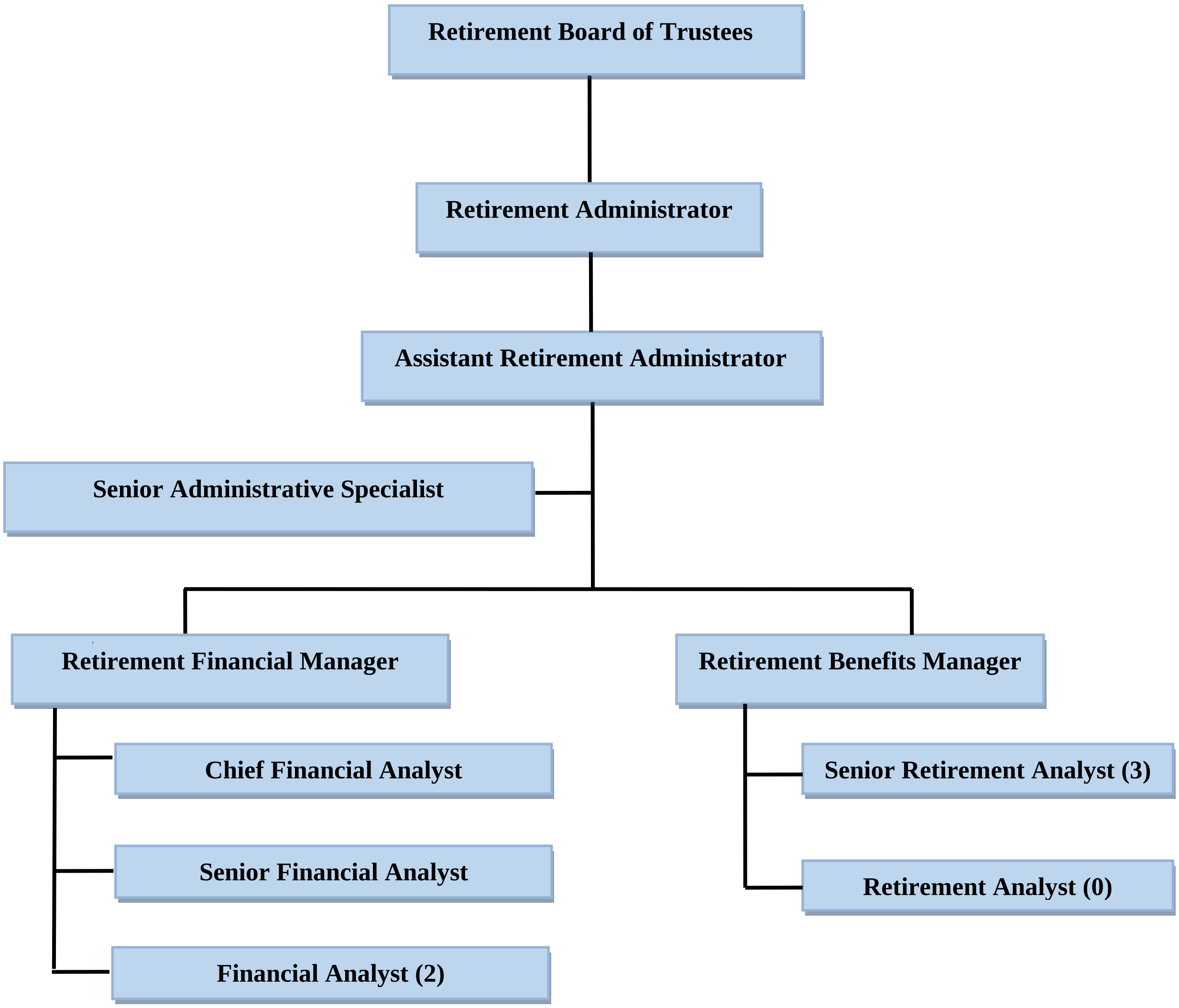
Des Moines, IA 50309

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 Investment Section of this Annual Report.

RETIREMENT SYSTEM
ORGANIZATIONAL CHART



Student Interns (3)

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Baton Rouge & Parish of East Baton Rouge
Employees' Retirement System
Louisiana

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morrill

Executive Director/CEO

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 his member contributions in the event member dies before receiving retirement benefits exceeding the amount of his member contributions as of the date of his 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.

Financial Section

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

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Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

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

Opinion

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, 2021, 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, 2021 and the changes in its financial position for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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.

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 Comparative Information

We have previously audited the Retirement System's December 31, 2020, financial statements and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 29, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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, 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 audit was conducted for the purpose of forming an opinion 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, Reimbursements, 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 were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the

audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit 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 29, 2022, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Retirement System's internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 29, 2022

P&N
Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
225-922-4600 Phone – 225-922-4611 Fax – pncpa.com

A Professional Accounting Corporation

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*

Members of the Board of Trustees
Employees' Retirement System of the
City of Baton Rouge and Parish of East Baton Rouge:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of 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, 2021, and the related notes to the financial statements, and have issued our report thereon dated June 29, 2022.

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 opinion 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses 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. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and recommendations as item 2022-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

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

Retirement System's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on the Retirement System's response to the finding identified in our audit and described in the accompanying schedule of findings and recommendations. The Retirement System's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Retirement System's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 29, 2022

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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, notes to the financial statements, required supplementary information, and supporting schedules for the current year.

FINANCIAL HIGHLIGHTS

2021 picked up right where calendar year 2020 left off with a very strong capital markets environment, despite the world continuing to deal with the ongoing COVID-19 pandemic. Historic corporate earnings growth helped fuel risk assets higher as all the major U.S. stock indices finished in the green, most with double digit returns. Higher energy prices along with global supply constraints, due partly to the pandemic, began to raise concerns for increased inflation. Those concerns rattled the bond market, which was one of the few underwhelming aspects of the market. U.S. inflation steadily rose from 1.4% in January to an annual high of 7.0% by the end of the year.

In 2021 the System's investments performed at a 14.7% level, following a 13.25% gain in 2020. All investment categories were in positive territory by year end, with the exception of fixed income, which had a modest decline of 0.3%. The total fund outperformed the Total Policy Index by 3.4%, which indicates that the portfolio's active managers added value again as they did in 2020. The Police Guarantee Trust was overhauled in structure in 2020 to be comprised of iShares and index funds that allowed for greater liquidity and lower fees. After finishing higher by 8.83% in 2020, PGT saw its gross investment performance increase by a clip of 9.0% in 2021.

The number of retirees continued to increase in 2021, and as a result the total retirement benefit payments, including DROP withdrawals, increased by 2.5%. Also included in benefit payments was the payment of the fifteenth consecutive Supplemental Benefit Payment of $1.5 million. After a significant increase of 21.8% in 2020, refunds and withdrawals decreased at a rate of 12.5% in 2021.

Overall, CPERS' funding level at December 31, 2021, using amounts reported in the financial statements, was 73.35% versus the December 31, 2020 level of 68.78%, as measured in accordance with GASB 67 standards. However, on an actuarial funding basis, CPERS' funded percentage at December 31, 2021 increased to 67.00% versus the December 31, 2020 funding level of 65.60%. For the PGT, the 2021 plan fiduciary net position as a percentage of total pension liability increased to 37.19% from the 2020 level of 36.53% as measured in accordance with GASB 67 standards, using amounts reported in the financial statements. On a funding basis, the 2021 PGT funded level was 35.90% versus the 2020 level of 34.30%.

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, 2021 and provides comparative combined totals at December 31, 2020.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Statement of Changes in Fiduciary Net Position – This statement reports the results of operations during the calendar year 2021 with comparative combined totals for 2020, categorically disclosing the additions to and deductions from assets held in trust for pension benefits. The net increase in fiduciary position on this statement supports the change in fiduciary position on the Statement of Fiduciary Net Position. As with prior years' formats, 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 a 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.

- 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.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, and employer contribution data 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, 2021 was $1.433 billion, representing an increase of $130 million, or 10.0% above the $1.303 billion Total System Net Position restricted for pensions at December 31, 2020.

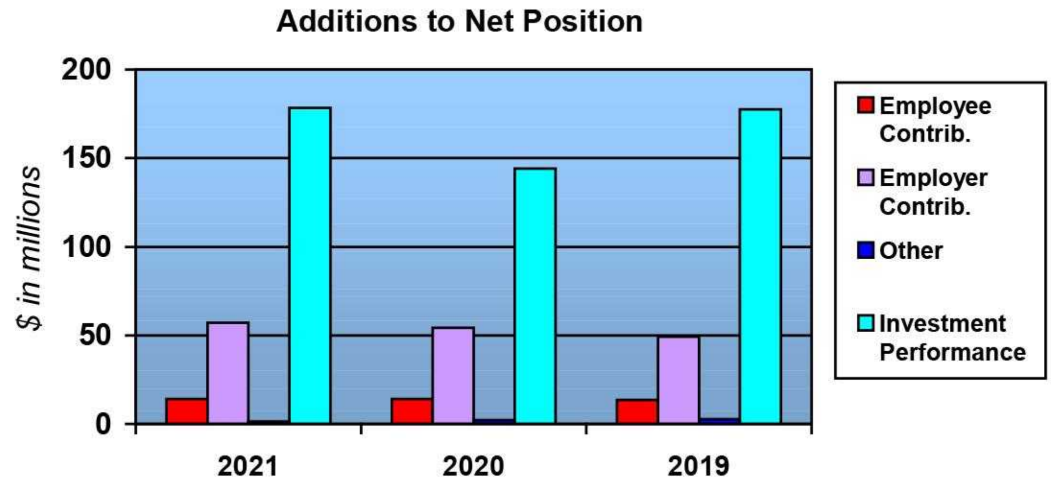
	2021	2020	2019	2021 $ Change	2021 % Change
Cash	$13,713,687	$11,968,211	$15,010,355	$1,745,476	14.58%
Receivables	8,504,787	9,183,782	7,561,967	(678,995)	-7.39%
Investments (fair value)	1,415,206,905	1,286,888,739	1,190,309,814	128,318,166	9.97%
Capital Assets	627,112	626,213	631,279	899	0.14%
Total Assets	1,438,052,491	1,308,666,945	1,213,513,415	129,385,546	9.89%
Deferred Outflows of Resources	1,124,515	437,447	181,998	687,068	157.06%
Total Liabilities	5,628,895	5,749,152	5,351,692	(120,257)	-2.09%
Deferred Inflows of Resources	994,735	612,349	994,782	382,386	62.45%
Net Position Restricted for Pensions	$1,432,553,376	$1,302,742,891	$1,207,348,939	$129,810,485	9.96%

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 2021 and 2020, increased by 0.82%. Employer contributions also increased by about $2.8 million, or 5.2%. The blended employer contribution rate for 2021 was 36.00% of payroll, while in 2020 the blended rate was set at 34.90%. Investment performance, typically the most influential element to Net Position, again exceeded expectations with nearly all asset classes adding to the positive performance. In 2021, the System experienced a positive investment appreciation of $178.4 million, net of investment expenses, compared to 2020's strong performance gain of $144.0 million. In total, 2021 additions to net position restricted for pensions were $252.5 million a welcome continuation of the addition of $215.7 million in 2020.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS



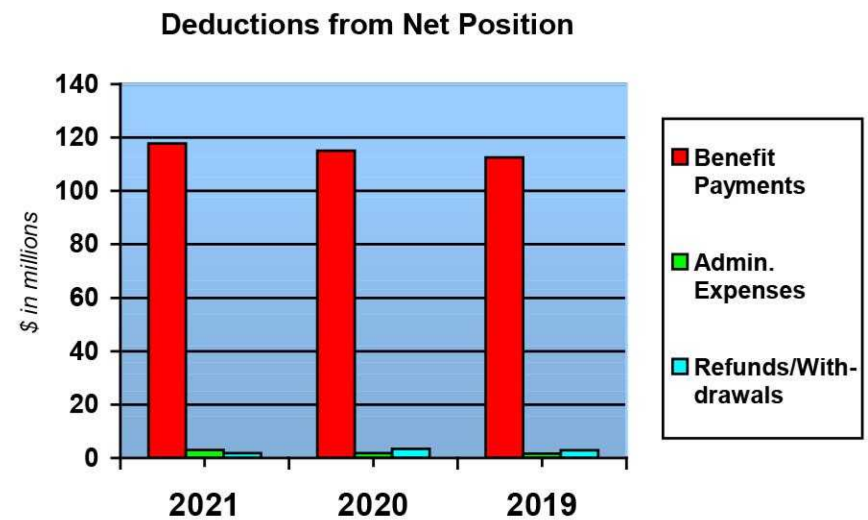
Additions to Net Position	2021	2020	2019	2021 $ Change	2021 % Change
Employee Contributions	$14,104,337	$13,989,441	$13,605,743	$114,896	0.82%
Employer Contributions	57,162,908	54,314,182	47,973,717	2,848,726	5.24%
Non-Employer Contributions	1,280,855	1,260,272	1,227,486	20,583	1.63%
Net Investment Income (Loss)	178,421,180	144,024,224	177,422,076	34,396,956	23.88%
Other	1,506,550	2,081,015	2,698,674	(574,465)	-27.61%
Total Additions	$252,475,830	$215,669,134	$242,927,696	$36,806,696	17.07%

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 2021, benefit payments to retirees, survivors, and beneficiaries totaled $117.8 million, which represented a 2.4% increase from the $115.1 million paid out in 2020. 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 fifteenth consecutive Supplemental Benefit Payment of $1.5 million to qualifying retirees. The 2021 administrative expenses increased to $1.82 million from $1.76 million in 2020 representing an increase of 3.5%. And finally, refunds and withdrawals of member contributions decreased by 12.5%, totaling $3.0 million in 2021, as compared to $3.4 million in 2020. In total, 2021 increases to net position restricted for pensions were $129.8 million as compared to an increase of $95.4 million for 2020.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS



Deductions from Net Position	2021	2020	2019	2021 $ Change	2021 % Change
Benefit Payments	$117,845,521	$115,090,186	$112,636,414	$2,755,335	2.39%
Refunds & Withdrawals	2,997,738	3,425,203	2,811,623	(427,465)	-12.48%
Administrative Expense	1,822,086	1,759,793	1,651,548	$62,293	3.54%
Total Deductions	$122,665,345	$120,275,182	$117,099,585	$2,390,163	1.99%

Net Increase in Net Position (Total Additions less Total Deductions)	$129,810,485	$95,393,952	$125,828,111	$34,416,533	36.08%

Investments

The System's investments in 2021 performed admirably in a positive market climate for equities, while fixed income holdings struggled as a result of a rising interest rate environment. The fair value of investments totaled $1.4 billion at December 31, 2021 as compared to $1.3 billion at December 31, 2020, which represented an increase of 10.0%. Fixed income experienced a modest decrease of 0.28%, while all other asset classes contributed to the gains, but in particular the equities and real estate segments. Leading the charge was the U.S. equity segment which gained 27.4% during the year, followed by real estate's strong positive performance of 25.2%. The System's private equity and international equity segments followed with gains of 18.7% and 10.0% respectively. The hedge fund segment had its best performance of the last three years, gaining 9.4%, compared to gains of 8.4% and 6.4% in 2020 and 2019. CPERS' overall investment return of 14.66%, exceeded the total policy fund index, which is its benchmark, by 3.4%.

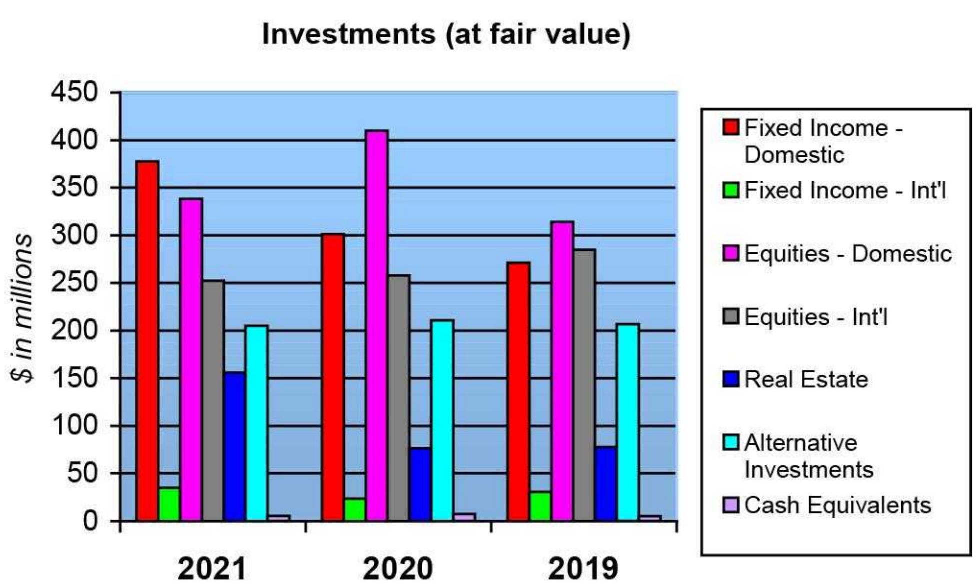
EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
PARISH OF EAST BATON ROUGE

MANAGEMENT'S DISCUSSION AND ANALYSIS

Active investment management added 348 basis points to performance, led by the private equity, real estate, and small cap equity segments. CPERS continues to further diversify the portfolio 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 the newly added global infrastructure investment. The System'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 2021, as four of the five investment segments generated positive performance, with fixed income lagging. 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:

	2021 %	2020 %	2019 %
US Equity Composite	27.35	24.33	30.29
International Equity Composite	10.00	14.42	21.56
Fixed Income Composite	-0.28	8.45	9.71
Real Estate Composite	25.15	2.23	7.26
Hedge Funds Composite	9.42	8.43	6.42
Private Equity	18.70	14.37	14.25
Global Multi Asset (GTAA) Composite	7.38	N/A	N/A
Global Infrastructure Composite	3.40	N/A	N/A
Risk Parity Composite	N/A	4.31	22.95
Cash Composite	0.03	0.41	2.23
Total Fund Composite	14.66	13.25	17.42

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.



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

MANAGEMENT'S DISCUSSION AND ANALYSIS

Investments (at Fair Value)	**2021**	**2020**	**2019**	**2021 $ Change**	**2021 % Change**
Fixed Income - Domestic	$377,620,944	$301,347,154	$271,321,098	$73,273,790	25.31%
Fixed Income – International	34,973,691	23,671,909	30,732,462	$11,301,782	47.74%
Equities – Domestic	384,080,864	409,940,320	313,974,672	($25,859,456)	-6.31%
Equities – International	252,291,810	257,670,275	284,878,860	($5,378,465)	-2.09%
Real Estate	155,886,496	76,435,627	77,617,990	$79,450,869	103.94%
Alternative Investments	205,029,827	210,537,721	206,721,031	($5,507,894)	-2.62%
Cash Equivalents	5,323,273	7,285,733	5,063,701	($1,962,460)	-26.94%
Total Investments	$1,415,206,905	$1,286,888,739	$1,190,309,814	$128,318,166	9.97%

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, 2021
AND COMPARATIVE COMBINED TOTALS FOR 2020**

	CPERS Trust	Police Guarantee Trust	2021 Combined Total	2020 Combined Total
Assets				
Cash	$ 13,088,653	$ 625,034	$ 13,713,687	$ 11,968,211
Receivables:				
Employer contributions	2,250,827	1,694,068	3,944,895	4,339,510
Employee contributions	839,710	756	840,466	854,541
Non-employer contributions	1,280,854	--	1,280,854	1,260,272
Interest and dividends	81,527	1,955	83,482	78,657
Pending trades	2,263,119	--	2,263,119	2,548,833
Other	89,096	2,875	91,971	101,969
Total Receivables	6,805,133	1,699,654	8,504,787	9,183,782
Investments (at fair value):				
Fixed Income – Domestic	373,475,961	4,144,983	377,620,944	301,347,154
Fixed Income – International	33,097,954	1,875,737	34,973,691	23,671,909
Equities – Domestic	379,215,912	4,864,952	384,080,864	409,940,320
Equities – International	249,760,664	2,531,146	252,291,810	257,670,275
Real estate investments	155,886,496	--	155,886,496	76,435,627
Alternative investments	202,978,498	2,051,329	205,029,827	210,537,721
Cash equivalents	5,220,825	102,448	5,323,273	7,285,733
Total Investments	1,399,636,310	15,570,595	1,415,206,905	1,286,888,739
Properties at cost, net of accumulated depreciation of $760,235 and $754,903 respectively	627,112	--	627,112	626,213
Total Assets	1,420,157,208	17,895,283	1,438,052,491	1,308,666,945
Deferred outflows of resources - OPEB related	944,593	179,922	1,124,515	437,447
Liabilities				
Accrued expenses and benefits	1,208,050	165,757	1,373,807	2,007,376
Pending trades payable	336,964	1,955	338,919	102,635
Total OPEB Liability	3,253,191	662,978	3,916,169	3,639,141
Total Liabilities	4,798,205	830,690	5,628,895	5,749,152
Deferred inflows of resources – OPEB related	835,577	159,158	994,735	612,349
Net position restricted for pensions	$ 1,415,468,019	$ 17,085,357	$ 1,432,553,376	$ 1,302,742,891

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, 2021
AND COMPARATIVE COMBINED TOTALS FOR 2020**

	CPERS Trust	Police Guarantee Trust	2021 Combined Total	2020 Combined Total
Additions:				
Contributions:				
Employee	$ 14,067,700	$ 36,637	$ 14,104,337	$ 13,989,441
Employer	53,438,424	3,724,484	57,162,908	54,314,182
Non-employer	1,280,855	--	1,280,855	1,260,272
Severance contributions from employee	1,506,550	--	1,506,550	2,081,015
Total contributions	70,293,529	3,761,121	74,054,650	71,644,910
Investment income:				
Net appreciation in fair value of investments	180,946,303	977,711	181,924,014	150,249,380
Interest and dividends	3,953,454	421,650	4,375,104	830,505
	184,899,757	1,399,361	186,299,118	151,079,885
Less investment expenses	7,837,025	40,913	7,877,938	7,055,661
Net investment income	177,062,732	1,358,448	178,421,180	144,024,224
Total additions	247,356,261	5,119,569	252,475,830	215,669,134
Deductions:				
Benefit payments	115,022,214	2,823,307	117,845,521	115,090,186
Refunds and withdrawals	2,997,738	--	2,997,738	3,425,203
Administrative expenses	1,534,665	287,421	1,822,086	1,759,793
Total deductions	119,554,617	3,110,728	122,665,345	120,275,182
Net increase in net position	127,801,644	2,008,841	129,810,485	95,393,952
Net position restricted for pensions				
Beginning of year	1,287,666,375	15,076,516	1,302,742,891	1,207,348,939
End of year	$ 1,415,468,019	$ 17,085,357	$ 1,432,553,376	$ 1,302,742,891

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, Retirement System, or CPERS) is the administrator of a cost-sharing multiple-employer plan (the Plan). At December 31, 2021 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)
Brownsfield 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 16.00% for 2021, down from 17.00% in 2020, 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, 2021 and 2020, membership in the Retirement System for CPERS and the PGT consisted of:

	2021	2020
Inactive - CPERS:		
Retirees and beneficiaries currently receiving benefits	3,542	3,523
Vested terminated employees	10	12
Deferred retirees	299	305
Total inactive	3,851	3,840
Active - CPERS:		
Fully vested	1,148	1,171
Not vested	1,727	1,718
Total active	2,875	2,889
Total CPERS Membership	6,726	6,729

**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.

	2021	2020
Inactive - PGT:		
Retirees and beneficiaries currently receiving benefits	34	30
Vested terminated employees	2	3
Deferred retirees	58	60
Total inactive	94	93
Active - PGT:		
Fully vested	47	70
Not vested	0	0
Total active	47	70
Total PGT Membership	141	163

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 Police Guarantee Trust (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

DROP deposits are included in the assets held in trust. The amounts of DROP deposits held in the original CPERS trust DROP accounts and the PGT DROP accounts respectively as of December 31, 2021 were $301,933,864 and $35,991,592. For December 31, 2020, the DROP accounts for the CPERS and PGT trusts totaled $286,318,791 and $33,016,037 respectively. Members maintaining accounts in the original CPERS trust DROP and the PGT DROP respectively as of December 31, 2021 totaled 1,687 and 216. For December 31, 2020, 1,653 and 205 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 2021 and 2020, 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 2021 and 2020, the City-Parish General Fund employer rates were 33.73% and 32.61% respectively, while the non-general fund and other employer rates were 38.36% and 37.20% 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 $1,280,855 for 2021 and $1,260,272 for 2020.

(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 2021, with combined totals for 2020 presented for comparative purposes. 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.

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 $5,332 and $5,066 for years ended December 31, 2021 and December 31, 2020 respectively.

(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.

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 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.

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

NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

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 this fund are not insured by the FDIC.

At December 31, 2021, the carrying amount of the Retirement System's demand deposit accounts plus amounts held in trust accounts classified as cash was $13,523,078 and the bank balance was $13,946,429, 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. At December 31, 2021, the carrying amount of the Retirement System's time and savings deposits held with an investment management company was $190,609 and the bank balance was $190,609. Time and savings deposits held with the investment management company are 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 at December 31, 2021. Holdings with investment companies are not required to be collateralized. At December 31, 2020, the carrying amount of the Retirement System's cash book balance was $11,968,211 and the bank balance was $12,746,668, 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, 2020, the carrying amount of the Retirement System's time and savings deposits held with an investment management company was $5,590 and the bank balance was $5,590, 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 at December 31, 2020.

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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

(3) CASH AND INVESTMENTS, CONTINUED

D. Investments, Continued

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, and 144a Securities

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

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, 2021, 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.

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 2021 and 2020, 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.

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

NOTES TO THE FINANCIAL STATEMENTS

(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, 2021 and December 31, 2020, respectively as shown in the tables below.

		Fair Value Measurements Using		
	December 31, 2021	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	$ 45,830,647	$ 45,830,647		
Other	$ 6,829		$ 5,795	$ 1,034
Total Investments at Fair Value Level	$ 45,837,476	$ 45,830,647	$ 5,795	$ 1,034
Investments Measured at NAV:				
Commingled Funds:				
Fixed Income - Domestic	$ 377,619,910			
Fixed Income - International	$ 34,973,691			
Equities - Domestic	$ 338,244,422			
Equities - International	$ 252,291,810			
Real Estate Investments	$ 155,886,496			
Alternative Investments	$ 205,029,827			
Total Investments at NAV	$ 1,364,046,156			
Total Investments at Fair Value	$ 1,409,883,632			
Investments at Cost:				
Cash Equivalents	$ 5,323,273			
Total Investments at Cost	$ 5,323,273			
Total Investments	$ 1,415,206,905			

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

(3) CASH AND INVESTMENTS, CONTINUED

E. Investment Type - Fair Value Disclosures, Continued

	December 31, 2020	Fair Value Measurements Using: Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level:				
Equity Securities:				
Domestic Small Cap Growth	$ 46,065,111	$ 46,065,111		
Other	$ 7,100		$ 5,710	$ 1,390
Total Investments at Fair Value Level	$ 46,072,211	$ 46,065,111	$ 5,710	$ 1,390
Investments Measured at NAV:				
Commingled Funds:				
Fixed Income - Domestic	$ 301,345,763			
Fixed Income - International	$ 23,671,909			
Equities - Domestic	$ 363,869,499			
Equities - International	$ 257,670,275			
Real Estate Investments	$ 76,435,627			
Alternative Investments	$ 210,537,722			
Total Investments at NAV	$ 1,233,530,795			
Total Investments at Fair Value	$ 1,279,603,006			
Investments at Cost:				
Cash Equivalents	$ 7,285,733			
Total Investments at Cost	$ 7,285,733			
Total Investments	$ 1,286,888,739			

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.

**EMPLOYEES' RETIREMENT SYSTEM
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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, 2021 is presented in the table below:

	Fair Value December 31, 2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Funds:				
Fixed Income - Domestic	$ 377,619,910	--	Daily	2 – 15 Days
Fixed Income - International	$ 34,973,691	--	Daily	2 – 15 Days
Equities - Domestic	$ 338,244,422	--	Daily	2 – 5 Days
Equities - International	$ 252,291,810	--	Monthly	2 - 30 Days
Real Estate Investments	$ 155,886,496	--	Quarterly	90 Days
Alternative Investments	$ 205,029,827	$100,234,264	Mthly, Qtrly	30 - 90 Days
Total Investments at NAV	$ 1,364,046,156			

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of December 31, 2020 is presented in the following table:

	Fair Value December 31, 2020	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled Funds:				
Fixed Income - Domestic	$ 301,345,763	$ --	Daily	2 – 15 Days
Fixed Income - International	$ 23,671,909	--	Daily	2 – 15 Days
Equities - Domestic	$ 363,869,499	--	Daily	2 – 5 Days
Equities - International	$ 257,670,275	--	Monthly	2 - 30 Days
Real Estate Investments	$ 76,435,627	--	Quarterly	90 Days
Alternative Investments	$ 210,537,722	$69,865,108	Mthly, Qtrly	30 - 90 Days
Total Investments at NAV	$ 1,279,603,006			

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.

EMPLOYEES' RETIREMENT SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS

(3) <u>CASH AND INVESTMENTS, CONTINUED</u>

E. <u>Fair Value Disclosures, Continued</u>

<u>International Equity</u>
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.

<u>Real Estate</u>
These investments contain 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.

<u>Alternative Investments</u>
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 2021. This fund seeks to provide long term consistent income generation and inflation linked returns through investments in transportation, utilities and the energy sector. 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.

EMPLOYEES' RETIREMENT SYSTEM
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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, 2021, and December 31, 2020.

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, 2021 the System's fixed income securities were managed only in commingled or pooled accounts.

The System's 2021 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 @ 12/31/2021	Rating	Fair Value @ 12/31/2020	Rating
Core	$ 158,497,722	AA-	$ 115,398,225	A+
Core-Plus	$ 165,477,023	A+	$ 117,715,746	A
Absolute Return	$ 82,938,635	A	$ 87,346,686	A

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, 2021 and December 31, 2020 the System had exposure of less than 5% in any single investment issuer.

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

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 2021 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 @ 12/31/2021	Average Duration	Fair Value @ 12/31/2020	Average Duration
Core	$ 158,497,722	6.68 years	$ 115,398,225	5.77 years
Core-Plus	$ 165,477,023	6.26 years	$ 117,715,746	5.47 years
Absolute Return	$ 82,938,635	1.42 years	$ 87,346,686	2.78 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, 2021 and December 31, 2020, 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
2021	14.02%	8.82%
2020	12.24%	6.62%

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

(4) ACTUARIAL – GASB 67 DISCLOSURES - CPERS

A. Net Pension Liability

	12/31/2021	12/31/2020
Total pension liability	$ 1,929,698,638	$ 1,872,065,232
Plan fiduciary net position	(1,415,468,019)	(1,287,666,375)
Net pension liability	$ 514,230,619	$ 584,398,857
Plan Fiduciary Net Position as a percent of the Total Pension Liability	73.35%	68.78%

B. Actuarial Assumptions

Actuarial cost method	Entry Age Normal
Asset method	Market Value of Assets
Discount rate	7.00%
Expected long-term rate of return	7.00%
Municipal bond rate	2.25%
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

Age	BREC/Reg.	Fire/Police
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%

**EMPLOYEES' RETIREMENT SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS

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

B. Actuarial Assumptions, Continued

Retirement rates

BREC/Reg.			
< 25 Years of Service		=>25 Years of Service	
Age 55-60	15%	25 years	50%
Age 61-63	20%	26 years	55%
Age 64	25%	27 years	90%
Age 65+	100%	28+ years	100%

Fire/Police			
< 25 Years of Service		=>25 Years of Service	
Age 55-60	10%	25 years	22%
Age 61-63	15%	26 years	22%
Age 64	20%	27 years	80%
Age 65+	100%	28+ years	100%

Ad-hoc cost-of-living increases	None
Measurement date	December 31, 2021 with a valuation date of January 1, 2021 (The total pension liability was rolled forward from the valuation date to the System's fiscal year ending December 31, 2021 using generally accepted actuarial principles.)
Experience study	Last performed for the period January 1, 2014 to December 31, 2018

C. Plan Membership (as of January 1, 2021)

Inactive plan members and beneficiaries currently receiving benefits	3,841
Inactive plan members entitled to but not yet receiving benefits	10
Active plan members	2,875
Total plan members	6,726

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, 2021 are summarized in the table below.

EMPLOYEES' RETIREMENT SYSTEM
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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	2021 Target Allocation %	Long-Term Expected Real Rate of Return %
Domestic Equity	32.50	7.50
International Equity	17.50	8.50
Domestic Bonds	25.00	2.50
International Bonds	5.00	3.50
Real Estate	15.00	4.50
Alternative Assets	5.00	5.70
Total	100.0%	

E. Discount Rate

The Discount Rate used to measure the Total Pension Liability for both 2020 and 2021 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 2.25% (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% for both 2021 and 2020.

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	Current Discount Rate	1% Increase
	6.0%	**7.0%**	**8.0%**
Net Pension Liability	$ 688,428,894	$ 514,230,619	$ 367,602,846

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

(5) ACTUARIAL – GASB 67 DISCLOSURES - PGT

A. Net Pension Liability

	12/31/2021	12/31/2020
Total pension liability	$ 45,942,670	$ 41,267,040
Plan fiduciary net position	(17,085,357)	(15,076,516)
Net pension liability	$ 28,857,313	$ 26,190,524
Plan Fiduciary Net Position as a percent of the Total Pension Liability	37.19%	36.53%

B. Actuarial Assumptions

Actuarial cost method	Entry Age Normal
Asset method	Market Value of Assets
Discount rate	5.75%
Expected long-term rate of return	5.75%
Municipal bond rate	2.25%
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

Age	Police
30	+4.00%
35	+2.00%
40	+2.00%
45	+1.00%
50 & >	0.00%

Retirement rates

< 25 Years of Service		=>25 Years of Service	
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, 2021 with a valuation date of January 1, 2021 (The total pension liability was rolled forward from the valuation date to the System's fiscal year ending December 31, 2021 using generally accepted actuarial principles.)
Experience study	Most recent dated January 21, 2020

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

NOTES TO THE FINANCIAL STATEMENTS

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

C. Plan Membership (as of January 1, 2021)

Inactive plan members and beneficiaries currently receiving benefits	252
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	47
Total plan members	301

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, 2021 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	5.50
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 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 5.75%; the municipal bond rate is 2.25% (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%.

**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE AND
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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	$ 29,148,507	$ 28,857,313	$ 28,588,189

(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.

Years of Service	Vested Percentage
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
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NOTES TO THE FINANCIAL STATEMENTS

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

Current Funding policy:

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, 2020	December 31, 2021
Active Employees	34	36
Retirees' and Dependents	8	9
Total	42	45

Total OPEB Liability:

For the year ended December 31, 2021, the Retirement System's proportional share (.29%) of Total OPEB Liability ($3,978,130) was measured as of December 31, 2020, from the actuarial valuation date of December 31, 2020. For the year ended December 31, 2020, the Retirement System's proportional share (.31%) of Total OPEB Liability ($3,639,141) was measured as of December 31, 2019, from the actuarial valuation date of December 31, 2018. 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 0.02% 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 2021, that percentage allocation was 84% for the original CPERS Trust, and 16% for the Police Guarantee Trust (See Note 1.B). For 2020, the allocation was 83% and 17% respectively.

EMPLOYEES' RETIREMENT SYSTEM
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NOTES TO THE FINANCIAL STATEMENTS

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

Actuarial Assumptions:

	2021	**2020**	
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	
Inflation Rates	2.50%	2.30%	
Salary Increases	3.27% – 18.39% (includes inflation)	3.00% per annum	
	compounded annually	compounded annually	
Discount Rates *	2.12%	2.74%	
Mortality Rates	RP2006 Blue Collar base tables projected back	Pub-2010 General Mortality	
	2001 using the Scale MP-2019 mortality	with Generational projection per	
	Improvement rates and projected	Scale MP-2020	
	beyond 2016 using the Scale MP-2018 mortality improvement rates		
Healthcare Cost Trend Rates:			
(Medical)			
Medicare Eligible	6.00% for FY22 to FY27 decreasing 0.5% per	0% for 2019 – 2020. 5.6% for 2021,	
	year to an ultimate rate of 4.5% for FY30	gradually decreasing to an ultimate	
	and later years	rate of 3.7% for 2074 and beyond	
Non-Medicare Eligible	6.00% for FY22 to FY27 decreasing 0.5% per	0% for 2019 – 2020. 6.1% for 2021,	
	year to an ultimate rate of 4.5% for FY30	gradually decreasing to an ultimate	
	and later years	rate of 3.7% for 2074 and beyond	
Medicare Advantage	6.00% for FY22 to FY27 decreasing 0.5% per	0% for 2019 – 2020. 5.3% for 2021,	
	year to an ultimate rate of 4.5% for FY30	gradually decreasing to an ultimate	
	and later years	rate of 3.7% for 2074 and beyond	
(Dental)	0% for FY22 and FY23 increasing	0% for 2019 – 2020. 3.84% for 2021	
	to 4.5% for FY24 and later years	gradually decreasing to 3.62%	
		for 2075 and beyond	
Retirement Rates	Earlier of 25.5 years of	Earlier of 25.5 years of	
	service or age 61 and 11	service or age 61 and 11	
	years of service	years of service	
Withdrawal Rates	85% of future retirees not subject to the		Number of
	Insurance Vesting Plan are assumed to	Years of Service	Employees
	elect health and dental coverage at retirement and remain covered until death	Less than 2	3.30
		2	2.25
	75% of future retirees subject to the Insurance	3	1.80
	Vesting Plan are assumed to elect health and	4 – 10	1.50
	Dental coverage at retirement and remain	11 – 15	0.60
**Bond Buyer's 20 Year Bond General Obligation Index*	covered until death	16 plus	0.40
at the measurement date			

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NOTES TO THE FINANCIAL STATEMENTS

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

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

	2021	**2020**	
Balance at the Beginning of the Year	$ 3,639,141	$ 3,068,562	
Changes for the Year			
Service Cost	104,065	84,936	
Interest	96,074	130,483	
Plan Changes	--	--	
Differences between expected and			
actual experience	1,220,443	--	
Changes in Assumptions	(856,867)	373,773	
Changes in Proportion	(213,357)	68,507	
Benefit Payments	(73,330)	(87,120)	
Net change in Total OPEB Liability	277,028	570,579	
Balance at the End of the Year	$ 3,916,169	$ 3,639,141	
2021			
	CPERS	**PGT**	**Total**
Balance at the Beginning of the Year	$ 3,020,488	$ 618,653	$ 3,639,141
Changes for the Year			
Service Cost	87,415	16,650	104,065
Interest	80,702	15,372	96,074
Plan Changes	--	--	--
Differences between expected and			
actual experience	1,025,171	195,272	1,220,443
Changes in Assumptions	(719,768)	(137,099)	(856,867)
Changes in Proportion	(179,220)	(34,137)	(213,357
Benefit Payments	(61,597)	(11,733)	(73,330)
Net change in Total OPEB Liability	232,703	44,325	277,028
Balance at the End of the Year	$ 3,253,191	$ 662,978	$ 3,916,169
2020			
	CPERS	**PGT**	**Total**
Balance at the Beginning of the Year	$ 2,546,907	$ 521,655	$ 3,068,562
Changes for the Year			
Service Cost	70,497	14,439	84,936
Interest	108,301	22,182	130,483
Plan Changes	--	--	--
Differences between expected and			
actual experience	--	--	--
Changes in Assumptions	310,232	63,541	373,773
Changes in Proportion	56,861	11,646	68,507
Benefit Payments	(72,310)	(14,810)	(87,120)
Net change in Total OPEB Liability	473,581	96,998	570,579
Balance at the End of the Year	$ 3,020,488	$ 618,653	$ 3,639,141

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 a decrease of 0.62 percent in the discount rate from 2.74 percent to 2.12 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.

		Current	
	1% Decrease	**Discount Rate**	**1% Increase**
2021	**1.12%**	**2.12%**	**3.12%**
CPERS Trust	$ 3,936,415	$ 3,253,191	$ 2,85,343
Police Guarantee Trust	749,793	662,978	534,351
Total OPEB Liability	$ 4,686,209	$ 3,916,169	$ 3,339,695
		Current	
	1% Decrease	**Discount Rate**	**1% Increase**
2020	**1.74%**	**2.74%**	**3.74%**
CPERS Trust	$ 3,729,849	$ 3,020,488	$ 2,541,803
Police Guarantee Trust	763,945	618,653	520,610
Total OPEB Liability	$ 4,493,794	$ 3,639,141	$ 3,062,413

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.

		Current	
	1% Decrease	**Trend Rate**	**1% Increase**
2021			
CPERS Trust	$ 2,977,155	$ 3,253,191	$ 3,716,280
Police Guarantee Trust	567,077	662,978	707,863
Total OPEB Liability	$ 3,544,232	$ 3,916,169	$ 4,424,143
		Current	
	1% Decrease	**Trend Rate**	**1% Increase**
2020			
CPERS Trust	$ 2,507,013	$ 3,020,488	$ 3,781,204
Police Guarantee Trust	513,485	618,653	774,463
Total OPEB Liability	$ 3,020,498	$ 3,639,141	$ 4,555,667

**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, 2019 and December 31, 2020 the average service life was 3.6 years and 3.5 years respectively.

For the year ended December 31, 2020, the Retirement System recognized a credit of $38,655 in OPEB expense. At December 31, 2020, the Retirement System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2020	Deferred Outflows	Deferred Inflows
	Of Resources	Of Resources
Differences between expected and actual experience	$ 65,028	$ --
Changes in Assumptions	325,899	(156,466)
Change in Proportion	46,520	(455,883)
Total	$ 437,447	$ (612,349)

For the year ended December 31, 2021, the Retirement System recognized $30,995 in OPEB expense. At December 31, 2021, the Retirement System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

December 31, 2021	Deferred Outflows	Deferred Inflows
	Of Resources	Of Resources
Differences between expected and actual experience	$ 896,297	$ --
Changes in Assumptions	199,693	(669,316)
Change in Proportion	28,525	(325,419)
Total	$ 1,124,515	$ (994,735)

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:

2022	($ 18,676)
2023	128,237
2024	20,219

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

NOTES TO THE FINANCIAL STATEMENTS

(7) CONTINGENCIES

At December 31, 2021 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

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

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

	2021	2020	2019	2018**
Total Pension Liability				
Service Cost	$ 22,889,247	$ 22,402,096	$ 22,147,773	$ 21,438,268
Interest	128,520,344	125,116,162	124,632,274	122,129,050
Changes of Benefit Terms	--	--	--	--
Differences Between Expected and Actual Experience	24,243,767	17,602,346	14,403,685	19,935,775
Changes of Assumptions	--	--	(30,062,495)	31,656,400
Benefit Payments, Including Refunds of Member Contributions	(118,019,952)	(115,557,416)	(113,135,811)	(106,989,826)
Net Change in Total Pension Liability	**$ 57,633,406**	**$ 49,563,188**	**$ 17,985,426**	**$ 88,169,667**
Total Pension Liability – Beginning	**$ 1,872,065,232**	**$ 1,822,502,044**	**$ 1,804,516,618**	**$ 1,716,346,951**
Total Pension Liability – Ending(a)	**$ 1,929,698,638**	**$ 1,872,065,232**	**$ 1,822,502,044**	**$ 1,804,516,618**
Plan Fiduciary Net Position				
Contributions –Employer	53,438,424	51,108,528	$ 46,806,504	$ 49,339,335
Contributions – Employee	15,574,250	16,037,215	16,252,239	15,973,377
Contributions – Non-employer Contributing Entity	1,280,855	1,260,272	1,227,486	1,160,713
Net Investment Income (Loss)	177,062,732	143,087,206	175,633,971	(67,904,707)
Retirement Benefits, Including Refunds of Member Contributions	(118,019,952)	(115,557,416)	(113,135,811)	(106,989,826)
Administrative Expenses	(1,534,665)	(1,460,277)	(1,372,143)	(1,490,465)
Net Change in Plan Fiduciary Net Position	**$ 127,801,644**	**$ 94,475,528**	**$ 125,412,246**	**$ (109,911,573)**
Plan Fiduciary Net Position – Beginning	$ 1,287,666,375	$ 1,193,190,847	$ 1,067,778,601	$ 1,180,912,117
Restatement – OPEB Related	--	--	--	(3,221,943)
Plan Fiduciary Net Position – Ending (b)	**$ 1,415,468,019**	**$ 1,287,666,375**	**$ 1,193,190,847**	**$ 1,067,778,601**
Net Pension Liability – Ending (a) – (b)	**$ 514,230,619**	**$ 584,398,857**	**$ 629,311,197**	**$ 736,738,017**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	**73.35%**	**68.78%**	**65.47%**	**59.17%**
Covered Payroll	**$ 151,451,972**	**$ 150,240,931**	**$ 146,827,386**	**$ 141,506,393**
Net Pension Liability as a Percentage of Covered Payroll	**339.53%**	**388.97%**	**428.61%**	**520.64%**

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

**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 CHANGES IN NET PENSION LIABILITY (CONTINUED)*

CPERS TRUST

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

***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 NET PENSION LIABILITY*

POLICE GUARANTEE TRUST

	2021	2020	2019	2018**
Total Pension Liability				
Service Cost	$ 251,074	$ 317,445	$ 380,505	$ 459,750
Interest	2,300,768	1,798,486	2,078,790	2,098,336
Changes of Benefit Terms	--	--	--	--
Differences Between Expected and Actual Experience	4,947,095	(2,217,162)	177,405	2,147,899
Changes of Assumptions	--	(382,169)	27,828	151,797
Benefit Payments, Including Refunds of Member Contributions	(2,823,307)	(2,957,973)	(2,312,226)	(2,371,530)
Net Change in Total Pension Liability	**$ 4,675,630**	**$ (3,441,373)**	**$ 352,302**	**$ 2,486,252**
Total Pension Liability - Beginning	**$ 41,267,040**	**$ 44,708,413**	**$ 44,356,111**	**$ 41,869,859**
Total Pension Liability - Ending (a)	**$ 45,942,670**	**$ 41,267,040**	**$ 44,708,413**	**$ 44,356,111**
Plan Fiduciary Net Position				
Contributions - Employer	$ 3,724,484	$ 3,205,654	$ 1,167,213	$ 778,113
Contributions - Employee	36,637	33,241	52,178	54,100
Net Investment Income (Loss)	1,358,449	937,018	1,788,105	(849,966)
Retirement Benefits, Including Refunds of Member Contributions	(2,823,308)	(2,957,973)	(2,312,226)	(2,371,530)
Administrative Expenses	(287,421)	(299,516)	(279,405)	(300,141)
Net Change in Plan Fiduciary Net Position	**$ 2,008,841**	**$ 918,424**	**$ 415,865**	**$ (2,689,424)**
Plan Fiduciary Net Position - Beginning	$ 15,076,516	$ 14,158,092	$ 13,742,227	$ 17,087,812
Beginning of the Year Adjustment	--	--	--	(656,161)
Plan Fiduciary Net Position - Ending (b)	**$ 17,085,357**	**$ 15,076,516**	**$ 14,158,092**	**$ 13,742,227**
Net Pension Liability – Ending (a) – (b)	**$ 28,857,313**	**$ 26,190,524**	**$ 30,550,321**	**$ 30,613,884**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	**37.19%**	**36.53%**	**31.67%**	**30.98%**
Covered Payroll	**$ 4,331,038**	**$ 6,668,867**	**$ 8,100,367**	**$ 9,206,458**
Net Pension Liability as a Percentage of Covered Payroll	**666.29%**	**392.73%**	**377.15%**	**332.53%**

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

**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 CHANGES IN NET PENSION LIABILITY (CONTINUED)*

POLICE GUARANTEE TRUST

	2017	**2016**	**2015**	**2014**
Total Pension Liability				
Service Cost	$ 467,379	$ 477,571	$ 454,961	$ 437,310
Interest	2,281,368	2,423,493	2,338,200	2,565,879
Changes of Benefit Terms	--	--	--	--
Differences Between Expected and Actual Experience	163,883	2,243,050	1,721,888	--
Changes of Assumptions	287,842	555,501	(979,283)	340,742
Benefit Payments, Including Refunds of Member Contributions	(2,340,178)	(2,651,397)	(1,853,004)	(1,679,506)
Net Change in Total Pension Liability	**$ 860,294**	**$ 3,048,218**	**$ 1,682,762**	**$ 1,664,425**
Total Pension Liability - Beginning	**$ 41,009,565**	**$ 37,961,347**	**$ 36,278,585**	**$ 34,614,160**
Total Pension Liability - Ending (a)	**$ 41,869,859**	**$ 41,009,565**	**$ 37,961,347**	**$ 36,278,585**
Plan Fiduciary Net Position				
Contributions - Employer	$ 641,699	$ 581,006	$ 951,261	$ 763,873
Contributions - Employee	70,460	63,856	99,365	90,774
Net Investment Income (Loss)	1,727,482	974,590	(403,640)	796,414
Retirement Benefits, Including Refunds of Member Contributions	(2,340,178)	(2,651,397)	(1,853,004)	(1,679,506)
Administrative Expenses	(275,799)	(269,510)	(313,560)	(333,744)
Net Change in Plan Fiduciary Net Position	**$ (176,336)**	**$ (1,301,455)**	**$ (1,519,578)**	**$ (362,189)**
Plan Fiduciary Net Position - Beginning	**$ 17,264,149**	**$ 18,565,604**	**$ 20,085,182**	**$ 20,447,371**
Plan Fiduciary Net Position - Ending (b)	**$ 17,087,813**	**$ 17,264,149**	**$ 18,565,604**	**$ 20,085,182**
Net Pension Liability – Ending (a) – (b)	**$ 24,782,046**	**$ 23,745,416**	**$ 19,395,743**	**$ 16,193,403**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	**40.81%**	**42.10%**	**48.91%**	**55.36%**
Covered Payroll	**$ 11,748,200**	**$ 13,271,888**	**$ 14,066,159**	**$ 14,282,440**
Net Pension Liability as a Percentage of Covered Payroll	**210.94%**	**178.92%**	**137.89%**	**113.38%**

***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 EMPLOYERS' NET PENSION LIABILITY*

CPERS TRUST

	2021	2020	2019	2018**
Total Pension Liability	$ 1,929,698,638	$ 1,872,065,232	$ 1,822,502,044	$1,804,516,618
Plan Fiduciary Net Position	1,415,468,019	1,287,666,375	1,193,190,847	1,067,778,601
Employers' Net Pension Liability	$ 514,230,619	$ 584,398,857	$ 629,311,197	$ 736,738,017
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	73.35%	68.78%	65.47%	59.17%
Covered Payroll	$ 151,451,972	$ 150,240,931	$ 146,827,386	$ 141,506,393
Employers' Net Pension Liability as a Percentage of Covered Payroll	339.53%	388.97%	428.61%	520.64%

	2017	2016	2015	2014
Total Pension Liability	$1,716,346,951	$1,654,616,109	$1,599,966,548	$1,513,614,876
Plan Fiduciary Net Position	1,180,912,117	1,060,365,700	1,023,186,927	1,073,878,697
Employers' Net Pension Liability	$ 535,434,834	$ 594,250,409	$ 576,779,621	$ 439,736,179
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	68.80%	64.09%	63.95%	70.95%
Covered Payroll	$ 141,595,929	$ 136,334,630	$ 135,556,888	$ 137,789,518
Employers' Net Pension Liability as a Percentage of Covered Payroll	378.14%	435.88%	425.49%	319.14%

	2013
Total Pension Liability	$1,471,977,274
Plan Fiduciary Net Position	1,061,414,687
Employers' Net Pension Liability	$ 410,562,587
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.11%
Covered Payroll	$ 137,426,654
Employers' Net Pension Liability as a Percentage of Covered Payroll	298.75%

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

**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

	2021	**2020**	**2019**	**2018****
Total Pension Liability	$ 45,942,670	$ 41,267,040	$ 44,708,413	$ 44,356,111
Plan Fiduciary Net Position	17,085,357	15,076,516	14,158,092	13,742,227
Employers' Net Pension Liability	$ 28,857,313	$ 26,190,524	$ 30,550,321	$ 30,613,884
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	37.19%	36.53%	31.67%	30.98%
Covered Payroll	$ 4,331,038	$ 6,668,867	$ 8,100,367	$ 9,206,458
Employers' Net Pension Liability as a Percentage of Covered Payroll	666.29%	392.73%	377.15%	332.53%

	2017	**2016**	**2015**	**2014**
Total Pension Liability	$ 41,869,859	$ 41,009,565	$ 37,961,347	$ 36,278,585
Plan Fiduciary Net Position	17,087,813	17,264,149	18,565,604	20,085,182
Employers' Net Pension Liability	$ 24,782,046	$ 23,745,416	$ 19,395,743	$ 16,193,403
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	40.81%	42.10%	48.91%	55.36%
Covered Payroll	$ 11,748,200	$ 13,271,888	$ 14,066,159	$ 14,282,440
Employers' Net Pension Liability as a Percentage of Covered Payroll	210.94%	178.92%	137.89%	113.38%

	2013
Total Pension Liability	$ 34,614,160
Plan Fiduciary Net Position	20,447,371
Employers' Net Pension Liability	$ 14,166,789
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	59.07%
Covered Payroll	$ 15,428,420
Employers' Net Pension Liability as a Percentage of Covered Payroll	91.82%

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

Fiscal Year	Annual Money-Weighted Rate of Return, Net of Investment Expense
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

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

*****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 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
	$	$	$	$	
12/31/12	35,001,688	39,134,851	(4,133,163)	136,781,288	28.61%
12/31/13	36,777,168	40,133,560	(3,356,391)	137,426,654	29.20%
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%

*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
	$	$	$	$	
12/31/12	2,225,478	238,628	1,986,850	15,966,923	1.49%
12/31/13	2,679,589	696,918	1,982,671	15,428,420	4.52%
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%

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 131 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, 2022
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	23 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%* (1)
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, 2022, actuarial valuation report. (2)
Aggregate payroll growth	2.50% * (3)

* compounded annually and including inflation of 2.75%

(1) Revised from 7.25% to 7.00% . *(Adopted March 26, 2020)*
(2) Revised from 2008 assumption of 3.75% *(Adopted March 26, 2020)*
(3) Revised from 2003 assumption of 5.0%

**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, 2020
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. (1)
Remaining amortization period	4 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	6.00%* (2)
Projected salary increases	Inflation, plus (3)

Age	Salary Increase
37	3.75%
42	3.75%
47	2.75%
52	2.75%
55+	2.50%

Aggregate payroll growth	N/A

* compounded annually and including inflation of 2.75%

(1) Revised from 15-year open period to 4-year open period effective 01/01/2019. (*Adopted May 31, 2018*)
(2) Revised from 5.75% to 6.00% effective 01/01/2020. (*Adopted March 26, 2020*)
(3) Revised from 3.5% plus longevity/merit effective 3/25/2010. *(Adopted March 26, 2020)*

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

	2021	2020	2019	2018
Total OPEB Liability				
Service Cost	$ 87,415	$ 70,497	$ 55,659	$ 66,335
Interest	80,702	108,301	86,288	118,341
Plan Changes	--	--	107,792	(19,925)
Differences Between Expected and Actual Experience	1,025,171	--	103,560	4,494
Changes in Other Assumptions	(719,768)	310,232	(292,588)	13,128
Changes in Proportion	(179,220)	56,861	(850,509)	--
Benefit Payments	(61,597)	(72,310)	(64,495)	(76,554)
Net Change in Total OPEB Liability	**$ 232,703**	**$ 473,581**	**$ (854,293)**	**$ 105,819**
Total OPEB Liability - Beginning	**$ 3,020,488**	**$ 2,546,907**	**$ 3,401,200**	**$ 3,295,381**
Total OPEB Liability - Ending	**$ 3,253,191**	**$ 3,020,488**	**$ 2,546,907**	**$ 3,401,200**
Covered-Employee Payroll	**$ 766,476**	**$ 705,518**	**$ 667,261**	**$ 657,074**
Employers' OPEB as a Percentage of Covered-Employee Payroll	**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	2.12% based on the 20-year Bond Buyer Index for municipal bonds
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 FY22 to FY27 decreasing .50% per year to an ultimate rate of 4.50% for FY30 and later
Dental	0.0% for FY22 and FY23 increasing 4.50% for FY24 and later

*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

	2021	**2020**	**2019**	**2018**
Total OPEB Liability				
Service Cost	$ 16,650	$ 14,439	$ 11,400	$ 13,587
Interest	15,372	22,182	17,673	24,238
Plan Changes	--	--	22,078	(4,081)
Differences Between Expected and Actual Experience	195,272	--	21,211	921
Changes in Other Assumptions	(137,099)	63,541	(59,928)	2,689
Changes in Proportion	(34,137)	11,646	(174,201)	--
Benefit Payments	(11,733)	(14,810)	(13,209)	(15,680)
Net Change in Total OPEB Liability	**$ 44,325**	**$ 96,998**	**$ (174,976)**	**$ 21,674**
Total OPEB Liability - Beginning	**$ 618,653**	**$ 521,665**	**$ 696,631**	**$ 674,957**
Total OPEB Liability - Ending	**$ 662,978**	**$ 618,653**	**$ 521,655**	**$ 696,631**
Covered-Employee Payroll	**$ 148,091**	**$ 146,305**	**$ 136,668**	**$ 133,819**
Employers' OPEB as a Percentage of Covered-Employee Payroll	**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	2.12% based on the 20-year Bond Buyer Index for municipal bonds
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 FY22 to FY27 decreasing .50% per year to an ultimate rate of 4.50% for FY30 and later
Dental	0.0% for FY22 and FY23 increasing 4.50% for FY24 and later

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

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Supporting Schedules

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

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
AND COMPARATIVE COMBINED TOTAL FOR 2020

	CPERS Trust	Police Guarantee Trust	2021 Combined Total	2020 Combined Total
Salaries:				
Salaries - regular	$ 675,241	$ 128,617	$ 803,858	$ 837,966
Salaries – severance pay	81,191	15,465	96,656	--
Other compensation – student interns	10,998	2,095	13,093	10,600
Other compensation – auto allowance	7,630	1,453	9,083	9,675
Related benefits	397,785	73,688	471,473	435,035
Total salaries	1,172,845	221,318	1,394,163	1,293,276
Travel and training expenses	908	173	1,081	790
Operating services:				
Dues and memberships	1,709	326	2,035	1,890
Utilities	17,527	3,339	20,866	16,188
Custodial and extermination	13,385	2,550	15,935	16,465
Printing and binding	11,171	613	11,784	9,724
Telephone	4,167	794	4,961	4,293
Postage	21,080	4,015	25,095	25,540
Insurance	15,642	2,979	18,621	17,960
Rentals – office equipment	7,207	1,373	8,580	10,045
Repairs and maintenance - buildings	6,621	1,261	7,882	40,802
Repairs and maintenance - office equipment	2,878	548	3,426	2,987
Miscellaneous Capital Improvements	--	--	--	9,740
Total operating services	101,387	17,798	119,185	155,634
Supplies	14,516	2,765	17,281	13,519
Professional services:				
Accounting and auditing	38,220	7,280	45,500	70,900
Legal	72,827	9,400	82,227	38,881
Actuarial	82,400	19,725	102,125	113,650
Other professional	51,730	8,962	60,692	72,185
Total professional services	245,177	45,367	290,544	295,616
Depreciation expense	5,332	--	5,332	5,066
Capital outlay	--	--	--	--
Other expenses (revenues)	(5,500)	--	(5,500)	(4,108)
Total administrative expenses	$ 1,534,665	$ 287,421	$ 1,822,086	$ 1,759,793

See accompanying independent auditors' report.

SCHEDULES OF INVESTMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
AND COMPARATIVE COMBINED TOTAL FOR 2020

	CPERS Trust	Police Guarantee Trust	2021 Combined Total	2020 Combined Total
Fixed Income:				
Fixed Income - Domestic	$ 976,991	$ --	$ 976,991	$ 921,869
Fixed Income - International	152,756	--	152,756	102,264
Total Fixed Income	1,129,747	--	1,129,747	1,024,133
Equity Securities:				
Equities - Domestic	1,128,987	--	1,128,987	970,405
Equities - International	2,032,223	--	2,032,223	1,739,979
Total Equity Securities	3,161,210	--	3,161,210	2,710,384
Alternative Investments:				
Hedge Fund of Funds	1,152,165	--	1,152,165	1,041,475
Real Estate Investments	1,044,016	--	1,044,016	679,647
Risk Parity	16,637	--	16,637	407,012
Private Equity	1,041,019	--	1,041,019	866,366
Total Alternative Investments	3,253,837	--	3,253,837	2,994,500
Custodian Fees	151,317	12,113	163,430	146,644
Advisor Fees	140,914	28,800	169,714	180,000
Total Investment Expenses	$ 7,837,025	$ 40,913	$ 7,877,938	$ 7,055,661

See accompanying independent auditors' report.

SCHEDULES OF PAYMENTS TO CONSULTANTS
FOR THE YEAR ENDED DECEMBER 31, 2021
AND COMPARATIVE COMBINED TOTAL FOR 2020

	CPERS Trust	Police Guarantee Trust	2021 Combined Total	2020 Combined Total
Accounting and Auditing	$ 38,220	$ 7,280	$ 45,500	$ 70,900
Auditors - Postlethwaite & Netterville				
Legal	72,827	9,400	82,227	38,881
Legal Counsel - Akers & Wisbar LLC				
Klausner & Kaufman				
Tarcza & Associates				
Actuarial	82,400	19,725	102,125	113,650
Actuary - Foster & Foster Inc				
Other Professionals:	51,730	8,962	60,692	72,185
Medical Examiner - Rubin Patel, M.D.				
Computer Consultant - Relational Systems Consultants				
Cost Allocation Services- MGT of America Inc				
Web Design Services- Velocity Squared LLC				
Total	$ 245,177	$ 45,367	$ 290,544	$ 295,616

A schedule of brokerage commissions paid is shown on page 102.

See accompanying independent auditors' report.

SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO RETIREMENT ADMINISTRATOR FOR THE YEAR ENDED 2021

Agency Head Name:

Jeffrey R. Yates

Purpose	Amount
Salary (part-time)	$ 81,869
Benefits-insurance	6,324
Car allowance	4,800
Reimbursements	2,017
Total	$ 95,010

James Mack

Purpose	Amount
Salary	$ 9,480
Benefits-insurance	851
Car allowance	369
Total	$ 10,700

See accompanying independent auditors’ report.

Investment Section

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

Clients first.

June 16, 2022

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

2021 proved to be a continuation of the strong market recovery from the 2020 COVID-induced global recession. Global equity markets continued a steady climb higher supported by economic growth from re-openings and accommodative global monetary and fiscal policies. Central banks kept interest rates low throughout the year, while the US government continued to supply support via relief packages, extensions of unemployment insurance, and the passage of a $1 trilling infrastructure spending bill.

US stocks surged again in 2021 with the Russell 3000 Index eclipsing a 20% return for the third straight year, a feat which had not occurred since the Index produced five straight years of returns above 20% from 1995 – 1999. 2021 did see some balance return to markets in the US however, with value stocks, led by Energy, producing strong returns alongside the continued gains in large cap technology and consumer discretionary sectors. All sectors produced gains in 2021. While overall performance for the US market was strong in 2021, it was not an easy path as markets shrugged off concerns about rising inflation, rising interest rates, and the spread of various coronavirus variants throughout the year.

Outside the US, stock market performance was more differentiated, with developed markets producing positive returns while emerging markets struggled. All non-US holdings were negatively impacted in 2021 by the effect of a steadily rising US dollar relative to foreign currencies. The MSCI Europe Index rose 16% as widespread vaccine rollouts and massive government stimulus measures helped lift the eurozone economy out of the pandemic-induced downturn. Japanese equities lagged in 2021 as the economy was weighed down by supply chain disruptions and the economic impact of COVID-19. Emerging markets experienced their worst annual return since 2018, hindered largely by underperformance in China. Chinese stocks fell the most since 2008 due to a government crackdown in the technology, education and online gaming sectors which led to a sweeping selloff. Meanwhile, China's economy decelerated amid a broad policy push to promote social and economic stability.

Fixed income markets also struggled in 2021, digesting rising interest rates and inflation readings that rose steadily throughout the year. The high CPI readings that began in early 2021 were initially attributed to low comparative measurements from 2020 and were largely deemed to be "transitory". However, as the year wore on and the inflation figures continued to increase, the Federal Reserve was forced to enact a formal plan to confront rising inflation. With inflation proving persistent, the Fed was forced to move up its time frame for tapering its bond purchases and initiating its first interest rate hike. Markets entered 2021 expecting no interest rate increases until at least 2023 but ended the year with the realization that we could see as many as seven

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rate hikes in 2022 alone. In 2021 the 10-year U.S. Treasury yield increased 59 basis points to 1.51% and the Bloomberg U.S. Aggregate Index declined 1.54%.

On December 31, 2021, the CPERS portfolio had a fair value of $1,400.2 million. Assets in the Police Guarantee Trust totaled $15.6 million. For the 12-month period, CPERS investments generated a gain of 14.7% which outperformed its Policy Index by 3.4%. For the trailing three years the fund is up an annualized 15.1%, and over the last five years, the fund has returned 11.0% on an annualized basis. The fund outperformed its policy benchmark over the past three and five years, annualized. Over these same 1-, 3-, and 5-year periods, the Police Guarantee Trust earned returns of 9.0%, 10.7%, and 7.8%, respectively. Calculations were prepared using a time-weighted rate of return based on the market values as of December 31, 2021. The two portfolios are invested similarly, but the funds' respective sizes and differing liquidity needs dictate implementation differences, resulting in some return differences between the two.

Sincerely

Jonathan Breth

Consulting Group

AndCo Consulting | 531 W Morse Blvd | Suite 200 | Winter Park, FL 32789 | (844) 44-ANDCO | AndCoConsulting.com

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 2021.

Asset Class	Minimum Allocation	Target Allocation	Maximum Allocation
Public Equities	**30.0%**	**40.0%**	**50.0%**
US	17.5%	22.5%	27.5%
Non-US	12.5%	17.5%	22.5%
Private Markets	**0.0%**	**10.0%**	**15.0%**
Public Fixed Income	**20.0%**	**30.0%**	**40.0%**
US Core Fixed Income	20.0%	25.0%	30.0%
Multi Sector Global	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%

The Board also adopted the following Asset Allocation Policy for the PGT in 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	5.0%	10.0%	15.0%
Multi Asset Global Tactical	**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	17.5%	MSCI ACWI ex-US
Private Markets	10.0%	Peer group comparisons where appropriate
Public Fixed Income	30.0%	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 or other strategy-appropriate indices as determined by implementation
Global Infrastructure	5.0%	50% MSCI World/50% Citigroup WGBI

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.

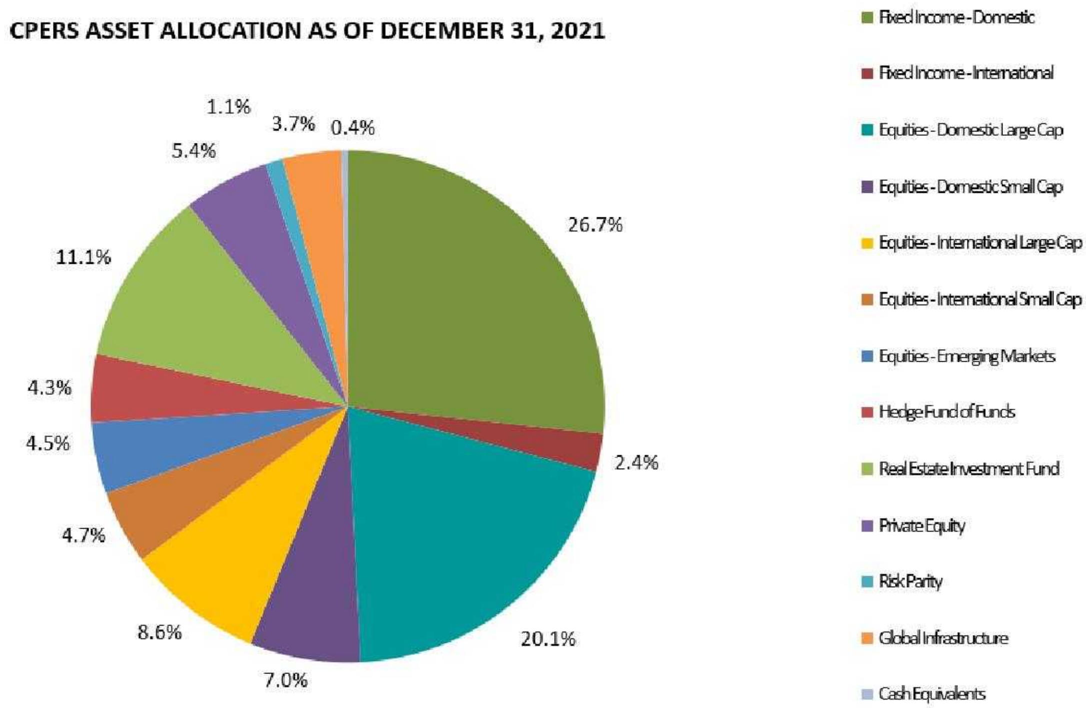
Anti-Terrorism Investment Policy

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, 2021 AND 2020

CPERS TRUST

Type of Investment:		December 31, 2021 Fair Value	December 31, 2021 % Total Fair Value		December 31, 2020 Fair Value	December 31, 2020 % Total Fair Value
Fixed Income:						
Fixed Income – Domestic	$	373,475,961	26.7%	$	298,151,812	23.4%
Fixed Income - International		33,097,954	2.4%		22,310,235	1.7%
Equities:						
Equities – Domestic Large Cap		281,884,138	20.1%		321,822,820	25.3%
Equities – Domestic Small Cap		97,331,774	7.0%		83,805,778	6.6%
Equities – International Large Cap		121,055,834	8.6%		121,606,139	9.5%
Equities – International Small Cap		66,244,544	4.7%		64,112,692	5.0%
Equities – Emerging Markets		62,460,286	4.5%		69,634,115	5.5%
Alternative Investments:						
Hedge Fund of Funds		59,615,907	4.3%		56,840,658	4.5%
Real Estate Investment Fund		155,886,496	11.1%		76,435,627	6.0%
Private Equity		76,495,842	5.4%		49,621,999	3.9%
Risk Parity		15,167,437	1.1%		102,791,887	8.1%
Global Infrastructure		51,699,312	3.7%		0	0.0%
Cash Equivalents		5,220,825	0.4%		6,258,249	0.5%
Total Investments	$	1,399,636,310	100.0%	$	1,273,392,011	100.0%

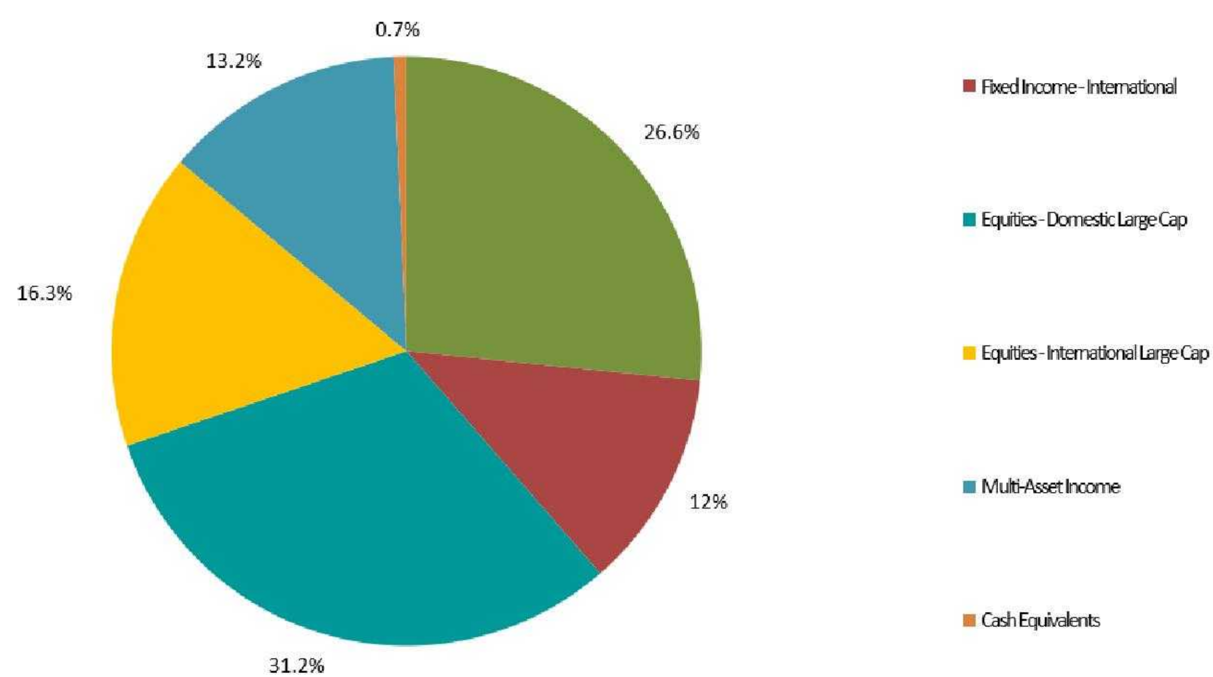


INVESTMENT SUMMARY
AS OF DECEMBER 31, 2021 AND 2020

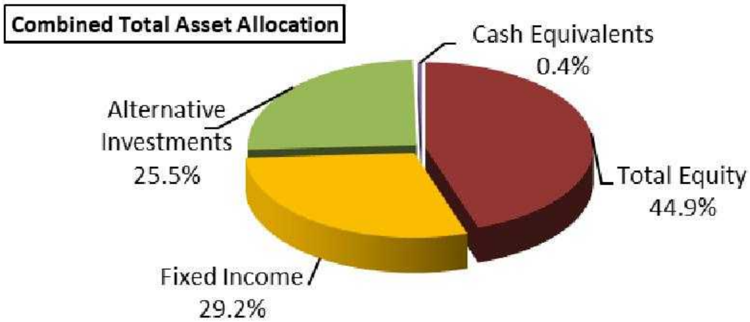
POLICE GUARANTEE TRUST

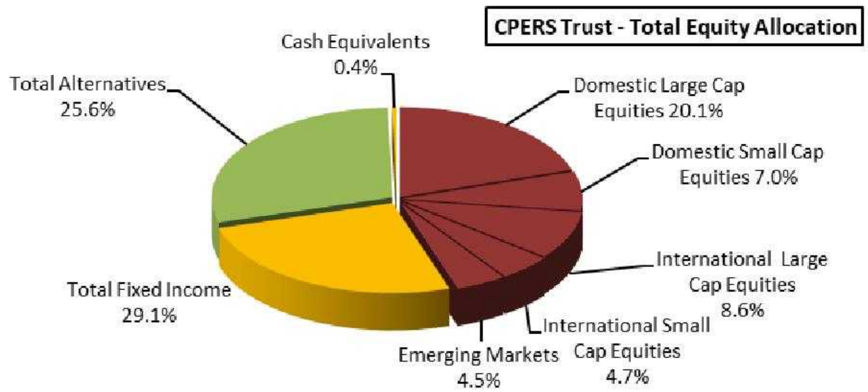
	December 31, 2021		December 31, 2020	
Type of Investment:	**Fair Value**	**% Total Fair Value**	**Fair Value**	**% Total Fair Value**
Fixed Income:				
Fixed Income - Domestic	$ 4,144,983	26.6%	$ 4,557,016	33.8%
Fixed Income – International	1,875,737	12.0%	0	0.0%
Equities:				
Equities – Domestic Large Cap	4,864,952	31.2%	4,311,722	31.9%
Equities – International Large Cap	2,531,146	16.3%	2,317,329	17.2%
Alternative Investments:				
Multi-Asset Income Fund	2,051,329	13.2%	1,283,177	9.5%
Cash Equivalents	102,448	0.7%	1,027,484	7.6%
Total Investments	$ 15,570,595	100.0%	$ 13,496,728	100.0%

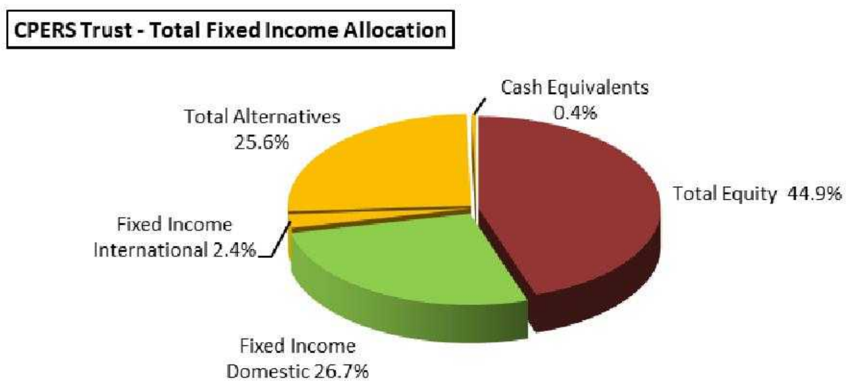
PGT ASSET ALLOCATION AS OF DECEMBER 31, 2021



ASSET ALLOCATION AS OF DECEMBER 31, 2021







CPERS LIST OF INVESTMENTS
AS OF DECEMBER 31, 2021

FIXED INCOME

LARGEST FIXED INCOME HOLDINGS BY FAIR VALUE – NON POOLED ACCOUNTS

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	FAIR VALUE
DOMESTIC FIXED INCOME				
GSAA HOME EQUITY TRUST	VARIES	12/25/2036	$ 2,403	$ 848
LEHMAN BROTHERS HOLDING	0.000%	08/22/2013	21,000	115
LEHMAN BROTHERS HOLDING	0.000%	12/30/2016	5,000	28
WAMU ASSET BACKED CERTIFICATE	VARIES	04/25/2037	86	40
FNMA POOL #0250111	8.500%	08/01/2024	3	3
TOTAL DOMESTIC FIXED INCOME			$ 28,492	$ 1,034

DOMESTIC FIXED INCOME – POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
DOMESTIC FIXED INCOME – ABSOLUTE RETURN	2,613,978	$ 61,308,239
DOMESTIC FIXED INCOME – CORE	6,007,754	158,157,223
DOMESTIC FIXED INCOME – CORE PLUS	6,235,201	154,009,465
TOTAL DOMESTIC FIXED INCOME – POOLED ACCOUNTS	14,856,933	$ 373,474,927

INTERNATIONAL FIXED INCOME – POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
INTERNATIONAL FIXED INCOME – ABSOLUTE RETURN	922,248	$ 21,630,396
INTERNATIONAL FIXED INCOME – CORE PLUS	464,274	11,467,558
TOTAL INTERNATIONAL FIXED INCOME – POOLED ACCOUNTS	1,386,522	$ 33,097,954

EQUITIES

LARGEST DOMESTIC EQUITY SECURITIES BY FAIR VALUE – NON POOLED ACCOUNTS

DESCRIPTION	SHARES	FAIR VALUE
SITIME CORP	6,610	$ 1,933,689
ONTO INNOVATION INC	16,322	1,652,276
TFI INTERNATIONAL INC	13,806	1,547,791
SEAWORLD ENTERTAINMENT INC	23,126	1,499,952
WESTERN ALLIANCE BANCORP	13,362	1,438,419
VICOR CORP	10,358	1,315,259
FORTRESS TRANSPORTATION	45,322	1,310,712
CAESARS ENTERTAINMENT INC	13,662	1,277,807
BOOT BARN HOLDINGS INC	9,662	1,188,909
CHART INDUSTRIES INC	7,310	1,165,872
OTHER EQUITY SECURITIES-DOMESTIC	1,131,522	31,505,756
TOTAL DOMESTIC EQUITY SECURITIES	1,291,062	$ 45,836,442

CPERS LIST OF INVESTMENTS (CONTINUED)
EQUITIES (CONTINUED)

EQUITIES – DOMESTIC POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
SMALL CAP VALUE FUND	12,290	$ 51,495,332
RUSSELL 1000 FUND	386,366	148,904,287
S&P 500 FUND	2,072,095	132,979,851
TOTAL EQUITIES – DOMESTIC POOLED ACCOUNTS	2,470,751	$ 333,379,470

EQUITIES – INTERNATIONAL POOLED ACCOUNTS

DESCRIPTION	UNITS	FAIR VALUE
INTERNATIONAL VALUE EQUITY FUND	628,588	$ 55,507,975
INTERNATIONAL GROWTH EQUITY FUND	709,511	65,547,859
INTERNATIONAL SMALL CAP FUND	1,637,611	66,244,544
EMERGING MARKETS FUND	396,081	62,460,286
TOTAL EQUITIES – INTERNATIONAL POOLED ACCOUNTS	3,371,791	$ 249,760,664

ALTERNATIVE INVESTMENTS

DESCRIPTION	UNITS	FAIR VALUE
HEDGE FUND OF FUNDS	27,749	$ 59,615,907
REAL ESTATE INVESTMENT FUND	55,049,707	155,886,496
PRIVATE EQUITY	68,967,814	76,495,842
RISK PARITY	1,336,338	15,167,437
GLOBAL INFRASTRUCTURE	50,000,000	51,699,312
TOTAL ALTERNATIVE INVESTMENTS	175,381,608	$ 358,864,994

CASH EQUIVALENTS

DESCRIPTION	FAIR VALUE
COLLECTIVE U.S. GOVERNMENT SHORT TERM INVESTMENT FUND	$ 5,220,825
TOTAL CPERS INVESTMENTS	$ 1,399,636,310

A complete list of portfolio holdings is available upon request.

PGT LIST OF INVESTMENTS
AS OF DECEMBER 31, 2021

FIXED INCOME

DOMESTIC FIXED INCOME

DESCRIPTION	UNITS	FAIR VALUE
ISHARES US AGG BOND INDEX FUND	395,137	$ 4,144,983

INTERNATIONAL FIXED INCOME

DESCRIPTION	UNITS	FAIR VALUE
PIMCO DIVERSIFIED INCOME FUND	169,596	1,875,737

EQUITIES

EQUITIES – DOMESTIC

DESCRIPTION	UNITS	FAIR VALUE
ISHARES US STOCK MARKET FUND	218,945	$ 4,864,952

EQUITIES – INTERNATIONAL

DESCRIPTION	UNITS	FAIR VALUE
ISHARES INTERNATIONAL INDEX FUND	232,428	$ 2,531,146

ALTERNATIVE INVESTMENTS

DESCRIPTION	UNITS	FAIR VALUE
BLACKROCK MULTI-ASSET INCOME FUND	180,734	$ 2,051,329

CASH EQUIVALENTS

DESCRIPTION	FAIR VALUE
COLLECTIVE U.S. GOVERNMENT SHORT TERM INVESTMENT FUND	$ 102,448
TOTAL PGT INVESTMENTS	$ 15,570,595

A complete list of portfolio holdings is available upon request.

INVESTMENT PERFORMANCE MEASUREMENTS

	Rate of Return	Rank*
Comparative Rates of Return on Total Fund – Year Ended December 31, 2021		
City-Parish Employees' Retirement System	14.66 %	34
Police Guarantee Trust	9.02 %	91
Median Total Fund	13.51 %	50
Comparative Rates of Return on Domestic Equities – Year Ended December 31, 2021		
City-Parish Employees' Retirement System	27.35 %	19
Police Guarantee Trust	25.57 %	38
Median Domestic Equity Composite	23.99 %	50
Russell 3000	25.66 %	36
Comparative Rates of Return on International Equities – Year Ended December 31, 2021		
City-Parish Employees' Retirement System	10.00 %	49
Police Guarantee Trust	7.78 %	72
Median International Equity Composite	9.92 %	50
MSCI ACWI ex US (Net)	7.82 %	72
Comparative Rates of Return on Fixed Income Securities – Year Ended December 31, 2021		
City-Parish Employees' Retirement System	(0.28)%	42
Police Guarantee Trust	(1.13)%	72
Median Bond Composite	(0.54)%	50
Barclays Capital Aggregate Index	(1.55)%	82
Comparative Rates of Return on Real Estate – Year Ended December 31, 2021		
City-Parish Employees' Retirement System	23.40 %	29
Median Real Estate Fund	20.83 %	50
NCREIF Property Index	17.70 %	73
Comparative Rates of Return on Hedge Fund – Year Ended December 31, 2021		
City-Parish Employees' Retirement System	9.42 %	N/A
Police Guarantee Trust	N/A	N/A
HFRI Fund of Funds Comp. Index	6.13 %	N/A
Comparative Rates of Return on Master Limited Partnership – Year Ended December 31, 2021		
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, 2021*		
City-Parish Employees' Retirement System	47.22 %	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, 2021	14.66 %
Two-year period ending December 31, 2021	13.95 %
Three-year period ending December 31, 2021	15.10 %
Four-year period ending December 31, 2021	9.59 %
Five-year period ending December 31, 2021	10.98 %

ANNUAL RATES OF RETURN

	2017	2018	2019	2020	2021	ANNUALIZED 3 YRS.	ANNUALIZED 5 YRS.
TOTAL FUND							
City-Parish Emp. Retirement System	16.7 %	(5.4)%	17.4 %	13.3 %	14.7 %	15.1 %	11.0 %
Police Guarantee Trust	13.2 %	(5.2)%	14.3 %	8.8 %	9.0 %	10.7 %	7.8 %
Median Total Fund	15.5 %	(4.3)%	18.4 %	12.2 %	13.5 %	15.0 %	11.0 %
Inflation (CPI)	2.1 %	1.9 %	2.3 %	2.3 %	7.0 %	3.5 %	2.9 %
DOMESTIC EQUITY							
City-Parish Emp. Retirement System	21.2 %	(6.7)%	30.3 %	24.3 %	27.4 %	27.3 %	18.5 %
Police Guarantee Trust	21.6 %	(6.6)%	31.3 %	21.7 %	25.6 %	26.1 %	17.9 %
Median Domestic Equity Fund	20.6 %	(5.8)%	28.7 %	18.1 %	24.0 %	23.5 %	16.4 %
Russell 3000	21.1 %	(5.2)%	31.0 %	20.9 %	25.7 %	25.8 %	18.0 %
INTERNATIONAL EQUITY							
City-Parish Emp. Retirement System	32.7 %	(16.1)%	21.6 %	14.4 %	10.0 %	15.2 %	11.2 %
Police Guarantee Trust	32.4 %	(16.2)%	21.5 %	5.1 %	7.8 %	11.2 %	8.8 %
Median International Equity Fund	28.1 %	(13.8)%	22.7 %	11.7 %	9.9 %	14.9 %	11.0 %
MSCI ACWI ex US (Net)	27.2 %	(14.2)%	21.5 %	10.7 %	7.8 %	13.2 %	9.6 %
FIXED INCOME							
City-Parish Emp. Retirement System	5.8 %	(1.1)%	9.7 %	8.5 %	(0.3)%	5.9 %	4.4 %
Police Guarantee Trust	5.6 %	(0.8)%	9.8 %	8.1 %	(1.1)%	5.5 %	4.2 %
Median Bond Fund	4.7 %	(0.4)%	9.1 %	8.6 %	(0.5)%	5.8 %	4.5 %
Barclays Capital Aggregate Index	3.5 %	0.1 %	8.7 %	7.5 %	(1.6)%	4.8 %	3.6 %
REAL ESTATE							
City-Parish Emp. Retirement System	9.5 %	11.3 %	7.3 %	2.2 %	23.4 %	10.6 %	10.5 %
Median Real Estate Fund	9.4 %	8.0 %	7.5 %	1.5 %	20.8 %	10.0 %	9.6 %
NCREIF Property Index	7.0 %	6.7 %	6.4 %	1.6 %	17.7 %	8.4 %	7.8 %
HEDGE FUND OF FUNDS							
City-Parish Emp. Retirement System	6.9 %	1.3 %	6.4 %	8.4 %	9.4 %	8.1 %	6.4 %
Police Guarantee Trust	6.8 %	1.3 %	6.4 %	N/A	N/A	N/A	N/A
HFRI Fund of Funds Comp. Index	7.7 %	(4.1)%	8.3 %	10.7 %	6.1 %	8.4 %	5.7 %
MASTER LIMITED PARTNERSHIP							
City-Parish Emp. Retirement System	(4.9)%	(13.0)%	N/A	N/A	N/A	N/A	N/A
Police Guarantee Trust	(5.0)%	(13.0)%	13.0 %	N/A	N/A	N/A	N/A
Median MLP	(5.3)%	(13.5)%	11.0 %	N/A	N/A	N/A	N/A
S&P MLP Index	(5.6)%	(11.7)%	9.8 %	N/A	N/A	N/A	N/A
PRIVATE EQUITY							
City-Parish Emp. Retirement System	15.1 %	16.8 %	7.3 %	15.6 %	47.2 %	20.9 %	20.6 %

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, 2021

	Assets Under Management	Investment Service Fees
Fixed Income:		
Fixed Income – Domestic	$ 373,475,960	$ 976,991
Fixed Income – International	33,097,954	152,756
Equity Securities:		
Equities – Domestic	379,215,913	1,128,987
Equities – International	249,760,664	2,032,223
Alternative Investments:		
Hedge Fund of Funds	59,615,907	1,152,165
Real Estate Investments	155,886,496	1,044,016
Private Equity	76,495,841	1,041,019
Risk Parity	15,167,437	16,637
Global Infrastructure	51,699,312	--
Total Investment Managers' Fees		7,544,794
Custodian Fees		151,317
Advisor Fees		140,914
Total Investment Expenses		$ 7,837,025

SCHEDULE OF PGT INVESTMENT FEES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Assets Under Management	Investment Service Fees
Fixed Income:		
Fixed Income – Domestic	$ 4,144,983	$ --
Fixed Income – International	1,875,737	--
Equity Securities:		
Equities – Domestic	4,864,952	--
Equities – International	2,531,146	--
Alternative Investments:		
Multi-asset Income Fund	2,051,329	--
Total Investment Manager's Fees		--
Custodian Fees		12,113
Advisor Fees		28,800
Total Investment Expenses		$ 40,913

SCHEDULE OF COMMISSIONS PAID TO BROKERS
FOR THE YEAR ENDED DECEMBER 31, 2021

Brokerage Firm	Shares Traded	Commission Dollar Amount	Commission Per Share
Instinet Clearing Services, Inc.	1,159,725	$ 16,853	$ .0145
Cowen & Company, LLC	173,528	5,423	.0313
Merrill Lynch Pierce Fenner Smith Inc.	192,739	5,192	.0269
Jefferies & Co. Inc.	148,142	3,624	.0245
D A Davidson & Co. Inc.	91,368	2,979	.0326
J.P. Morgan Securities Inc.	70,982	2,504	.0353
Morgan Stanley & Co., Inc.	71,079	2,192	.0308
B Riley & Co., LLC	65,245	2,106	.0323
Stifel Nicolaus	52,028	2,006	.0386
Oppenheimer & Co., Inc.	52,441	1,969	.0375
Goldman Sachs & Co.	89,962	1,641	.0182
Pershing, LLC	40,760	1,583	.0388
Needham & Co. LLC	39,652	1,578	.0398
Barclays Capital	46,049	1,552	.0337
Raymond James & Associates, Inc.	46,463	1,547	.0333
Cantor Fitzgerald & Co. Inc.	65,008	1,437	.0221
JonesTrading Institutional Services	69,428	1,389	.0200
Guggenheim Capital Markets, LLC	51,920	1,297	.0250
Keybanc Capital Markets, Inc.	32,795	1,264	.0385
Seaport Group Securities, LLC	53,824	1,211	.0225
Barrington Research Associates Inc.	27,379	1,095	.0400
Credit Suisse	61,570	1,017	.0165
Roth Capital Partners, LLC	22,468	863	.0384
Piper Jaffray & Co.	21,826	776	0356
Dougherty & Co., LLC	22,677	718	.0317
Wedbush Morgan Securities, Inc.	30,067	697	.0232
William Blair & Co.	21,580	658	.0305
Suntrust Capital Markets Inc.	15,673	627	.0400
Gordon Haskett Capital Corp.	14,657	586	.0400
JMP Securities	17,436	584	.0335
Sanford C. Bernstein & Co.	58,171	582	0100
National Financial Services Corp.	13,471	539	.0400
Northland Securities Inc.	21,596	532	.0246
RBC Capital Markets, LLC	14,212	532	.0374
Liquidnet, Inc.	24,886	504	.0203
Other (22 firms)*	223,202	4,625	.0207
Total	3,224,009	$ 74,282	$ .0230

* Firms that had less than $504 commissions paid.

Actuarial Section CPERS Trust

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

June 1, 2022

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, 2022. 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, 2022, the unfunded liability was $636,603,581.

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, 2021, is $1,293,095,058.

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, 2021 valuation was the basis for the 2022 employer contribution rate, and the January 1, 2022 valuation is the basis for the 2023 employer contribution rate. The employer contribution rate for the 2022 year is set to 36.5%. The employer contribution rate for the 2023 year is set to 36.3%.

Progress Toward Realization of Funding Objective

The employer contributions determined by the January 1, 2022 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. 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 40 of the actuarial valuation report and in the schedules prepared for the Comprehensive Annual Financial Report.

Data

In performing the January 1, 2022 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, 2022 actuarial valuation and supporting schedules of this certification have been prepared in accordance with the actuarial methods and assumptions approved by the Board. There were no changes in actuarial assumptions or methods for the January 1, 2022 valuation. The assumptions and methods 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

D. Patrick McDonald

Shelley R. Johnson, ASA, MAAA

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

SUMMARY OF PRINCIPAL SYSTEM PROVISIONS
(Source: 2022 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:	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. 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). MERS payments received for 2006 and later are reserved for future Supplemental Benefit Payments.
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:	<u>For members hired prior to September 1, 2015:</u> Average compensation during the highest 36 successive months of creditable service. <u>For members hired on or after September 1, 2015:</u> Average compensation during the highest 60 successive months of creditable service.

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)	(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)	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: (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. (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. 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.
Deferred Retirement Option Plan (DROP): (1:271)	<u>Prior to July 1, 1991:</u> <u>Eligibility</u>: If eligible to retire with an immediate service retirement allowance and between 25 and 30 years of creditable service. <u>Duration:</u> The lesser of 5 years, or 32 years minus creditable service at DROP entry. <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. Upon retirement and termination of DROP participation (or death), the member (or beneficiary) may elect one of the following: (a) A lump sum of DROP account balance; (b) A life annuity based on the DROP balance; (c) Any other method of payment approved by the Board of Trustees. Normal survival benefits payable to survivors of retirees are paid upon death of the member while a DROP participant. <u>On and after July 1, 1991</u>: 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. <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 <u>On and after September 1, 2015</u>: <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.
Changes Since Prior Valuation:	None

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
(Source: 2022 Actuarial Report)

Valuation Date:	December 31, 2021
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. *(Adopted March 25, 2010)* 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. *(Adopted February 26, 2015)*
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. *(Adopted March 26, 2020).* The rate of return on assets is assumed to be net of investment expense. *(Adopted October 18, 2004)*
Inflation:	2.25% per year *(Adopted March 26, 2020)*
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. *(Adopted March 26, 2020)*
Aggregate Payroll Growth:	2.5% compounded annually. *(Adopted October 18, 2004)*
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). *(Adopted March 26,2020)*
Disabled Mortality:	RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base). *(Adopted March 26, 2020)*

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:

	Total
BREC	0.65 years
Regular	0.55 years
Fire	1.25 years
Police	0.75 years

Hired on or after April 4, 2015:

	Total
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. *(Adopted March 2, 1995)*
Remarriage:	No probabilities of remarriage are used. *(Adopted March 2, 1995)*
Marital Status:	80% of employees are assumed to be married with males three years older than female spouses. *(Adopted March 2, 1995)*
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. *(Adopted March 26, 2020)*
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: 2022 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)
	$	$	$		$	
12/31/12	1,041,229,857	1,446,809,462	405,579,605	72.0%	137,426,654	295.1%
12/31/13	1,074,038,336	1,471,977,274	397,938,938	73.0%	137,789,518	288.8%
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%

*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, 2021 (Source: 2022 Actuarial Report)

Valuation Date	(1) Active Members' Contributions* -$-	(2) Terminated Vested Members -$-	(3) Retirees And Survivors** -$-	(4) Active Members Employer Contribution -$-	Actuarial Value of Assets -$-	Percentage of Actuarial Liabilities Covered by Assets (1) -%-	(2) -%-	(3) -%-	(4) -%-
12/31/12	270,204,544	3,909,968	788,868,802	383,826,148	1,041,229,857	100.0	100.0	97.2	0.0
12/31/13	271,758,390	2,267,254	831,113,713	366,837,917	1,074,038,336	100.0	100.0	96.3	0.0
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

* Including DROP accounts.

** Including DROP participants' future benefits.

ANALYSIS OF ACTUARIAL GAIN/LOSS
(Source: 2022 Actuarial Report)

GAINS AND LOSSES IN UNFUNDED ACTUARIAL LIABILITY DURING YEARS ENDED 2017 – 2021 RESULTING FROM DIFFERENCES BETWEEN ASSUMED EXPERIENCE AND ACTUAL EXPERIENCE

	$ Gain or (Loss) For Year				
	2017	2018	2019	2020	2021
Investment Return	$ 473,285	$ (30,400,229)	$ (19,208,162)	$ 1,079,187	$ 22,967,444
Salary Increases	5,500,275	(2,806,302)	(2,622,006)	(4,224,946)	(311,506)
Retirements	252,779	(1,573,861)	(267.613)	(1,962,081)	(1,127,215)
Mortality	3,552,858	2,181,709	(472,270)	171,776	1,732,281
Disability	(526,410)	(479,657)	(9,988)	(59,543)	(320,486)
Turnover	(740,321)	85,179	(1,555,198)	(2,504,493)	(540,075)
New Members	(370,855)	(1,639,910)	(1,141,384)	(525,037)	(1,710,232)
Contribution Differences	N/A	N/A	N/A	N/A	N/A
Leaves, Transfers, Etc.	(7,635,725)	(9,158,023)	(6,272,044)	(4,606,130)	(9,280,697)
Gain or (Loss) from Financial Experience	505,886	(43,791,094)	(31,548,665)	(12,631,267)	11,409,514
Non Recurring Elements:					
Data (Optional Forms)	--	--	--	--	--
Valuation Software	(18,848,257)	--	--	--	--
Assumption Changes	--	--	(5,943,063)	--	--
Asset Method Changes	1,893,141	--	--	--	--
Plan Amendment	--	--	--	--	--
Composite Gain/(Loss) During Year	$ (16,449,230)	$ (43,791,094)	$ (37,491,728)	$ (12,631,267)	$ 11,409,514

ACTIVE MEMBERSHIP DATA
FOR THE TEN YEARS ENDED DECEMBER 31, 2021
(Source: 2022 Actuarial Report)

Valuation Date	Total Active Members	Percentage Change -%-	Annual Payroll -$-	Average Annual Pay -$-	% Increase in Average Pay -%-
12/31/12	3,226	(0.6)	137,426,654	42,600	1.1
12/31/13	3,283	1.8	137,789,518	41,971	(1.5)
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

SCHEDULE OF RETIREES AND BENEFICIARIES ADDED
FOR THE TEN YEARS ENDED DECEMBER 31, 2021
(Source: 2022 Actuarial Report)

	Change in Number at EOY								
Valuation Date	Additions	Annual Allowances -$-	Deletions	Annual Allowances -$-	Number of Annuitants	Percentage Change in Membership -%-	Annual Annuities -$-	Percentage Change in Annuities -%-	Average Annual Allowances -$-
12/31/12	191	4,904,590	103	1,607,987	3,058	3.0	66,155,451	5.2	21,634
12/31/13	156	4,753,829	88	1,392,522	3,126	2.2	69,516,758	5.0	22,238
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

TOTAL MEMBERSHIP DATA
(Source: 2022 Actuarial Report)

Actives:

	2021		2020	
	Count	Average Salary	Count	Average Salary
BREC	433	$47,629	435	$47,797
Regular	1,950	49,389	1,958	48,759
Fire	480	72,425	481	70,091
Police	12	85,056	15	84,453
Total/Average	2,875	$53,119	2,889	$52,351

Annuitants:

	2021		2020	
	Count	Average Annuity	Count	Average Annuity
Retirees and Survivors	3,357	$26,741	3,331	$26,264
Disabilities	185	16,627	192	16,497
DROP	299	47,041	305	44,662
Total/Average	3,841	$27,834	3,828	$27,240

Inactive Members:

	2021		2020	
	Count	Average Deferred Annuity	Count	Average Deferred Annuity
Deferred Vested	10	$10,295	12	$10,295

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Actuarial Section Police Guarantee Trust

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

June 1, 2022

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, 2022. 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 2021 valuation will apply to the year 2022.

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, 2021, is $16,622,640.

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 $29,708,513 as of December 31, 2021.

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 35.9%. 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, 2022 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, 2022 actuarial valuation and supporting schedules of this certification have been prepared in accordance with the actuarial methods and assumptions approved by the Board. There were no changes in actuarial assumptions or methods for the January 1, 2022 valuation. The assumptions and methods 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

Shelley R. Johnson, ASA, MAAA

D. Patrick McDonald

D. Patrick McDonald, FSA, EA, MAAA

SUMMARY OF PRINCIPAL SYSTEM PROVISIONS
(Source: 2022 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: 2022 PGT Actuarial Report)

Valuation Date:	December 31, 2021
Valuation Method:	Entry Age Normal Actuarial Cost Method *(Adopted July 28, 2016)*
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. *(Adopted January 31, 2019)*
Inflation:	2.25% per year *(Adopted March 26, 2020)*
Salary Increases:	Inflation plus: *(Adopted March 26, 2020)*

Age	PGT
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 *(Adopted March 26, 2020)*
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). *(Adopted March 26, 2020)*
Disabled Mortality:	RP-2006 Disabled Table Projected back to 2001, Generational with MP-2018 (2016 base year). *(Adopted March 26, 2020)*
Type of Disability:	75% service connected, 25% ordinary. *(Adopted February 26, 2000)*

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)*

Age	Disability
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)*

Prior to 25 years of creditable service

Age	Retirement
<55	3%
55-60	7%
61-63	20%
64	25%
65+	100%

After 25 years of creditable service

Service	Age	Retirement
25	<55	15.0%
26	<55	25.0%
27	<55	25.0%
28+	<55	70.0%
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. *(Adopted February 26, 2000)*
Remarriage:	No probabilities of remarriage are used. *(Adopted February 26, 2000)*
Marital Status:	80% of employees are assumed to be married. Female spouses are assumed to be 3 years younger than males *(Adopted February 26, 2000)*
Interest on Future MPERS DROP Accounts:	6.00%, compounded annually for three years, payable at DROP exit. *(Adopted March 26, 2020)*
Withdrawal of Employee Contributions:	100% of employees who terminate (other than retirement, death, or disability) are assumed to withdraw their contributions. *(Adopted February 26, 2000)*
Ancillary Benefits:	MPERS ancillary benefits (turnover, disability, death) are assumed to be greater than CPERS ancillary benefits. *(Adopted February 26, 2000)*
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. (*Adopted March 26, 2020)*
Unfunded Actuarial Accrued Liability Amortization Period:	Beginning January 1, 2019, the UAAL is amortized as a level dollar over a 4 year open period. (*Adopted January 31, 2019)*
Changes Since Prior Valuation:	None

SCHEDULE OF FUNDING PROGRESS*
(Source: 2022 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)
	$	$	$		$	
12/31/12	24,810,218	34,992,004	10,181,786	70.9%	15,428,420	66.0%
12/31/13	23,314,114	34,614,160	11,300,046	67.4%	14,282,440	79.1%
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%

*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, 2021 (Source: 2022 PGT Actuarial Report)

	(1)	(2)	(3)	(4)		Percentage of Actuarial Liabilities Covered by Assets			
Valuation Date	Active Members' Contributions*	Retirees And Survivors**	Terminated Vested Members	Active Members Employer Contribution	Actuarial Value of Assets	(1)	(2)	(3)	(4)
	-$-	-$-	-$-	-$-	-$-	-%-	-%-	-%-	-%-
12/31/12	18,586,440	4,097,007	--	9,531,370	24,810,218	100.0	100.0	100.0	22.3
12/31/13	18,493,361	3,800,666	11,641	9,745,773	23,314,114	100.0	100.0	100.0	10.3
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

* Including DROP accounts.
** Including DROP participants' future benefits.

ACTIVE MEMBERSHIP DATA
FOR THE TEN YEARS ENDED DECEMBER 31, 2021
(Source: 2022 PGT Actuarial Report)

Valuation Date	Total Active Members	Percentage Change -%-	Annual Payroll -$-	Average Annual Pay -$-	% Increase in Average Pay -%-
12/31/12	218	(7.2)	15,428,420	70,773	4.2
12/31/13	198	(9.2)	14,282,440	72,134	1.9
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)

SCHEDULE OF RETIREES AND BENEFICIARIES ADDED
FOR THE TEN YEARS ENDED DECEMBER 31, 2021
(Source: 2022PGT Actuarial Report)

	Change in Number at EOY								
Valuation Date	Additions	Annual Allowances -$-	Deletions	Annual Allowances -$-	*Number of Annuitants	Percentage Change in Membership -%-	**Annual Annuities -$-	Percentage Change in Annuities -%-	Average Annual Allowances -$-
12/31/12	0	--	0	--	21	--	122,043	--	5,812
12/31/13	2	41,792	0	--	23	9.5	163,835	34.2	7,123
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

* 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: 2021 PGT Actuarial Report)

Actives:

	2021		2020	
	Count	Average Salary	Count	Average Salary
Police	47	$92,150	70	$95,270

Annuitants:

	2021		2020	
	Count	Average Annuity	Count	Average Annuity
Retirees and Survivors	32	$61,709	28	$60,224
Disabilities	2	14,404	2	14,404
DROP	58	77,755	60	73,344
Total/Average	92	$70,797	90	$67,952

Inactive Members:

	2021		2020	
	Count	Average Deferred Annuity	Count	Average Deferred Annuity
Deferred Vested	2	$20,946	3	$18,661

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Statistical Section

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

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 2021 and 2012
- 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, 2021

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

Fiscal Year	Staff	% Increase Each Year
2012	12	0.00%
2013	12	0.00%
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%

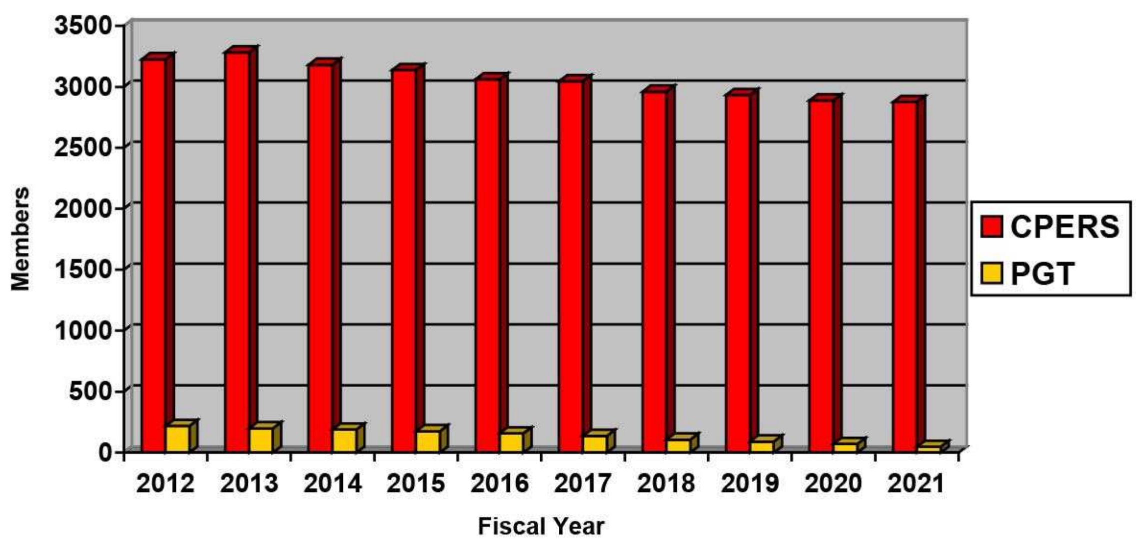
SCHEDULE OF PARTICIPATING EMPLOYERS FOR 2021 AND 2012

Participating Employer	Covered Active Employees	Rank	Percentage of System Membership
2021			
City of Baton Rouge and Parish of East Baton Rouge	2,312	1	80.42%
Recreation and Park Commission for the Parish of East Baton Rouge	433	2	15.07%
District Attorney of the Nineteenth Judicial District	84	3	2.92%
Office of the Coroner of East Baton Rouge Parish	18	4	.63%
East Baton Rouge Parish Juvenile Court	13	5	.45%
East Baton Rouge Parish Family Court	10	6	.35%
Brownsfield Fire Protection District	3	7	.10%
St. George Fire Protection District	1	8	.03%
Eastside Fire Protection District	1	9	.03%
2021 Total	2,875		100.00%

Participating Employer	Covered Active Employees	Rank	Percentage of System Membership
2012			
City of Baton Rouge and Parish of East Baton Rouge	2,697	1	83.61%
Recreation and Park Commission for the Parish of East Baton Rouge	407	2	12.62%
District Attorney of the Nineteenth Judicial District	78	3	2.42%
East Baton Rouge Parish Juvenile Court	14	4	.43%
East Baton Rouge Parish Family Court	12	5	.37%
Office of the Coroner of East Baton Rouge Parish	12	6	.37%
Brownsfield Fire Protection District	4	7	.12%
St. George Fire Protection District	1	8	.03%
Eastside Fire Protection District	1	9	.03%
2012 Total	3,226		100.00%

NUMBER OF ACTIVE MEMBERS

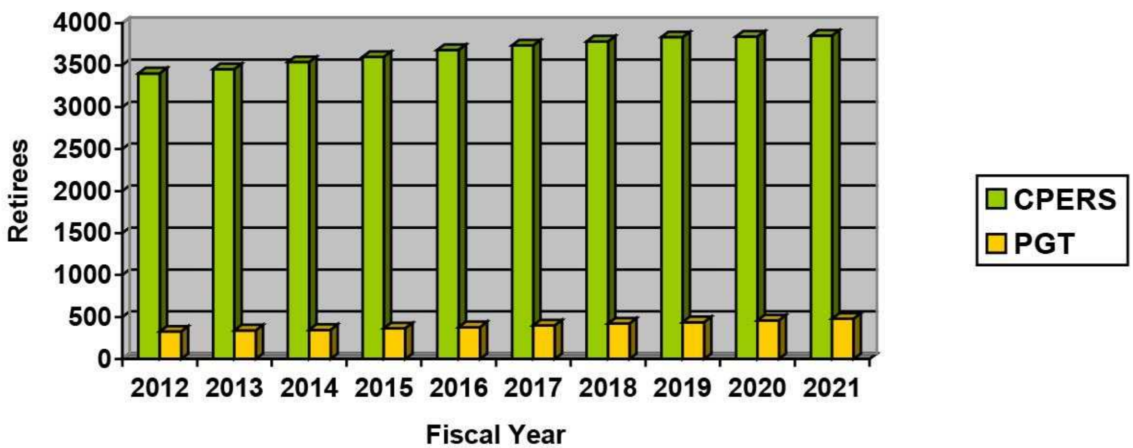
	CPERS		PGT	
Fiscal Year	Members	% Increase Each Year	Members	% Increase Each Year
2012	3,226	(0.6)%	218	(7.2)%
2013	3,283	1.8 %	198	(9.2)%
2014	3,181	(3.1)%	188	(5.1)%
2015	3,138	(1.4)%	174	(7.4)%
2016	3,062	(2.4)%	158	(9.2)%
2017	3,047	(0.5)%	137	(13.3)%
2018	2,961	(2.8)%	106	(22.6)%
2019	2,934	(0.9)%	90	(15.1)%
2020	2,889	(1.5)%	70	(22.2)%
2021	2,875	(0.5)%	47	(32.9)%



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

	CPERS		PGT	
Fiscal Year	Retirees and Deferred Retirees	% Increase Each Year	Retirees and Deferred Retirees*	% Increase Each Year
2012	3,401	2.5%	327	4.1%
2013	3,452	1.5%	340	4.0%
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%

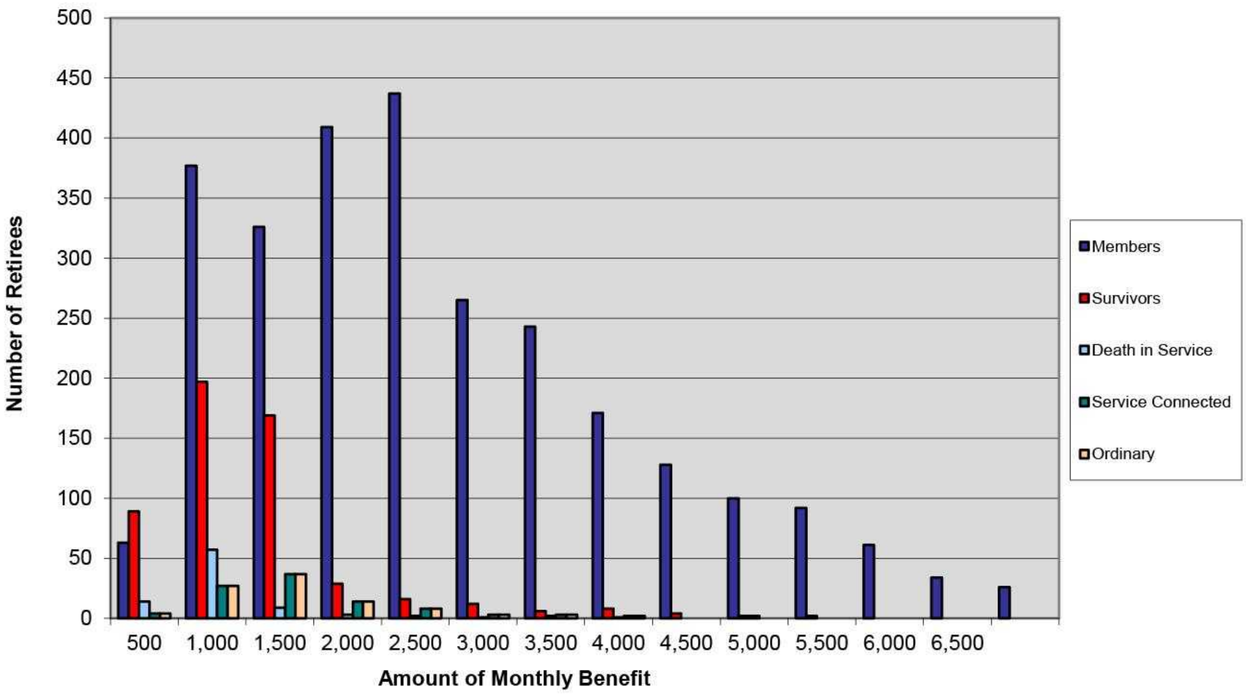
* Includes annuitants who participated in the PGT but receive monthly retirement benefits from MPERS.



SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT (CPERS)

Amount of Monthly Benefit	Number of Retirees *	Types of Retirement: Service Benefits – Members	Survivors	Death in Service	Disability Benefits – Service Connected	Ordinary
$1-500	171	63	89	14	4	1
501-1,000	672	377	197	57	27	14
1,001-1,500	587	326	169	9	37	46
1,501-2,000	469	409	29	3	14	14
2,001-2,500	472	437	16	2	8	9
2,501-3,000	284	265	12	1	3	3
3,001-3,500	254	243	6	2	3	--
3,501-4,000	182	171	8	1	2	--
4,001-4,500	132	128	4	0	--	--
4,501-5,000	104	100	2	2	--	--
5,001-5,500	94	92	2	--	--	--
5,501-6,000	61	61	--	--	--	--
6,001-6,500	34	34	--	--	--	--
Above $6,500	26	26	--	--	--	--
Totals	3,542	2,732	534	91	98	87

* Does not include deferred retirees



NUMBER OF RETIREES AND BENEFIT EXPENSES

	CPERS*		PGT*	
Fiscal Year	Retirees	Benefit Expenses	Retirees**	Benefit Expenses
		$		$
2012	3,058	66,288,313	21	122,118
2013	3,126	69,710,050	23	156,783
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

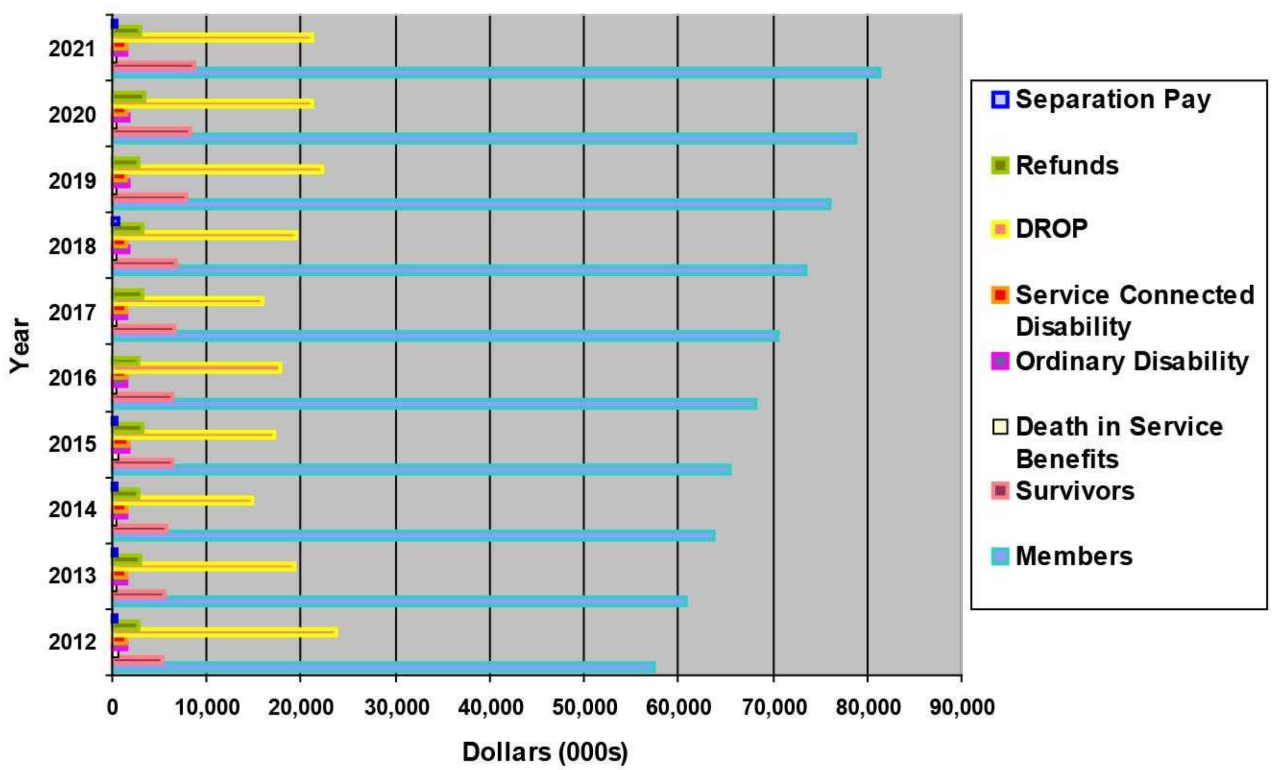
*   Does not included deferred retirees
** Includes only retirees receiving monthly benefits from PGT

NUMBER OF RETIRED DEFERRED RETIREMENT OPTION PLAN PARTICIPANTS AND PAYMENTS

	CPERS		PGT	
Fiscal Year	Retired Deferred Retirement Participants	Retired Deferred Retirement Benefit Expenses	Retired Deferred Retirement Participants	Retired Deferred Retirement Benefit Expenses
		$		$
2012	1,019	23,804,543	83	2,140,253
2013	1,060	19,249,264	90	2,488,063
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

SCHEDULE OF BENEFIT EXPENSES BY TYPE (CPERS)

	Service Benefits			Disability Benefits					
Year Ending	Members $	Survivors $	Death in Service Benefits $	Ordinary $	Service Connected $	DROP $	Refunds $	Separation Benefits $	Total $
2012	57,362,968	5,260,293	555,375	1,569,076	1,540,601	23,804,543	2,721,886	518,566	93,333,308
2013	60,737,119	5,524,687	501,727	1,523,176	1,423,341	19,249,264	2,940,900	478,543	92,378,757
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



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
2012	Avg. Monthly Benefit - $	0.00	867.79	1,130.82	1,693.60	3,265.59	3,793.28	0.00
	Avg. Final Average Salary - $	0.00	3,013.70	3,130.64	4,033.72	4,593.46	4,730.13	0.00
	Number of Retirees	0	18	24	11	34	54	0
2013	Avg. Monthly Benefit - $	1,043.82	722.62	1,204.13	1,653.42	3,109.03	4,440.71	5,436.28
	Avg. Final Average Salary - $	2,087.64	2,731.54	3,373.51	3,695.25	4,332.62	5,531.39	6,060.31
	Number of Retirees	2	16	21	23	37	42	1
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

* 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
2012	Avg. Monthly Benefit - $	0.00	0.00	1,112.61	1,663.87	4,031.54	4,544.92	0.00
	Avg. Final Average Salary - $	0.00	0.00	3,423.41	4,443.05	5,909.51	5,649.90	0.00
	Number of Retirees	0	0	1	2	3	11	0
2013	Avg. Monthly Benefit - $	0.00	0.00	0.00	0.00	3,860.89	5,432.66	0.00
	Avg. Final Average Salary - $	0.00	0.00	0.00	0.00	5,819.45	6,607.35	0.00
	Number of Retirees	0	0	0	0	6	9	0
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

* 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

	CPERS		PGT	
Fiscal Year	Excess Benefit Plan Participants	Benefit Expenses	Excess Benefit Plan Participants	Benefit Expenses
		$		
2012	12	198,780	N/A	N/A
2013	12	179,524	N/A	N/A
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

NUMBER OF REFUNDS OF CONTRIBUTIONS

	CPERS		PGT	
Fiscal Year	Number of Refunds	% Increase Each Year	Number of Refunds	% Increase Each Year
		%		%
2012	220	1.9	0	0.0
2013	239	8.6	2	200.0
2014	238	(.4)	2	0.0
2015	239	.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

SCHEDULE OF CHANGES IN NET POSITION (CPERS)

Fiscal Year	Member Contributions	Employer and Non-Employer Contributions	Net Investment Income	Total Additions to Net Position
	$	$	$	$
2012	15,205,761	37,321,809	114,974,105	167,501,675
2013	14,888,376	38,392,495	140,442,726	193,723,597
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	15,586,550	54,719,279	177,062,732	247,368,561

Fiscal Year	Benefit Payments	Refunds and Withdrawals	Administrative Expenses	Total Deductions from Net Position	Total Changes in Net Position
	$	$	$	$	$
2012	90,611,422	2,721,886	1,137,201	94,470,509	73,031,166
2013	89,437,857	2,940,900	1,188,598	93,567,355	100,156,242
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	1,534,665	119,554,617	127,813,944

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

SCHEDULE OF CHANGES IN NET POSITION (PGT)

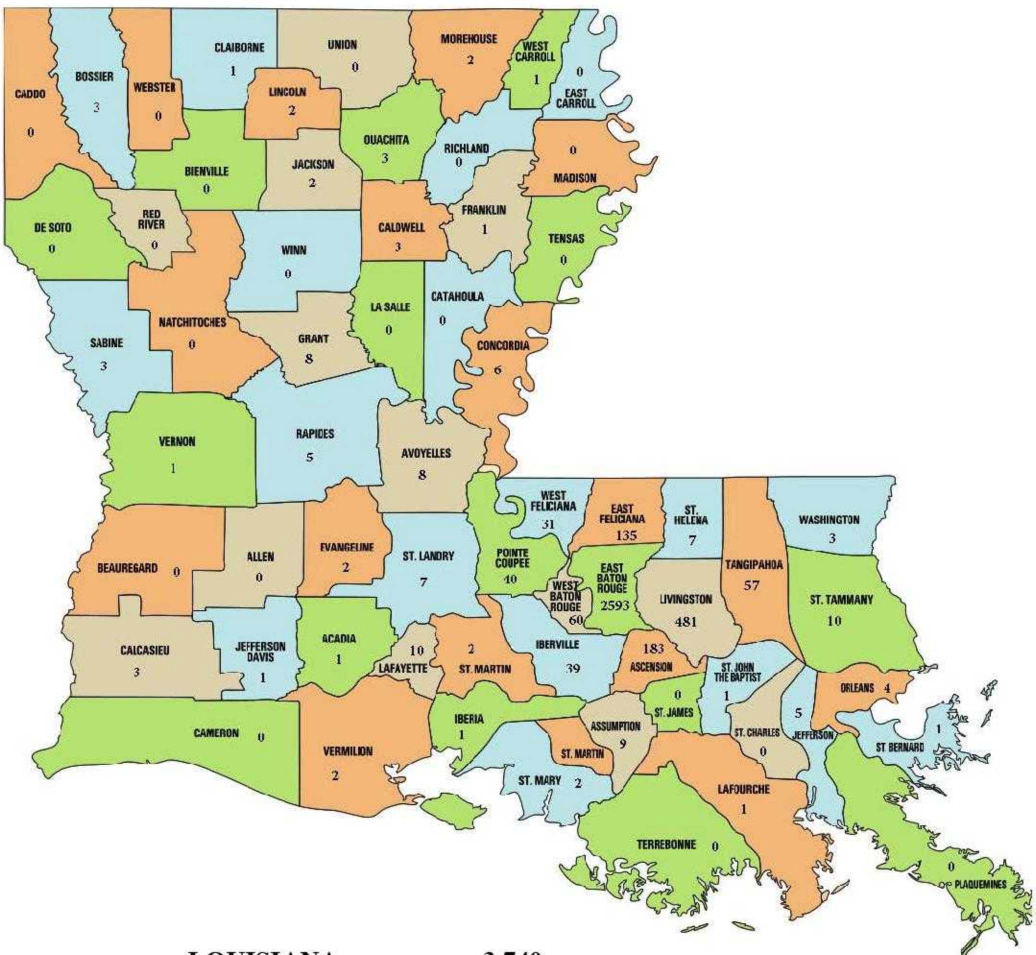
Fiscal Year	Member Contributions	Employer Contributions	Net Investment Income	Total Additions To Net Position
	$	$	$	$
2012	92,880	238,628	2,427,788	2,759,296
2013	85,817	696,918	2,277,503	3,060,238
2014	90,774	763,873	796,414	1,651,061
2015	99,365	951,261	(403,640)	646,986
2016	63,856	581,007	974,589	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

Fiscal Year	Benefit Payments	Refunds and Withdrawals	Administrative Expenses	Total Deductions from Net Position	Total Changes In Net Position
	$	$	$	$	$
2012	2,670,498	0	329,109	2,999,607	(240,311)
2013	3,327,491	0	356,118	3,683,609	(623,371)
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

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

RETIREES AT DECEMBER 31, 2021
(CPERS and PGT members)

Louisiana Breakdown by Parish



LOUISIANA	**3,740**
OTHER STATES	**282**
TOTAL RETIREES	**4,022**

STATES	
ALABAMA	**19**
ARKANSAS	**8**
ARIZONA	**3**
CALIFORNIA	**4**
COLORADO	**9**
FLORIDA	**26**
GEORGIA	**14**
IDAHO	**1**
ILLINOIS	**2**
INDIANA	**1**
KANSAS	**3**
KENTUCKY	**4**
MASSACHUSETTS	**1**
MICHIGAN	**3**
MINNESOTA	**1**
MISSISSIPPI	**65**
MISSOURI	**7**
MONTANA	**1**
NEBRASKA	**1**
NEVADA	**2**
NEW JERSEY	**1**
NEW YORK	**2**
NORTH CAROLINA	**6**
OHIO	**3**
OKLAHOMA	**6**
PENNSYLVANIA	**3**
SOUTH CAROLINA	**1**
TENNESSEE	**12**
TEXAS	**56**
UTAH	**3**
VIRGINIA	**10**
WASHINGTON	**2**
WISCONSON	**1**
WYOMING	**1**

Alternative Retirement Plans

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

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.

Other Section

City of Baton Rouge and Parish of East Baton Rouge

EMPLOYEES' RETIREMENT SYSTEM

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

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FINDINGS AND RESPONSES
DECEMBER 31, 2021

A. Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

• Material weakness(es) identified?	_______ yes	___x___ no
• Significant deficiencies identified that are not considered to be material weaknesses?	___x___ yes	_______ none
Noncompliance material to financial statements noted?	_______ yes	___x___ no

B. Findings – Financial Statement Audit

2021 – 001 **Benefit Payments**

Criteria: Internal controls over the calculation of benefit payments to Plan participants should exist to ensure the accuracy of those benefits.

Condition(s): In our audit testing of benefit payment calculations, we noted one retiree out of 40 tested whose benefit amount was $3 per month under the amount entered into the system for their monthly benefit payment.

Cause: The participant's monthly benefit calculation was independently performed by three individual counselors in accordance with established procedures. Those results are compared by one counselor and input in a "Final Calculation of Benefits" form if all three match exactly with years of creditable service, retirement factor, gross benefit, benefit deductions, and the net benefit (Final Benefit). A second counselor proofs the "Final Calculation of Benefits" form for any incorrectly keyed data. The counselor who inputs the information keyed the CPERS benefit as $6,517.93 while the correct benefit amount was $6,514.93. The second counselor did not identify this error when completing their proof.

Effect: Internal controls, as currently established, did not identify this error. Given this participant was in DROP, the amount was not disbursed to the plan participant. However, without a properly implemented and designed control, there is a potential of disbursing an incorrect amount of benefit payments to plan participants.

Recommendation: We recommend administration to review the internal controls over the processing of benefit payments and take the necessary steps to establish additional controls to avoid errors such as this in the future.

B. Findings – Financial Statement Audit (continued)

2021-001 **Benefit Payments** (continued)

View of Responsible Official:

Although one out of 40 benefit calculations tested was found in error, we believe this does not adequately reflect the true percentage of accurate calculations, as this is the first error found of this kind, dating back through many years of audit testing. Despite a sound process, an error did occur, and we have implemented a change in procedure to further prevent any potential for future errors in the final calculation of a member's benefit and any corresponding optional survivor benefit deductions.

CP Employees' Retirement System

City of Baton Rouge and Parish of East Baton Rouge

ERS

CP Employees' Retirement System

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EMPLOYEES' RETIREMENT SYSTEM OF THE

CITY OF BATON ROUGE AND EAST BATON ROUGE PARISH

REPORT TO MANAGEMENT

DECEMBER 31, 2021

P&N

Postlethwaite & Netterville

P&N
Postlethwaite & Netterville

8550 United Plaza Blvd., Ste. 1001 – Baton Rouge, LA 70809
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A Professional Accounting Corporation

June 29, 2022

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

We have audited 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, for the year ended December 31, 2021 and have issued our report thereon. As part of our audit, we evaluated the system of internal accounting control to the extent we considered necessary as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Retirement System's internal control.

The objective of internal control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of the financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

No matter how good a system, there are inherent limitations that should be recognized in considering the potential effectiveness of internal accounting. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the degree of compliance with the procedures may deteriorate. We say this simply to suggest that any system needs to be constantly reviewed and improved where necessary.

However, during the course of our audit, we became aware of a matter that is an opportunity for strengthening internal controls or operating efficiency or other matter. Our comment and suggestion regarding this matter is set forth below. This letter does not affect our reports dated June 29, 2022, on the financial statements of the Retirement System's internal control over financial reporting.

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ML 2021-1 **Implementation of Actuarial Recommendations to the City of Baton Rouge and Parish of East Baton Rouge**

Condition: The Retirement System's actuary was authorized to conduct a special actuarial study of the impact of current provisions of the Deferred Retirement Option Plan (DROP), current employment policies for return-to-work retirees, and the current plan provisions for including overtime pay in the computation of benefits. As a result of the study, the actuary recommended changes to employment policies for return-to-work retirees, and consultation with a tax attorney to fully understand certain qualified plan requirements pursuant to the Internal Revenue Code (IRC). The actuary also recommended that the Board consider implementing anti-spiking provisions to limit salary spikes during the average final compensation period to limit actuarial losses associated with overtime near retirement. The actuary's recommendation regarding the interest calculation on DROP accounts to make it consistent with the methodology used to determine the DROP interest rate was implemented.

After consulting with its tax attorney and actuary and with a majority vote, the Board recommended several changes to the City-Parish government's retirement ordinance, which establishes and governs the benefit terms of the System, to ensure compliance with the IRC for qualified retirement plans. The Board has also tasked the Administrative and Benefits Committee with making a recommendation to the Board regarding including anti-spiking provisions in the plan for new hires.

Recommendation: The Metropolitan Council, or representatives thereof, have been presented with proposed amendments to the retirement ordinance, with the goals of ensuring full compliance with the Internal Revenue Code and implementing other recommendations of the actuary, while minimizing impacts to the City- Parish's ability to attract and retain qualified employees. We encourage the Board to ensure the Metropolitan Council takes the necessary action to amend the ordinance to accomplish these goals.

Management's Response:

Upon receiving the actuarial study and consulting with its tax attorney, the management team of the Employees' Retirement System of Baton Rouge and East Baton Rouge Parish (CPERS) has diligently worked with the Board of Trustees to enact the necessary ordinance changes to better conform with the IRC for qualified retirement plans. The Board of Trustees approved final amendment changes to the return-to-work policies in February 2022 and presented them to the Metro Council for final approval in March 2022.

The Metropolitan Council requested additional time to discuss the proposed changes, and the management team at CPERS, as well as its actuary and legal counsel have held informational meetings and generally made themselves available for further discussion. The management team also directed specific Councilmember questions and comments to its tax attorney for further clarification.

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Management's Response (continued):

At the direction of the Board of Trustees, management will be presenting the proposed amendments before Metropolitan Council for final approval again in the near future. Additionally, as referenced above, the management team facilitated a meeting with the Administrative and Benefits Committee of the Board of Trustees, along with its actuary, to discuss anti-spiking policy changes. These findings will be presented to the full Board of Trustees in the coming months for discussion and final vote before being presented to the Metropolitan Council.

We have already discussed this matter with the Retirement System's management. Their view on this matter is identified herein. This letter does not affect our report dated June 29, 2022, on the financial statements of the Retirement System, and furthermore, this letter is intended for use only by the Retirement System's management and Board of Trustees and is not intended to be used, and should not be used, by anyone other than these specified parties.

Sincerely,

Postlethwaite & Netterville

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

REPORT ON STATEWIDE AGREED-UPON PROCEDURES ON COMPLIANCE AND CONTROL AREAS

DECEMBER 31, 2021

Postlethwaite & Netterville

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A Professional Accounting Corporation

INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES

To Members of the Board of Trustees
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) for the fiscal period January 1, 2021 through December 31, 2021. Management of the Employees' Retirement System of the City of Baton Rouge and the Parish of East Baton Rouge (the Retirement System) 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 the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2021 through December 31, 2021. 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 American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. 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.

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.

Postlethwaite & Netterville

Baton Rouge, Louisiana
June 29, 2022

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 25 "we performed the procedure and discussed the results with management"*. If not, then a description of the exception ensues.

A - Written Policies and Procedures

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

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

   No exceptions noted.

   b) ***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 policy over Purchasing does not address how vendors are added to the vendor list, controls to ensure compliance with the public bid law, or documentation required to be maintained for all bids and price quotes.

   c) ***Disbursements***, including processing, reviewing, and approving

   No exceptions noted.

   d) ***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 exceptions noted.

   e) ***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(s) rate of pay or approval and maintenance of pay rate schedules.

   No exceptions noted.

A - Written Policies and Procedures *(continued)*

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

The Retirement System's written policy over Contracting does not address standard terms and conditions of contracts and the monitoring process.

g) ***Credit Cards (and debit cards, fuel cards, P-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).

The Retirement System's written policy over Credit Cards does not address documentation requirements.

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

No exceptions noted.

i) ***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.

The Retirement System's written policy over Ethics does not address a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the Retirement System's ethics policy.

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

This is not applicable.

k) ***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.

The Retirement System's written policy over Information Technology Disaster Recovery/Business Continuity does not address the use of antivirus software on all systems and timely application of all available system and software patches/updates.

A - Written Policies and Procedures *(continued)*

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

No exceptions noted.

B - Board or Finance Committee

2. 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:

a) Observe that 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.

No exception noted.

b) 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, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit 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.*

No exception noted.

c) 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.

No exception noted.

C - Bank Reconciliations

3. 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 entity's main operating account. No exceptions were noted as a result of performing this procedure.

***C - Bank Reconciliations** (continued)*

From the listing provided, we selected 5 bank accounts (2 operating and 3 randomly) and obtained the bank reconciliations for the month ending August 31, 2021, resulting in 5 bank reconciliations obtained and subjected to the below procedures.

a) 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 exceptions noted.

b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and

Of the 5 bank reconciliations obtained, 5 were not reviewed by a member of management/board member who does not post ledgers or issue checks.

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

Of the 5 bank accounts selected, 1 bank reconciliation had reconciling items that have been outstanding for more than 12 months. There was no documentation evidencing that these reconciling items were researched for proper disposition.

D - Collections (excluding electronic funds transfers)

4. 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).

   A listing of deposit sites was provided and included a total of 1 deposit site. No exceptions were noted as a result of performing this procedure.

   From the listing provided, we selected all deposit sites and performed the procedures below.

5. 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 (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, 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:

   A listing of collection locations for each deposit site selected in procedure #4 was provided and included a total of 1 collection location. No exceptions were noted as a result of performing this procedure.

D - Collections (excluding electronic funds transfers) *(continued)*

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

a) Employees that are responsible for cash collections do not share cash drawers/registers.

This is not applicable. The Retirement System does not have cash drawers/registers.

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

No exceptions noted.

c) Each employee responsible for collecting cash is not 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.

No exceptions noted.

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

No exceptions noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

The Retirement System did not provide documentation the employees who have access to cash are bonded and/or covered under the Retirement System's insurance policy.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (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). *Alternately, 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:

We randomly selected two deposit dates for each of the 2 operating bank accounts selected in procedure #3 as the other 3 bank accounts selected in procedure #3 did not have any deposit activity during the year. We obtained supporting documentation for each of the 10 deposits and performed the procedures below.

D - Collections (excluding electronic funds transfers) *(continued)*

a) Observe that receipts are sequentially pre-numbered.

No exceptions noted.

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

No exceptions noted.

c) Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions noted.

d) Observe 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).

No exceptions noted.

e) Trace the actual deposit per the bank statement to the general ledger.

No exceptions noted.

E - Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

8. 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 locations and performed the procedures below.

9. For each location selected under #8 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, inquire of employees about their job duties), and observe that job duties are properly segregated such that:

   The listing of employees involved with non-payroll purchasing and payment functions for each payment processing location selected in procedure #8 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.

E - Non-payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases) *(continued)*

a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

No exceptions noted.

b) At least two employees are involved in processing and approving payments to vendors.

No exceptions noted.

c) 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 individual responsible for processing payments is also able to add vendors to the Retirement System's purchasing/disbursement system.

d) 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.

No exceptions noted.

10. For each location selected under #8 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 #8 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.

a) Observe that the disbursement matched the related original itemized invoice, and that supporting documentation indicates that deliverables included on the invoice were received by the entity.

No exceptions noted.

b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

No exceptions noted.

F - Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-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.

12. 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:

    Procedure was not performed due to no credit card transactions occurring during the fiscal period.

    a) Observe that 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) was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.)]

       Procedure was not performed due to no credit card transactions occurring during the fiscal period.

    b) Observe that finance charges and late fees were not assessed on the selected statements.

       Procedure was not performed due to no credit card transactions occurring during the fiscal period.

13. Using the monthly statements or combined statements selected under #12 above, <u>excluding fuel cards</u>, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e., each card should have 10 transactions subject to testing). For each transaction, observe 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 missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny.

    Procedure was not performed due to no credit card transactions occurring during the fiscal period.

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

14. 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, 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:

G - Travel and Travel-Related Expense Reimbursements (excluding card transactions) *(continued)*

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.

a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov).

   Of the 5 reimbursements selected for our procedures, none used a per diem.

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

   For 1 of the 5 reimbursements selected for our procedures, there was no original itemized receipt identifying precisely what was purchased.

c) 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 policy (procedure #1h).

   For 1 of the 5 reimbursements selected for our procedures, there was no supporting documentation detailing the business purpose and other support required by written policy.

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

   No exceptions noted.

H - Contracts

15. 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. *Alternately, 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:

An active vendor list for the fiscal period 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.

***H – Contracts** (continued)*

a) Observe that 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.

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

No exceptions noted.

c) If the contract was amended (e.g., change order), observe 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, was approval documented).

None of the 5 contracts selected for our procedures were amended.

d) 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.

We randomly selected 1 payment for the 5 contracts selected in procedure #15 and performed the specified procedures. For 1 of the 5 contracts, payment information could not be provided. No other exceptions noted.

I - Payroll and Personnel

16. 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.

Not applicable. Procedure was not performed as the System's employees are employed and paid directly by The City of Baton Rouge and the Parish of East Baton Rouge. A separate SAUP engagement was performed for the City of Baton Rouge and Parish of East Baton Rouge.

17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:

Not applicable. See step #16.

I - Payroll and Personnel *(continued)*

a) Observe that all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.).

Not applicable. See step #16.

b) Observe that supervisors approved the attendance and leave of the selected employees or officials.

Not applicable. See step #16.

c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.

Not applicable. See step #16.

d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Not applicable. See step #16.

18. 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, 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 or officials' cumulative leave records, agree the pay rates to the employee or officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Not applicable. See step #16.

19. 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.

Not applicable. See step #16.

J - Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above obtain ethics documentation from management, and:

    a) Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.

       For 1 of the 5 employees/officials selected for our procedures, documentation that the required ethics training was completed could not be obtained.

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

       The Retirement System did not have any changes to the ethics policy, so this step is not applicable.

K - Debt Service

21. 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.

    Not applicable.

22. 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).

    Not applicable.

L - Fraud Notice

23. 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.

    Management stated there were no allegations of misappropriations of public funds and assets during the fiscal period.

24. 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 exceptions noted.

M - Information Technology Disaster Recovery/Business Continuity

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

    a) Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.

    We performed the procedure and discussed the results with management.

    b) Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, 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.

    c) 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.

N - Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year.

    For 1 of the 5 employees/officials selected for our procedures, documentation that the required sexual harassment training was completed could not be obtained.

27. Observe 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 exceptions noted.

28. 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 it includes the applicable requirements of R.S. 42:344:

***N - Sexual Harassment** (continued)*

a) Number and percentage of public servants in the agency who have completed the training requirements;

No exceptions noted.

b) Number of sexual harassment complaints received by the agency;

No exceptions noted.

c) Number of complaints which resulted in a finding that sexual harassment occurred;

No exceptions noted.

d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

No exceptions noted.

e) Amount of time it took to resolve each complaint.

No exceptions noted.

EMPLOYEES' RETIREMENT SYSTEM OF THE CITY OF BATON ROUGE AND THE PARISH OF EAST BATON ROUGE MANAGEMENT'S RESPONSE AND CORRECTIVE ACTION PLAN DECEMBER 31, 2021

Schedule B

The Employees' Retirement System of the City of Baton Rouge and the Parish of East Baton Rouge (the System) provided a response and corrective action plan for the exceptions noted in Schedule A and are set forth below. All corrective actions noted below will be completed by October 31, 2022.

Written Policies and Procedures

The System will amend policies and procedures where applicable to address the findings noted in this section.

Bank Reconciliations

The System will revisit procedures and policies to ensure appropriate segregation of duties during the preparation and review process as well as ensure long outstanding reconciling items are reviewed and if applicable, resolved timely.

Collections (excluding electronic funds transfers)

The System will revisit procedures and policies to ensure employees with access to cash are appropriately bonded and/or covered under the System's insurance policy and that sufficient documentation of bonding / insurance coverage is maintained.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

The System will revisit procedures and policies to ensure appropriate segregation of duties over non-payroll related disbursements.

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

The System will revisit policies and procedures to emphasize the need to provide itemized receipts as well as documentation of related business purpose when submitting all expense reimbursements.

Contracts

The System will communicate to all personnel the importance of maintaining contract as well as payment related documentation.

Ethics

The System will revisit policies and procedures to ensure that appropriate documentation evidencing annual ethics training is maintained.

Sexual Harassment

The System will revisit policies and procedures to ensure that appropriate documentation evidencing sexual harassment training is maintained.