



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

**(A BLENDED COMPONENT UNIT OF THE CITY OF BATON ROUGE –
PARISH OF EAST BATON ROUGE)**

EMPLOYER PENSION REPORT

**FOR YEAR ENDED
DECEMBER 31, 2023**



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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Schedules

Opinions

We have audited the accompanying schedule of employer allocations 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), a component unit of the City of Baton Rouge - Parish of East Baton Rouge, as of and for the year ended December 31, 2023, and the related notes. We have also audited the total of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer of the CPERS Trust as of and for the year ended December 31, 2023, and the related notes.

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense for the total of all participating employers of the CPERS Trust, as of and for the year ended December 31, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Auditors' Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of CPERS Trust 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.

Emphasis of Matters

As disclosed in Note 8 to the employer schedules, the total pension liability for the CPERS Trusts was \$2,017,112,620 as of December 31, 2023. The actuarial valuation was based on various assumptions made by the CPERS Trust's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at December 31, 2023 could be materially different than the estimate. Our opinion is not modified with respect to this matter.

As disclosed in Note 11 to the schedule of employer allocations and the specified column totals in the schedule of pension amounts by employer, the deferred inflows or deferred outflows of resources resulting from differences in contributions remitted to the CPERS Trust and the employer's proportionate share and its resulting amortization is not reported in the employer pension schedules. As a result, the employer pension schedules do not reflect all activity to be reported in the total deferred outflows of resources and deferred inflows of resources. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedules

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

Auditors' Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedule of employer allocations and the specified total columns included in the schedule of pension amounts are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 schedules.

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 schedules, 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 schedules.
- 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 CPERS Trust'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 schedules.

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.



Other Matters

Financial Statement Audit

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 *Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the CPERS Trust as of and for the year ended December 31, 2023, and our report thereon, dated June 26, 2024, expressed an unmodified opinion on those financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the schedule of employer allocations and the specified column totals of the schedule of pension amounts by employer of the CPERS Trust. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the employer schedules. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer schedules. The information has been subjected to the auditing procedures applied in the audit of the schedule of employer allocations and the specified column totals of the schedule of pension amounts by employer of the CPERS Trust and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the schedule of employer allocations and the specified column totals of the schedule of pension amounts by employer 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 schedule of employer allocations and the specified column totals of the schedule of pension amounts by employer as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2024, on our consideration of the CPERS Trust's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the CPERS Trust's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the CPERS Trust's internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of the CPERS Trust, the Board of Trustees, the CPERS Trust's participating employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

The logo for EisnerAmper LLP, featuring the company name in a stylized, cursive script.

EISNERAMPER LLP
Baton Rouge, Louisiana
March 17, 2025



Schedule of Employer Allocations
December 31, 2023

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

Schedule of Employer Allocations - December 31, 2023

Employer Name	Employer Contributions	Employer Allocation Percentage
City of Baton Rouge and Parish of East Baton Rouge	\$ 42,953,781	80.91308%
District Attorney of the Nineteenth Judicial District	1,286,521	2.42345%
East Baton Rouge Parish Family Court	289,956	0.54620%
East Baton Rouge Parish Juvenile Court	280,947	0.52923%
St. George Fire Protection District (certain electing members)	36,380	0.06853%
Brownsfield Fire Protection District	108,611	0.20459%
Eastside Fire Protection District	79,073	0.14895%
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	7,531,513	14.18729%
Office of the Coroner of East Baton Rouge Parish	519,544	0.97868%
	<u>\$ 53,086,326</u>	<u>100.0000000%</u>

The accompanying notes are an integral part of this schedule.

Schedule of Pension Amounts by Employer
As of and for the year ended December 31, 2023

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

Schedule of Pension Amounts by Employer - As of and for the Year Ended December 31, 2023

Employer Name	Net Pension Liability	Deferred Outflows of Resources					Deferred Inflows of Resources		
		Difference Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes of Assumptions	Change in Proportion	Total Deferred Outflows of Resources	Changes of Assumptions	Change in Proportion	Total Deferred Inflows of Resources
City of Baton Rouge and Parish of East Baton Rouge	612,685,392	\$ 19,372,521	\$ 70,639,194	\$ -	\$ 108,737	\$ 90,120,452	\$ -	\$ (942,374)	\$ (942,374)
District Attorney of the Nineteenth Judicial District	18,350,716	580,232	2,115,735	-	300,765	2,996,732	-	(1,088,188)	(1,088,188)
East Baton Rouge Parish Family Court	4,135,883	130,773	476,844	-	784,167	1,391,784	-	(52,037)	(52,037)
East Baton Rouge Parish Juvenile Court	4,007,380	126,709	462,028	-	591,876	1,180,613	-	(3,117)	(3,117)
St. George Fire Protection District (certain electing members)	518,918	16,408	59,828	-	30,207	106,443	-	-	-
Brownsfield Fire Protection District	1,549,209	48,984	178,615	-	109,183	336,782	-	(11,748)	(11,748)
Eastside Fire Protection District	1,127,884	35,663	130,039	-	92,594	258,296	-	-	-
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	107,428,215	3,396,776	12,385,871	-	1,395,287	17,177,934	-	(1,337,360)	(1,337,360)
Office of the Coroner of East Baton Rouge Parish	7,410,687	234,319	854,411	-	474,417	1,563,147	-	(452,409)	(452,409)
Totals	\$ 757,214,284	\$ 23,942,385	\$ 87,302,565	\$ -	\$ 3,887,233	\$ 115,132,183	\$ -	\$ (3,887,233)	\$ (3,887,233)

Employer Name	Pension Expense		
	Proportionate Share of Plan Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion	Total Employer Pension Expense
City of Baton Rouge and Parish of East Baton Rouge	\$ 55,563,665	\$ (1,486,459)	\$ 54,077,206
District Attorney of the Nineteenth Judicial District	1,664,203	(459,383)	1,204,820
East Baton Rouge Parish Family Court	375,078	227,704	602,782
East Baton Rouge Parish Juvenile Court	363,424	31,440	394,864
St. George Fire Protection District (certain electing members)	47,060	20,292	67,352
Brownsfield Fire Protection District	140,496	63,640	204,136
Eastside Fire Protection District	102,286	44,436	146,722
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	9,742,529	1,616,116	11,358,645
Office of the Coroner of East Baton Rouge Parish	672,066	(57,786)	614,280
Totals	\$ 68,670,807	\$ -	\$ 68,670,807

The accompanying notes are an integral part of this schedule.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

1. General Information

The Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge System (the Retirement System) is the administrator of a cost-sharing multiple-employer plan (the Plan) and a separate single employer plan. The Retirement System includes two separate trusts – the City / Parish Employees' Retirement System (CPERS Trust) and the Police Guarantee Trust (PGT). At December 31, 2023, the CPERS Trust provided benefits to employees of the following participating governmental employers who are:

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

The Police Guarantee Trust is a single employer plan which has not been included in this report. The sole employer participating in the PGT Trust is the City of Baton Rouge and Parish of East Baton Rouge (City-Parish).

2. Summary of Significant Accounting Policies

The CPERS Trust prepares its employer pension schedules in accordance with the Governmental Accounting Statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement No. 68 established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses/expenditures. The CPERS Trust Actuary uses methods and assumptions to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. The Actuary also provides the method to calculate the participating employer's proportionate share of net pension liability, deferred inflows, deferred outflows, pension expense and amortization periods for deferred inflows and deferred outflows.

A. Basis of Presentation

The CPERS Trust's Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (collectively, the employer schedules) present amounts that are considered elements of the financial statements of the participant employers. Accordingly, the employer schedules do not purport to be a complete presentation of the financial position or changes in financial position of CPERS Trust or of its participating employers. The amounts presented in the employer schedules were prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management to make a number of estimates and assumptions related to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

2. Summary of Significant Accounting Policies (continued)

B. System Employees

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

C. Plan Fiduciary Net Position and Estimates

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

3. Plan Description

The Retirement System is considered a blended component unit of the financial reporting entity of the City of Baton Rouge - 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's Multiple Employer Cost Sharing Plan Trust (CPERS Trust) only.

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. The Metropolitan Council maintains the authority to establish and amend plan benefits.

Benefits

The following is a description of the plan and its benefits, and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information. Any person who becomes a regular full-time employee of one of the member employers becomes a member of the CPERS Trust 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.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

3. Plan Description (continued)

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

A participants' benefit rights vest after the employee has been a member of the CPERS Trust 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:

	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 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
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)

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

3. Plan Description (continued)

Deferred Retirement Option Program (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 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 CPERS Trust on their earnings. DROP deposits for the amount of the participant's monthly benefits 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.

4. Permanent Benefit Increases/Cost-of-Living Adjustments

The CPERS Trust has no true cost of living benefit but did implement the Supplemental Benefit Payment (SBP) in 2006, which is a non-recurring non-guaranteed lump sum payment to qualifying retirees, and which must be declared for payment by the Board each year. Funding comes from 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.

5. Employer Contributions

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 2023, Plan members contributed 9.5% of their annual covered salary, which was the maximum rate under Part IV, Subpart 2, Sec. 1:264(A) I (b) of the City-Parish Code of Ordinances. Participating employers are required to contribute the remaining amounts necessary to finance the coverage of their employees through periodic contributions at rates annually determined by the Plan's actuary. For 2023, for the CPERS Trust, the City General Fund employer rate was 34.21% while the non-general fund and other employer rate was 38.46%. This resulted in a blended employer contribution rate of 36.34% for 2023. 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 CPERS Trust be funded on an actuarially sound basis. Administrative costs of the CPERS Trust are provided through investment earnings.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

6. Schedules of Employer Allocations

The schedule of employer allocations reports the employers' contributions and the employer allocation percentage. The employers' eligible compensation as of December 31, 2023, which was provided by the CPERS Trust's records multiplied times the 2025 employer contribution rate, is the basis used to determine the proportionate relationship of each employer to all employers of the CPERS Trust. The employer's proportion was determined on a basis that is consistent with the way payroll was reported. The allocation percentages were used in calculating each employer's proportionate share of the pension amounts.

7. Schedules of Pension Amounts by Employer

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

8. Actuarial Methods and Assumptions

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

The components of the net pension liability of the CPERS Trust's employers as of December 31, 2023, is as follows:

Total Pension Liability	\$ 2,017,112,620
Plan Fiduciary Net Position	<u>1,259,898,337</u>
Employers' Net Pension Liability	<u>\$ 757,214,283</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.46%

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

8. Actuarial Methods and Assumptions (continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of December 31, 2023, is as follows:

Valuation Date	January 1, 2023		
Actuarial Cost Method	Entry Age Normal		
Actuarial Assumptions:			
Expected Remaining			
Service Lives	4 Years		
Investment Rate of Return	7.00% per year, compounded annually, net of investment expenses		
Inflation Rate	2.25%		
Discount Rate	7.00%		
Mortality	Healthy - RP-2006 Blue Collar (employee for active and annuitant for inactive) Projected back to 2001, Generational with MP 2018 (2016 base year) Disabled - RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year)		
Salary Increases			
	Service	Age	BREC/Regular
	<1	22	7.60%
		27 - 32	4.90%
		37 - 62	3.40%
		67	1.50%
	1+	22	7.60%
		27	3.50%
		32	3.50%
		37	3.25%
		42	2.55%
		47	1.85%
		52 - 62	1.55%
		67	0.75%
Cost of Living Adjustments	None		

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected future real rates of return 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 are as follows:

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

8. Actuarial Methods and Assumptions (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	34.5%	7.50%
International Equity	15.5%	8.50%
Domestic Bonds	25.0%	2.50%
International Bonds	5.0%	3.50%
Real Estate	15.0%	4.50%
Alternative Assets	5.0%	5.66%
Total	<u>100.0%</u>	

The Discount Rate used to measure the Total Pension Liability was 7.00%. The projection of cash flows used to determine the Discount Rate assumed that current plan member and sponsor contributions will be made at the current contribution rate. Based on those assumptions, the pension plan's fiduciary net position was projected to provide future benefit payments projected for 50 years using a discount rate of 7.00%.

9. Sensitivity to Changes in the Discount Rates

The following presents the net pension liability of the participating employers calculated using the CPERS Trust discount rate of 7.00%, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

Changes in Discount Rate

City / Parish Employees' Retirement System Trust

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
2023 Net Pension Liability	\$ 935,657,348	\$ 757,214,284	\$ 606,907,259

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

10. Change in Net Pension Liability

The changes in the net pension liability for the year ended December 31, 2023, were recognized as pension expense or benefit in the current reporting period except as follows:

A. Differences between Expected and Actual Experience

Differences between expected and actual experience with regard to economic or demographic factors in the measurement of the total pension liability were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. The difference between expected and actual experience resulted in deferred outflows of resources as of December 31, 2023, as follows:

Year	December 31, 2023				
	Deferred Outflows	Deferred Inflows	Pension Expense	Deferred Outflows	Deferred Inflows
2023	\$ 9,229,566	\$ -	\$ 2,307,390	\$ 6,922,176	\$ -
2022	11,158,197	-	3,719,399	7,438,798	-
2021	12,121,884	-	6,060,942	6,060,942	-
2020	7,040,938	-	3,520,469	3,520,469	-
2019	2,880,737	-	2,880,737	-	-
			<u>\$ 18,488,937</u>	<u>\$ 23,942,385</u>	<u>\$ -</u>

B. Differences between Projected and Actual Investment Earnings

Differences between projected and actual investment earnings on pension plan investments were recognized in pension expense using the straight-line amortization method over a closed five-year period. The difference between projected and actual investment earnings resulted in a net deferred inflow of resources as of December 31, 2023, as follows:

Year	December 31, 2023					
	Deferred Outflows	Deferred Inflows	Pension Expense (Benefit)	Deferred Outflows	Deferred Inflows	Net Deferred (Inflows) Outflows Balance
2023	\$ -	\$ (12,319,814)	\$ (2,463,962)	\$ -	\$ (9,855,852)	\$ (9,855,852)
2022	193,161,908	-	48,290,477	144,871,431	-	144,871,431
2021	-	(53,189,877)	(17,729,959)	-	(35,459,918)	(35,459,918)
2020	-	(24,506,192)	(12,253,096)	-	(12,253,096)	(12,253,096)
2019	-	(20,399,501)	(20,399,501)	-	-	-
			<u>\$ (4,556,041)</u>	<u>\$ 144,871,431</u>	<u>\$ (57,568,866)</u>	<u>\$ 87,302,565</u>

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

10. Change in Net Pension Liability (continued)

C. Changes in Assumptions

The changes of assumptions about future economic or demographic factors were recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. As of December 31, 2023, there were no remaining deferred outflows or inflows of resources for changes in assumptions. The remaining amortization of deferred inflows was recognized in pension expense during the year as follows:

Year	December 31, 2023				
	Deferred Outflows	Deferred Inflows	Pension Expense	Deferred Outflows	Deferred Inflows
2023	\$ -	\$ -	\$ -	\$ -	\$ -
2022	-	-	-	-	-
2021	-	-	-	-	-
2020	-	-	-	-	-
2019	-	(6,012,499)	(6,012,499)	-	-
			<u>\$ (6,012,499)</u>	<u>\$ -</u>	<u>\$ -</u>

D. Changes in Proportion

Changes in the employer's proportionate shares of the collective net pension liability and collective deferred outflows of resources and deferred inflows of resources since the prior measurement date were recognized in employer's pension expense (benefit) using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided pensions through the pension plan. The unamortized amounts arising from changes in the employer's proportionate shares are presented in the schedule of pension amounts by employer as deferred outflows or deferred inflows as of December 31, 2023.

11. Contributions – Proportionate Share

Differences between contributions remitted to the CPERS Trust and the employer's proportionate share are recognized in pension expense using the straight-line amortization method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with a pension through the pension plan. The resulting deferred inflow/outflow and amortization is not reflected in the schedule of pension amounts by employer due to differences that could arise between contributions reported by the CPERS Trust and contributions reported by the participating employer.

CITY OF BATON ROUGE AND PARISH OF EAST BATON ROUGE
EMPLOYEES' RETIREMENT SYSTEM (CPERS TRUST)
BATON ROUGE, LOUISIANA

NOTES TO EMPLOYER PENSION SCHEDULES

12. Retirement System Audit Report

The Retirement System has issued a stand-alone audit report on its financial statements for the year ended December 31, 2023. Access to the report can be found on the Louisiana Legislative Auditor's website, www.la.gov and the Retirement System's website, www.brgov.com/dept/ERS.

Supplementary Information

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

**Schedule of Proportionate Share of Contributions - Employer and Non Employer
Contributing Entities - December 31, 2023**

Employer Name	Proportionate Share of Employer Contribution	Proportionate Share of Non- Employer Contributing Entity Contribution
City of Baton Rouge and Parish of East Baton Rouge	\$ 46,333,848	\$ 1,186,352
District Attorney of the Nineteenth Judicial District	1,387,758	35,533
East Baton Rouge Parish Family Court	312,773	8,008
East Baton Rouge Parish Juvenile Court	303,055	7,760
St. George Fire Protection District (certain electing members)	39,243	1,004
Brownsfield Fire Protection District	117,158	3,000
Eastside Fire Protection District	85,295	2,184
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	8,124,174	208,015
Office of the Coroner of East Baton Rouge Parish	560,427	14,349
	<u>\$ 57,263,731</u>	<u>\$ 1,466,205</u>

See independent auditors' report.

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

Schedule of Net Pension Liability Sensitivity to Change in Discount Rate - December 31, 2023

Employer Name	Changes in Discount Rate	
	1% Decrease 6.00%	1% Increase 8.00%
City of Baton Rouge and Parish of East Baton Rouge	\$ 757,069,171	\$ 491,067,350
District Attorney of the Nineteenth Judicial District	22,675,196	14,708,099
East Baton Rouge Parish Family Court	5,110,534	3,314,910
East Baton Rouge Parish Juvenile Court	4,951,748	3,211,915
St. George Fire Protection District (certain electing members)	641,205	415,913
Brownsfield Fire Protection District	1,914,291	1,241,691
Eastside Fire Protection District	1,393,678	903,999
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	132,744,456	86,103,716
Office of the Coroner of East Baton Rouge Parish	9,157,069	5,939,666
	<u>\$ 935,657,348</u>	<u>\$ 606,907,259</u>

See independent auditors' report.

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

Schedule of Remaining Amortization - December 31, 2023

Employer Name	Deferral Period 1	Deferral Period 2	Deferral Period 3	Deferral Period 4	Total
City of Baton Rouge and Parish of East Baton Rouge	\$ 24,703,725	\$ 27,508,294	\$ 38,959,727	\$ (1,993,668)	\$ 89,178,078
District Attorney of the Nineteenth Judicial District	537,201	462,729	968,327	(59,713)	1,908,544
East Baton Rouge Parish Family Court	430,974	497,603	424,628	(13,458)	1,339,747
East Baton Rouge Parish Juvenile Court	404,234	386,549	399,753	(13,040)	1,177,496
St. George Fire Protection District (certain electing members)	34,923	33,492	39,717	(1,689)	106,443
Brownsfield Fire Protection District	112,136	96,306	121,633	(5,041)	325,034
Eastside Fire Protection District	87,064	84,786	90,116	(3,670)	258,296
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	4,987,665	4,653,707	6,548,772	(349,570)	15,840,574
Office of the Coroner of East Baton Rouge Parish	153,739	399,880	581,233	(24,114)	1,110,738
	<u>\$ 31,451,661</u>	<u>\$ 34,123,346</u>	<u>\$ 48,133,906</u>	<u>\$ (2,463,963)</u>	<u>\$ 111,244,950</u>

See independent auditors' report.

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

Schedule of Deferred Amounts Due to Changes in Proportion - December 31, 2023

Employer Name	Current Year Change in Proportion	Amortization of Current Year Change in Proportion	Remaining Deferred Amounts from Current Year Change in Proportion	Remaining Deferred Amounts from Prior Years Changes in Proportion	Total Deferred Amounts from Changes in Proportion
City of Baton Rouge and Parish of East Baton Rouge	\$ 52,408	\$ 13,101	\$ 39,307	\$ (872,944)	\$ (833,637)
District Attorney of the Nineteenth Judicial District	(792,697)	(198,174)	(594,523)	(192,900)	(787,423)
East Baton Rouge Parish Family Court	646,885	161,721	485,164	246,966	732,130
East Baton Rouge Parish Juvenile Court	580,062	145,015	435,047	153,712	588,759
St. George Fire Protection District (certain electing members)	26,922	6,731	20,191	10,016	30,207
Brownsfield Fire Protection District	92,618	23,155	69,463	27,972	97,435
Eastside Fire Protection District	73,679	18,420	55,259	37,335	92,594
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	(1,120,507)	(280,127)	(840,380)	898,307	57,927
Office of the Coroner of East Baton Rouge Parish	440,630	110,158	330,472	(308,464)	22,008
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report.

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE SCHEDULE OF
EMPLOYER ALLOCATIONS AND THE SPECIFIED COLUMN TOTAL INCLUDED IN THE SCHEDULE
OF PENSION AMOUNTS BY EMPLOYER PERFORMED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of employer allocations and the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the schedule of pension amounts by employer 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), as of and for the year ended December 31, 2023, and the related notes, and have issued our report thereon dated March 17, 2025. Our report includes an emphasis of matter paragraph regarding actuarial assumptions and the treatment of the difference between employer contributions and employer proportionate share of contributions.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, we considered the CPERS Trust's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer, but not for the purpose of expressing an opinion on the effectiveness of the CPERS Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the CPERS Trust's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



EISNERAMPER LLP
Baton Rouge, Louisiana
March 17, 2025

EISNERAMPER
LLP

