

The logo for nyhart, featuring the word "nyhart" in a lowercase, sans-serif font. The letters are white and set against a solid black rectangular background.

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

2012 Actuarial Report

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

2012 Actuarial Report

**For The
January 1, 2013
through
December 31, 2013
Fiscal Year**

Prepared By:

**THE NYHART COMPANY, INC.
2000 RiverEdge Parkway/ Suite 540
Atlanta, GA 30328
(770) 933-1933**

May 16, 2012

May 16, 2012

(Via e-mail)

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

Attention: Mr. Jeffrey R. Yates

2012 Actuarial Report

Dear Board Members:

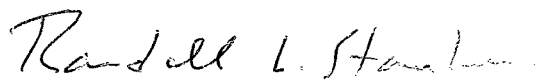
Enclosed is our report on the January 1, 2012 actuarial valuation of the Employees' Retirement System for the City of Baton Rouge and Parish of East Baton Rouge, applicable to the 2013 fiscal year.


The (2.1)% net investment return on market value in 2011 produced a 4.0% rate of return on the actuarial value of assets and decreased market value from approximately 92% of actuarial asset value to 86%. The City/Parish contribution increased from 25.71% to 26.89%.

The report is based upon our understanding of the terms of Ordinance No. 10779 and the changes to the actuarial assumptions and methods recommended in the 2004-2009 Experience Study and adopted by the Board, effective with the January 1, 2012 actuarial valuation.

Respectfully submitted,


THE NYHART COMPANY, INC.

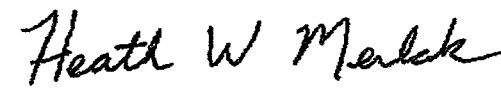

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**EMPLOYEES' RETIREMENT SYSTEM
OF THE CITY OF BATON ROUGE
AND PARISH OF EAST BATON ROUGE**

2012 ACTUARIAL REPORT

Table of Contents

	<u>Page</u>
SUMMARY OF RESULTS	1
REVIEW OF COSTS	3
Background and Scope	3
Cost Calculation Results	4
Experience Review	5
Table 1 - 2011 Gain/Loss Analysis	5
Table 2 - Actual Versus Expected - Compensation Increases	7
Table 3 - Actual Versus Expected - Turnover	8
Table 4 - Actual Versus Expected - Retirements	9
Table 5 - Actual Versus Expected - Mortality	11
Table 6 - Actual Versus Expected - Disability	12
Plan Assets	13
Table 7 – Actuarial vs. Market Value of Assets	13
Funding Progress	14
Table 8 – Actuarial Assets and Entry Age Accrued Liability	14
Member Contributions	14
Expected Ongoing Cost Levels	15
Table 9 – Funding Sources	15
Supplemental Benefit Payments	17
Governmental Accounting Standards Board	17
Enrolled Actuary's Statement	18
 EXHIBITS	
1 Contribution Results as of January 1, 2011 and 2012	19
2 Summary of Asset Transactions	22
3 Distribution of Assets	23
4 Investment Results	25
5 Actuarial Value of Assets	26
Transfer of Excess Investment Income	27
6 Member Statistics	28
7 Summary of Principal System Provisions	35
8 Summary of Actuarial Basis	40
9 Values of Accrued Benefits	44
10 Supplementary Information for GASB 25/27	45
11 Analysis of Financial Experience	48
12 Benefit Security	49
13 Additional Membership Data for CAFR	50
14 Additional Membership Statistics for CAFR	51

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

Comparative Summary of Principal Valuation Results

		Actuarial Valuation Prepared as of	
		<u>1/1/2012</u>	<u>1/1/2011</u>
A.	<u>Participant Data</u> (Ex. 6)		
	Active Members	3,245	3,379
	Total Annual Payroll	\$136,781,288	\$136,123,660
	Retired Members and Beneficiaries	2,787	2,705
	Total Annualized Benefits	\$60,203,079	\$57,247,657
	Drop Members	304	337
	Total Annualized Benefits	\$12,228,411	\$12,959,533
	Disabled Members	183	171
	Total Annualized Benefits	\$2,655,769	\$2,437,893
	Terminated Vested Members	43	46
	Total Annualized Benefits	\$553,925	\$588,472
B.	<u>Assets</u>	-\$-	-\$-
	Actuarial Value (Ex. 5)	1,027,953,907	1,023,450,890
	Market Value (Ex. 3)	887,029,701	941,863,350
C.	<u>Liabilities</u>		
	Present Value of Benefits (Ex. 1)	1,586,661,463	1,551,538,358
	Entry Age Actuarial Accrued Liability (Ex. 1)		
	Active Members - Retirement	461,532,173	442,467,278
	Disability	7,677,506	7,719,550
	Death	4,476,771	4,557,828
	Vesting	<u>7,193,573</u>	<u>7,073,583</u>
	Total	480,880,023	461,818,239
	Inactive Members - Retired and Beneficiaries	581,373,072	556,404,551
	DROPs	314,205,089	323,596,253
	RBA Benefits	10,446,000	10,446,000
	Disabled	27,767,473	25,735,102
	Terminated Vested	<u>8,546,519</u>	<u>7,721,974</u>
	Total	942,338,153	923,903,880
	Total Actuarial Accrued Liability	<u>1,423,218,176</u>	<u>1,385,722,119</u>
	Unfunded Actuarial Accrued Liability	395,264,269	362,271,229

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

Comparative Summary of Principal Valuation Results
(Continued)

	Actuarial Valuation	
	Prepared as of	
	<u>1/1/2012</u>	<u>1/1/2011</u>
	-\$-	-\$-
D. <u>Disclosure Information</u>		
Entry Age Actuarial Accrued Liability (GASB25)		
Inactive Members and Beneficiaries	942,338,153	923,903,880
Active Members	<u>480,880,023</u>	<u>461,818,239</u>
Total	1,423,218,176	1,385,722,119
GASB 25 Expense (Ex. 10)	36,777,168	35,001,688
As % of Payroll	26.89%	25.71%
E. <u>Actuarial Present Value of Accrued Benefits</u> (Exhibit 9)		
Vested Accrued Benefits		
Inactive Members and Beneficiaries	628,133,064	600,307,627
Active Members, DROP	<u>638,100,177</u>	<u>652,607,369</u>
Total	1,266,233,241	1,252,914,996
Non-Vested Accrued Benefits	<u>36,044,950</u>	<u>14,771,760</u>
Total	1,302,278,191	1,267,686,756
F. <u>Employer Pension Cost</u> (Exhibit 1)		
Normal Cost plus Expense, adjusted for timing	11,710,108	12,026,996
Payment to Amortize Unfunded Liability	25,067,060	22,974,692
G. <u>Sources of Contributions</u>		
Expected Plan Sponsor Contribution	36,777,168	35,001,688
As % of Payroll	26.89%	25.71%
Expected Member Contribution	12,994,222	12,931,748
As % of Payroll	9.50%	9.50%

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

REVIEW OF COSTS

Background and Scope

This is the 2012 actuarial report for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge. This report is intended to reflect the provisions and requirements of Ordinance No. 10779. This is the nineteenth annual actuarial valuation report prepared by The Nyhart Company, formerly Stanley, Holcombe & Associates, Inc.

This report is to be used for determining City/Parish funding for the 2013 fiscal year.

The results are intended to provide a measure of funding adequacy, quantification of the impact of actual experience (as compared to the assumptions), and a basis for future refinements in methods and assumptions.

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

Cost Calculation Results

Cost Calculation Results

The results of the 2012 cost calculations are summarized in Exhibit 1 and compared to those for 2011. The 2012 results reflect the System's experience in 2011.

These results compare to those previously reported, as follows:

	<u>Year</u>	<u>Contribution Rates</u>	
		<u>City/Parish</u> <u>%</u>	<u>Member</u> <u>%</u>
2012 Report	2013	26.89	9.50
2011 Report	2012	25.71	9.50
2010 Report (revised assumptions, cost method)	2011	24.90	9.50
2010 Report (prior assumptions, cost method)	2011	24.38	9.50
2009 Report	2010	22.17	9.50
2008 Report	2009	18.56	9.50
2007 Report	2008	18.68	9.50
2006 Report	2007	19.15	9.50
2005 Report	2006	18.88	9.50
2004 Report (revised assumptions)	2005	18.93	9.47
2004 Report (prior assumptions)	2005	20.14	8.51
2003 Report (8.51% member rate)	2004	17.03	8.51
2003 Report (8.0% member rate)	2004	17.46	8.00
2002 Report (revised asset method)	2003	14.82	8.00
2002 Report (prior asset method)	2003	10.10	8.00
2001 Report	2002	13.63	8.00
2000 Report (revised assumptions):	2001	12.89	8.00
2000 Report (prior assumptions):	2001	11.33	8.00
2000 Report (prior assumptions, before Police transfer):	2001	17.32	9.50
1999 Report	2000	16.13	9.50
1998 Report	1999	19.13	9.50
1997 Report	1998	23.08	9.50
1996 Report	1997	23.00	9.50

As will be noted, the City contribution requirement is increased from 25.71% to 26.89%. The member rate was 9.50% for 2011 and is 9.50% for 2012.

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

Experience Review

The following table quantifies the effects of each component of experience in 2011, based on the latest assumptions and method changes adopted by the Board as a result of the 1999-2003 Experience Study.

Table 1 - 2011 Gain/Loss Analysis

	<u>No. Active</u>	<u>Total Payroll</u> -\$-	<u>Unfunded Actuarial Liability</u> -\$-	<u>Employer Contribution</u> -\$- -%-	
2011 - Actual	3,379	136,123,660	362,271,229	35,001,687	25.71
2012 - Expected (for Continuing Members)	2,958	124,350,621	361,254,083	34,814,269	28.00
<u>Elements of Experience</u>					
Investment Return			+35,231,052	+2,499,652	+1.82
Salary Increases		+915,113	+623,723	+100,915	-0.11
Retirements, DROP	+100	+5,829,726	-15,933,989	-976,304	-2.01
Mortality	+10	-77,082	+14,988,684	+954,554	+0.76
Disability	-4	-63,153	+10,597	+11,997	+0.03
Turnover	-106	-2,298,489	-1,878,566	-220,333	+0.29
New Members	+287	+8,200,220	+1,671,178	+139,270	-1.49
Transfers, Data, Other		-75,668	-702,493	-546,852	-0.40
Total	<u>+287</u>	<u>+12,430,667</u>	<u>+34,010,186</u>	<u>+1,962,899</u>	<u>-1.11</u>
2012 Actual	<u>3,245</u>	<u>136,781,288</u>	<u>395,264,269</u>	<u>36,777,168</u>	<u>26.89</u>

The expected 2012 components reflect a primary objective of the actuarial cost method, under which normal costs are a level percentage of payroll, and the unfunded liability is amortized over a 30-year period, if the aggregate experience of the Retirement System is the same as that predicted by the actuarial assumptions. This means that the expected 2012 Normal Cost is 9.6% of expected payroll and the expected 2012 City/Parish contribution is \$34,814,269.

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

Each element of experience can be expected to produce deviations from the expected results in any year. The quantification for each element determines how "explicitly" realistic each assumption is. However, to the extent that gains and losses are offsetting, and the resultant percentages of payrolls are stable, the actuarial assumption basis in total may be considered to have fulfilled its primary objective. This measurement, in the aggregate, determines whether the assumption basis is "implicitly" realistic.

Investment Return: As will be noted, investment return on Plan assets (actuarial asset value), resulted in an increase of \$35.2 million in the unfunded actuarial liability. (By comparison, 2010 investment experience increased the unfunded liability by \$20.4 million.)

Exhibit 5 shows the derivation of the actuarial value of assets. Based on the actuarial asset valuation method adopted January 1, 2002, 20% of the difference between market value and expected actuarial value is recognized. As shown in item II of Exhibit 5, the net result is a return of 4.0% on actuarial value of assets, which resulted in the \$35.2 million increase in the unfunded actuarial liability.

As reported in Exhibit 4, the rate of return on market value was (2.1)%, net of investment-related expenses. The gross market value return was (1.6)%.

Following the 2004-2008 Experience Study the investment return assumption was reduced from 7.75% to 7.5%.

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

Salary Increases: Compensation increases in 2011 were greater than expected under the salary increase assumptions (3.50% plus longevity/merit schedule), resulting in a \$623,723 loss and an increase in unfunded liability. This compares to a \$7.1 million gain in 2010, a \$2.9 million gain in 2009, a \$9.2 million average loss for the 2004-2008 period, a \$0.5 million average loss for the 1999-2003 period, and a \$3.5 million average loss for the 1994-1998 period. Note that, as a result of the 2004-2008 experience study, the salary scale assumption was reduced by 0.25% for 2010 and later.

Ratios of actual to expected compensation for members who were active at the beginning and end of 2011 compare to 2010 and 2009, the 2004-2008 average, the 1999-2003 average and the 1989-1998 average as follows:

Table 2 - Actual Versus Expected - Compensation Increases

	<u>Actual %</u>	<u>Expected %</u>	<u>2011 A/E</u>	<u>2010 A/E</u>	<u>2009 A/E</u>	<u>2004-2008 A/E</u>	<u>1999-2003 A/E</u>	<u>1989-1998 A/E</u>
BREC	4.67%	4.46%	1.002	0.960	1.104	1.047	1.009	1.011
Regular	4.86%	4.39%	1.005	0.979	0.979	1.026	1.008	1.014
Fire	7.50%	5.50%	1.019	1.009	0.992	1.032	.993	1.015
Police	3.35%	4.69%	0.987	0.956	0.963	1.028	.989	1.021
ALL	5.40%	4.65%	1.007	0.983	0.993	1.029	1.000	1.012

(The ratios above do not reflect the special 2001 increases for firefighters. For police, the ratios for 2000 and later are for those remaining in CPERS.)

The impact on the entry age reserve, (gains) or losses, is as follows:

(Gains)/Losses – Compensation Increases

	<u>BREC</u>	<u>Regular</u>	<u>Fire</u>	<u>Police</u>	<u>Total</u>
	<u>-\$-</u>	<u>-\$-</u>	<u>-\$-</u>	<u>-\$-</u>	<u>-\$-</u>
2011	(216,166)	(616,620)	1,734,221	(277,712)	623,723
2010	(1,119,267)	(5,547,930)	157,569	(577,922)	(7,087,550)
2009	2,542,260	(3,555,651)	(1,130,288)	(738,685)	(2,882,364)
2004-2008 (Avg.)	764,004	4,843,856	3,047,932	506,869	9,162,661
1999-2003 (Avg.)	26,222	(558,057)	1,522,814	(523,277)	467,702
1994-1998 (Avg.)	(146,363)	1,420,142	964,209	1,215,017	3,453,005
1989-1993 (Avg.)	74,372	488,717	239,224	522,501	1,324,814

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

Turnover: The turnover assumptions were modified as of January 1, 2005, as a result of the 1999-2003 Experience Study, by reducing the expected terminations for Regular and BREC employees in the first year of employment and increasing expected turnover in years 2 through 15. For fire and police, assumed turnover was reduced at most durations. No further modifications were made due to the 2004-2008 Experience Study.

The expected and actual turnover compare as follows:

Table 3 - Actual Versus Expected – Turnover

	<u>Actual</u>	<u>Expected</u>	<u>A/E Ratio</u>
2011	312	209.5	1.489
2010	219	216.0	1.014
2009	211	221.3	0.953
 Average 2004-2008	 245	 201.8	 1.214
 Average 1999-2003	 238	 180.6	 1.318
 Average 1994-1998	 213	 166.0	 1.283
 Average 1989-1993	 161	 182.2	 0.884

The impact on the entry age reserve has been as follows:

(Gains)/Losses - Turnover

	<u>BREC</u>	<u>Regular</u>	<u>Fire</u>	<u>Police</u>	<u>Total</u>
	-\$-	-\$-	-\$-	-\$-	-\$-
2011	(166,178)	(1,403,038)	(369,084)	59,734	(1,878,566)
2010	1,316,984	7,483,882	1,243,044	75,154	10,119,063
2009	1,011,971	7,682,655	1,093,102	95,279	9,883,007
2004-2008 (Avg.)	(109,947)	1,257,942	305,618	15,311	1,468,924
1999-2003 (Avg.)	(185,869)	(1,312,706)	446,098	(181,205)	1,233,682
1994-1998 (Avg.)	(169,591)	603,797	1,011,146	676,715	2,122,067
1989-1993 (Avg.)	27,370	1,431,236	1,493,472	1,998,581	4,950,659

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

Retirements: Expected and actual retirements compare as follows:

Table 4 - Actual Versus Expected – Retirements

	2011		2010		2009			
	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>
BREC	14	9	14	7	8	2		
Regular	144	70	135	78	120	72		
Fire	23	6	20	7	19	20		
Police	<u>4</u>	<u>0</u>	<u>10</u>	<u>8</u>	<u>7</u>	<u>3</u>		
Total	185	85	179	100	154	97		

	Average 2004-2008		Average 1999-2003		Average 1994-1998		Average 1989-1993	
	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>
BREC	11.4	9.2	14.6	5.8	6.4	2.8	3.2	2.0
Regular	144.8	98.6	198.2	85.8	99.9	51.0	59.1	46.2
Fire	34.8	20.2	74.4	25.2	32.4	13.4	4.4	10.8
Police	<u>6.8</u>	<u>2.8</u>	<u>13.4</u>	<u>6.6</u>	<u>31.0</u>	<u>21.4</u>	<u>11.1</u>	<u>15.4</u>
Total	197.8	130.8	300.5	123.4	169.7	88.6	77.7	74.4

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

The retirement assumptions were changed as a result of the 1999-2003 Experience Study, resulting in the significant decrease in the number of expected retirements, as compared to the 1999-2003 average expectation in Table 4. No further changes were made due to the 2004-2008 Experience Study. The impact on the entry age reserve, due to different retirement incidence than expected and based on actual benefits, has been as follows:

(Gains)/Losses - Retirements

	<u>BREC</u>	<u>Regular</u>	<u>Fire</u>	<u>Police</u>	<u>Total</u>
	-\$-	-\$-	-\$-	-\$-	-\$-
2011	(921,753)	(8,197,123)	(4,749,611)	(2,065,562)	(15,933,989)
2010	(1,613,490)	(15,390,921)	(7,888,870)	(2,093,145)	(26,986,427)
2009	(654,186)	(1,115,515)	(1,677,396)	(392,204)	(3,839,301)
2004-2008 (Avg.)	(41,734)	1,164,127	(529,040)	(22,469)	570,884
1999-2003 (Avg.)	(95,408)	(440,539)	(468,895)	(197,938)	(1,202,780)
1994-1998 (Avg.)	3,548	598,673	(168,784)	(500,753)	(67,316)
1989-1993 (Avg.)	117,941	2,656,800	816,877	1,072,104	4,663,722

In general, fewer retirements than expected should produce a liability gain (reduction). Due to the current economic environment, there were significantly fewer retirements than expected in each group for the past three years.

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

Mortality: Expected and actual mortality compare as follows:

Table 5 - Actual Versus Expected - Mortality

	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>
Actives	7.9	9	7.9	6	8	2
Retirees/ Beneficiaries	91.0	82	87.6	85	83	89
Disabled	2.6	1	2.4	7	3	7
Deferred	<u>0.2</u>	<u>0</u>	<u>0.2</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	101.7	92	98.1	98	94	98

	<u>2004-2008</u>		<u>1999-2003</u>		<u>1989-1998</u>	
	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>
Actives	35	38	40.7	18	74.8	50
Retirees/ Beneficiaries	375	362	256.5	282	321.6	370
Disabled	9	26	9.9	33	21.8	51
Deferred	<u>0</u>	<u>2</u>	<u>0.6</u>	<u>0</u>	<u>1.8</u>	<u>6</u>
Totals	419	428	30.7	333	420.7	477

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

Disability: Expected and actual disabilities compare as follows:

Table 6 - Actual Versus Expected - Disability

	<u>2011</u>		<u>2010</u>		<u>2009</u>	
	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>
BREC	1.0	0	0.9	1	1	0
Regular	5.8	12	6.1	13	6	7
Fire	1.3	0	1.2	2	1	0
Police	<u>0.1</u>	<u>0</u>	<u>0.1</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	8.2	12	8.3	16	8	7

	<u>2004-2008</u>		<u>1999-2003</u>		<u>1989-1998</u>	
	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>	<u>Exp</u>	<u>Act</u>
BREC	5	1	1.9	2	3.0	3
Regular	30	27	23.9	44	37.8	53
Fire	5	2	3.8	8	4.7	13
Police	<u>0</u>	<u>0</u>	<u>1.3</u>	<u>2</u>	<u>6.9</u>	<u>14</u>
Totals	40	30	30.9	56	52.4	83

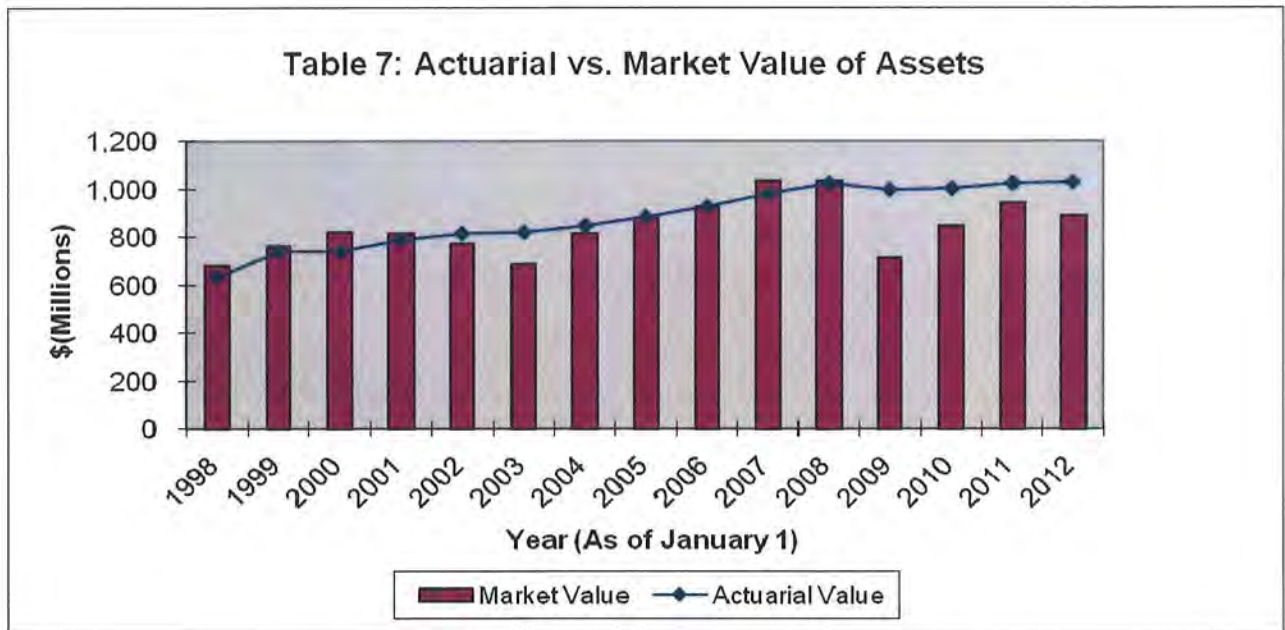
Other Differences: Miscellaneous changes decreased the Unfunded Liability by \$702,493, resulting in a net decrease of \$546,852 in the contribution.

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

Plan Assets

Exhibits 2 and 4 summarize the asset transactions and investment results during the year. The net rate of return on mean market value for the period ending December 31, 2011 was (2.1)%.

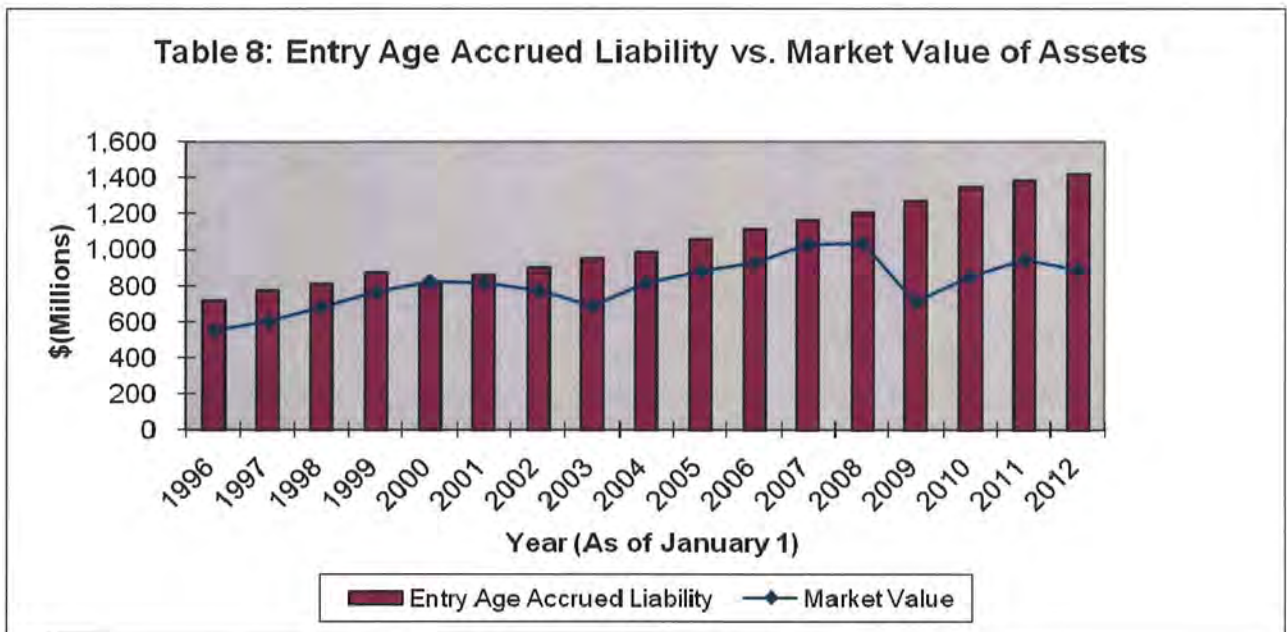
The actuarial asset valuation method (Exhibit 5) involves the determination of Expected Value, based on the actuarial asset value at the beginning of the year. The difference between the Expected Value and the Market Value is then reflected at the rate of 20%/year. As of December 31, 2011, this resulted in an actuarial asset value of \$1,028 million, which is \$141 million more than market value. The rate of return on the actuarial value of assets during 2011 was 4.0%, as compared to the 7.5% assumption (Exhibit 5). Table 7 displays an historical comparison of actuarial asset and market values.



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

Funding Progress

Table 8 contains the result of the liability calculations as of December 31, 2011. The market value of assets on December 31, 2011 is \$887,029,701, as compared to the actuarial accrued liability of \$1,423,218,176 for a funded ratio of 62%. The funded ratio was 68% as of December 31, 2010.



Member Contributions

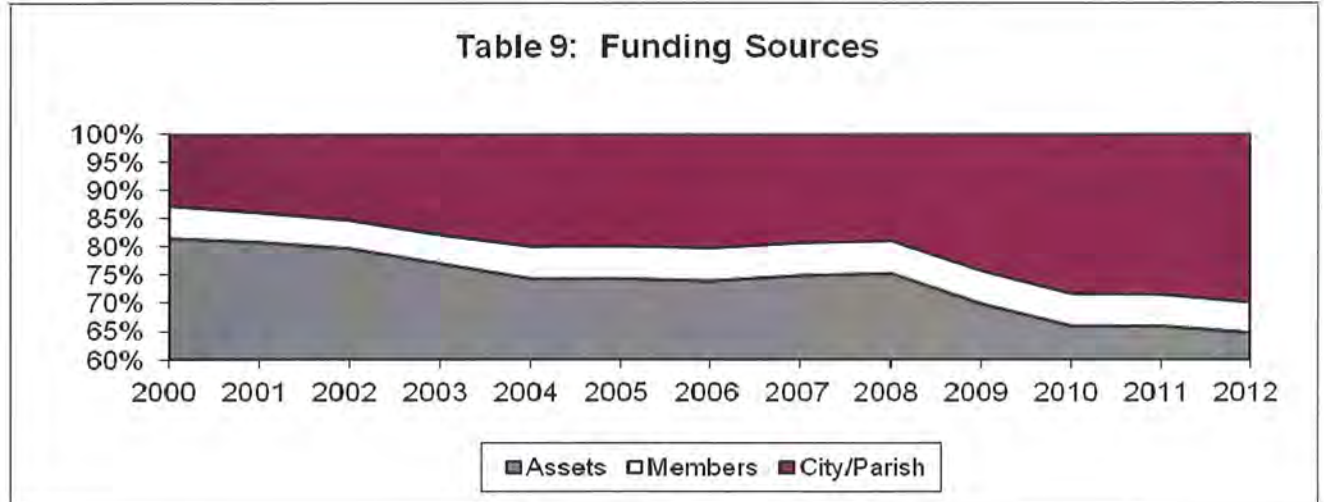
The calculation results in this report reflect no change in the member contribution rate. The rate for 2012 is 9.50%, the same as the rate in effect for 2011.

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

Expected Ongoing Cost Levels

Retirement System Costs have increased over the last four years after decreasing slightly over the previous two years, and increasing during 4 of the preceding five years. The market value is now 86% of the actuarial asset value, as compared to approximately 92% of actuarial asset value at January 1, 2011. This deficit is expected to continue to put upward pressure on future contribution amounts.

As shown on page 4, the City/Parish contribution requirement for 2013 will be 26.89% of total active payroll, in conjunction with a Member contribution rate of 9.50%. Table 9 shows the historical sources of funding.



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

Expected Ongoing Cost Levels (continued)

One component of the expected ongoing funding level is the normal cost contribution rate, either for the total active members or only for new members. These rates have been as follows:

Valuation	Total Actives			New Members		
	City	Member	Entry Age	City	Member	Entry Age
2012	8.56%	9.50%	34	12.36%	9.50%	36
2011	8.83%	9.50%	34	10.56%	9.50%	37
2010	9.27%	9.50%	34	11.43%	9.50%	37
2009	8.64%	9.50%	34	10.98%	9.50%	35
2008	8.75%	9.50%	34	10.93%	9.50%	35
2007	8.72%	9.50%	34	11.11%	9.50%	36
2006	8.66%	9.50%	34	12.03%	9.50%	38
2005	8.59%	9.50%	34	10.00%	9.46%	35
2004	8.75%	8.51%	34	10.56%	8.51%	37
2003	8.66%	8%	33	10.30%	8%	35
2002	9.24%	8%	33	10.62%	8%	35

As of January 1, 1994 the average entry age for the total active group was 30.

Since the Normal Cost is the theoretical cost for current service, it is unaffected by past asset performance or funding policy.

The remaining component is the unfunded actuarial liability, which is the theoretical cost for past service, net of accumulated System assets.

The unfunded actuarial liability for the past ten years, and the adjusted unfunded liability (using market values of assets) have been as follows:

Valuation	Unfunded Liability	System Assets		Adjusted Unfunded Liability
		Market Value	Actuarial Value	
	\$	\$	\$	\$
2012	395,264,269	887,029,701	1,027,953,907	536,188,475
2011	362,271,229	941,863,350	1,023,450,890	443,858,769
2010	347,695,469	848,628,273	1,002,378,598	501,445,794
2009	272,251,140	711,989,579	997,853,412	558,114,973
2008	186,072,416	1,035,391,227	1,020,575,797	171,256,986
2007	183,577,585	1,031,031,076	979,597,562	132,144,071
2006	186,176,892	926,869,870	924,904,837	184,211,859
2005	173,606,389	878,148,169	883,663,240	179,121,460
2004	138,444,270	814,138,814	847,227,425	171,532,881
2003	129,575,829	684,118,262	818,150,788	263,608,355
2002	88,843,491	772,353,218	813,977,773	130,468,046
2001	69,052,872	814,281,608	786,961,507	41,712,771

The City/Parish contribution rates necessary to cover only the interest costs are as follows:

Unfunded Actuarial Liability			Adjusted Unfunded Liability		
\$	7.5% Interest	% of Pay	\$	7.5% Interest	% of Pay
	\$	%	\$	\$	%
395,264,269	25,067,060	18.3	536,188,475	34,004,259	24.9

Therefore, under the current assumptions, the ongoing City/Parish contribution can be expected to be approximately 10% for Normal Costs and a minimum of 18% for unfunded liability costs.

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

Supplemental Benefit Payments

Ordinance Sec. 1:269.1. "Supplemental benefit payments," enacted November 25, 2003 provides for supplemental benefit payments, to be funded from the following sources:

- (i): Excess investment return on the Actuarial Asset Value, equal to 1/10 of the first 2% plus 1/20 of the excess over 2%, provided that the aggregate experience is an actuarial gain;
- (ii): The difference between the Retirement Benefit Adjustment payments made in July of each calendar year and the payments made in July, 2002.
- (iii): MERS contributions for 2006 and later years.

Exhibit 3, page 2 shows the SBP assets. As a result of unfavorable investment experience in 2011, the SBP assets include no transfer of excess return on the Actuarial Value of Assets. The transfer amount is calculated and compared to the current year's experience in Exhibit 5, page 2.

Governmental Accounting Standards Board

In November 1994 GASB issued Statement No. 25, Financial Reporting for Defined Benefit Pension Plans, and Statement No. 27, Accounting for Pensions by State and Local Governmental Employers. Statement No. 25 provides parameters for financial reporting and comparison of actual contributions to "actuarially required contributions." Statement No. 27 provides standards for the financial reports of the state and local governmental employers. Statement No. 25 was effective for periods beginning after June 15, 1996; Statement No. 27, for periods beginning after June 15, 1997.

The Statements do not directly impact funding, although they do require calculation of an "actuarially required contribution," or "ARC" and amortization of any deficiency or excess of actual contributions made in relation to the ARC.

The Board has previously adopted GASB25, retroactively to 1995. The amortization method recommended in the 1999-2003 Experience Study and adopted by the Board changed to utilize a level percent of payroll 30-year open amortization with a 2.50% payroll growth assumption. This approach is expected to result in an increasing balance for the first eight years of the amortization period.

Exhibit 10 shows the required disclosures.

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

City Contribution Results as of January 1, 2011 and 2012

	<u>2012</u>	<u>2011</u>
	-\$-	-\$-
I. <u>Determination of Unfunded Actuarial Accrued Liability</u>		
A. Entry Age Normal Actuarial Accrued Liability		
1. Active Members		
a. Retirement	461,532,173	442,467,278
b. Disability	7,677,506	7,719,550
c. Death	4,476,771	4,557,828
d. Turnover	<u>7,193,573</u>	<u>7,073,583</u>
e. Total	480,880,023	461,818,239
2. Retired Members and Beneficiaries		
a. Service Retirement & Beneficiaries	581,373,072	556,404,551
b. Disability Retirements	27,767,473	25,735,102
c. Terminated Vested Members	4,255,920	4,396,791
d. Leave Balances	4,290,599	3,325,183
e. DROP (Future Benefits)	138,229,782	146,525,721
f. DROP (Accounts)	175,975,307	177,070,532
g. RBA Benefits	<u>10,446,000</u>	<u>10,446,000</u>
h. Total	942,338,153	923,903,880
3. Total	1,423,218,176	1,385,722,119
B. Actuarial Asset Value	1,027,953,907	1,023,450,890
C. Unfunded Actuarial Accrued Liability (A)–(B)	395,264,269	362,271,229
D. Present Value of Benefits	1,586,661,463	1,551,538,358

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

City Contribution Results as of January 1, 2011 and 20112

	<u>2012</u>	<u>2011</u>
	-\$-	-\$-
II. <u>Determination of Contribution Amount</u>		
A. Individual Entry Age Normal Cost		
1. Retirement	19,200,169	19,152,893
2. Disability	1,135,832	1,137,940
3. Death	518,190	533,400
4. Turnover	<u>871,867</u>	<u>912,478</u>
5. Subtotal	21,726,058	21,736,711
B. Administrative Expense Load	1,065,344	1,390,779
C. Amortization of UAAL	24,176,820	22,158,761
D. Interest on A5, B, and C to Reflect Mid-Year Payment	<u>1,729,467</u>	<u>1,667,533</u>
E. Total Contribution (A5+B+C+D)	48,697,689	46,953,784
F. Expected Member Contributions at 9.50%	<u>11,920,521</u>	<u>11,952,096</u>
G. Net Total City/Parish Contribution (E-F)	36,777,168	35,001,688
H. Total Payroll	136,781,288	136,123,660
I. City/Parish Contribution Rate (G)/(H)	26.89%	25.71%

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

Contribution Calculation Results as of January 1, 2011 and 2012

	<u>2012</u> -\$-	<u>2011</u> -\$-
III. <u>Reconciliation of Unfunded Actuarial Accrued Liability</u>		
A. Unfunded Actuarial Accrued Liability as of January 1 of last year	362,271,229	347,695,469
B. Individual Entry Age Normal Cost for last year,	21,736,711	21,760,631
C. Interest at 7.5% on (A) and (B)	28,800,596	27,709,208
D. Net Contributions (net of administrative expenses)	47,957,631	44,266,199
E. Interest on (D)	3,596,822	1,988,738
F. Expected Unfunded Actuarial Accrued Liability as of December 31 of last year (A)+(B)+(C) – (D) – (E)	361,254,083	350,910,371
G. Experience (Gains)/Losses	34,010,186	11,360,858
H. Unfunded Actuarial Accrued Liability as of January 1	395,264,269	362,271,229
I. Assumptions and Methods	<u>N/A</u>	<u>N/A</u>
J. Final Unfunded Actuarial Accrued Liability as of January 1	395,264,269	362,271,229

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

Summary of Asset Transactions

	<u>2011*</u>	<u>2010*</u>
A. Market Value as of January 1	-\$- 943,435,757	-\$- 850,518,521
B. Book Value as of January 1	870,501,723	830,831,005
C. Income During Year		
1. City Contributions	34,928,039	31,458,522
2a. Member Contributions	13,229,840	13,352,349
2b. Severance Contributions	1,512,701	1,935,967
3. MERS Contributions	865,096	846,107
4. Interest	2,893,858	2,487,727
5. Dividends	129,200	125,054
6. Real Estate Income	0	0
7. Net Realized Gains (Losses)	<u>22,218,807</u>	<u>73,320,590</u>
	75,777,541	123,526,316
D. Disbursements During Years		
1. Benefit Payments	79,336,388	73,709,943
2. Supplemental Benefit Payments	2,145,240	2,092,020
3. Compensated Absence Refunds (1 for 2)	371,022	593,625
4. Contribution Refunds	3,304,186	2,297,390
5. Investment Expenses	4,662,765	3,771,841
6. Administrative Expenses	<u>1,065,344</u>	<u>1,390,779</u>
	90,884,945	83,855,598
E. Book Value as of December 31 (B)+(C)-(D)	855,394,319	870,501,723
F. Net Change in Unrealized Gains (Losses) (G)-(E)-(A)+(B)	<u>(40,101,074)</u>	<u>53,246,518</u>
G. Market Value as of December 31 (A)+(C)-(D)+(F)	888,227,279	943,435,757

* Based on unaudited financial statements.

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

Distribution of Assets
(Market Values)

<u>Description</u>	<u>12/31/2011*</u>	<u>12/31/2010*</u>
	-\$-	-\$-
Bills, Bonds, Notes	212,352,255	210,027,934
Corporate Stocks	299,394,615	312,219,563
International Stocks	247,015,065	280,338,116
U.S. Govt. Bonds, Agency Notes	91,426,771	57,245,412
Real Estate Investments	50,832,752	33,823,882
Real Estate & Equipment	<u>591,725</u>	<u>594,467</u>
A: Subtotal	901,613,183	894,249,374
B: Cash & Equivalents	15,059,526	30,412,509
Receivables:		
Employer Contributions	3,583,154	3,266,762
Employee Contributions	798,582	946,760
Accounts Receivable	132,729	285,745
Accrued Income	525,008	474,428
Securities Proceeds	<u>6,315,456</u>	<u>54,173,516</u>
C: Subtotal	11,354,929	59,147,211
Payables:		
Accrued Benefits and Expenses	789,042	802,783
Securities Purchased	<u>39,011,317</u>	<u>39,570,554</u>
D: Subtotal	39,800,359	40,373,337
E: Prepaid Expenses:	0	0
F: Total Assets	888,227,279	943,435,757
G: SBP Account at End of Year	<u>1,197,578</u>	<u>1,572,407</u>
H: Net Assets	887,029,701	941,863,350
I: Transfer of Excess Investment Return	0	0
J: Net Assets Available for Benefits	887,029,701	941,863,350

* Based on unaudited financial statements.

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

Supplemental Benefit Payments Account

I.	RBA Payments in 2002			\$783,450
II.	Accumulation of SBP Account			
A.	Year	<u>2011</u>	<u>2010</u>	<u>2009</u>
B.	Valuation interest rate	7.50%	7.50%	7.75%
C.	Balance at Beginning of Year	1,572,407	1,890,248	2,161,139
D.	Interest on Balance	117,931	141,769	167,488
E.	RBA Payments in Year	602,640	629,910	648,270
F.	Addition to SBP Account (I-II (E))	180,810	153,540	135,180
G.	MERS Contribution for Previous Year			
	1. Date received	05/26/2011	06/08/2010	06/02/2009
	2. Amount	846,107	832,766	799,678
	3. Days	220	207	213
H.	Interest on G(2)	38,249	35,421	36,166
I.	MERS Contribution for Current Year			
	1. Date received	--/--/2012	05/26/2011	06/08/2010
	2. Amount	865,096	846,107	832,766
J.	Distributions from SBP Account			
	1. Date of Distributions	09/12/2011	09/20/2010	09/23/2009
	2. Amount	1,541,750	1,463,700	1,412,500
	3. Days	111	103	100
K.	Interest on J(2)	<u>35,165</u>	<u>30,978</u>	<u>29,991</u>
L.	Balance at End of Year (C+D+F+H+I(2)-J(2)-K)	1,197,578	1,572,407	1,890,248
M.	Transfer of Excess Investment Income	<u>0</u>	<u>0</u>	<u>0</u>
N.	Final Balance at End of Year	1,197,578	1,572,407	1,890,248

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

Investment Results - CPERS

I. Yield on Mean Values for 12-Month Period Ending 12/31/2011

	<u>Return</u> -\$-	<u>Market</u> -%-
Interest	2,893,858	0.3
Dividends & Real Estate Income	129,200	0.0
Realized Gains (Losses)	22,218,807	2.4
Investment Expense	(4,662,765)	(0.5)
Increase in Unrealized Gains (Losses)	(40,101,074)	(4.3)
	<u>(19,521,974)</u>	<u>(2.1)</u>

II. History of Investment Yield Rates

<u>Year Ending</u>	<u>Market</u> -%-	<u>Actuarial *</u> -%-
12/31/11	(2.1)	4.0
12/31/10	15.0	5.4
12/31/09	24.3	3.8
12/31/08	(28.8)	0.6
12/31/07	4.2	8.1
12/31/06	14.6	9.2
12/31/05	8.7	7.8
12/31/04	11.3	7.6
12/31/03	23.8	7.0
12/31/02	(8.1)	3.8
12/31/01	(1.8)	6.7
12/31/00	2.4	9.4
12/31/99	12.5	5.0
12/31/98	13.4	17.7
12/31/97	17.5	11.5
12/31/96	10.6	7.8
12/31/95	24.5	
12/31/94	(5.7)	
12/31/93	11.8	
12/31/92	5.6	
12/31/91	16.4	
12/31/90	6.7	
12/31/89	14.4	
Average (23 yrs.)	7.6	--
Average (15 yrs.)	6.7	7.1
Average (5 yrs.)	0.8	4.4
Average (3 yrs.)	11.9	4.4

* Based on current method for 2001 and later, prior method for 1996-2000.

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

I. Determination of Actuarial Value of Assets as of January 1, 2012
Expected Value 20% Spread Method

	-\$-
A. Actuarial Value of Assets as of 01/01/2011 (including payables and receivables)	1,023,450,890
B. Interest on (A) for full year	76,758,817
C. City Contributions (including MERS contribution)	35,793,135
D. Member Contributions	13,229,840
E. Other Contributions	1,512,701
F. Interest on (C), (D) and (E) for half year	1,895,088
G. Benefit Payments and Compensated Absences Refunds	81,852,650
H. Contribution Refunds	3,304,186
I. Administrative Expense	1,065,344
J. Interest on (G), (H) and (I) for half year	3,233,332
K. Expected Actuarial Value of Assets as of December 31, 2011 (A+B+C+D+E+F-G-H-I-J)	1,063,184,959
L. Market Value of Assets as of December 31, 2011	887,029,701
M. 20% of (L-K)	(35,231,052)
N. Preliminary Actuarial Value of Assets as of January 1, 2012 (K+M)	1,027,953,907
O. Transfer of Excess Investment Return	0
P. Final Actuarial Value of Assets as of January 1, 2012 (N-O)	<u>1,027,953,907</u>

II. Rate of Return on Actuarial Value of Assets

	-\$-
A. Actuarial Value of Assets at 1/1/2011	1,023,450,890
B. Contributions	
1. Employer	35,793,135
2. Members	13,229,840
3. Other	<u>1,512,701</u>
4. Total	50,535,676
C. Benefits, Refunds, and Administrative Expense	86,222,180
D. Transfer of Excess Investment Return	0
E. Actuarial Value of Assets at 1/1/2012	1,027,953,907
F. Net Return on Investment (E+D+C-B-A)	40,189,521
G. Rate of Return [2xF/(A+E-F)]	4.00%

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

III. Transfer of Excess Investment Income

	-\$-
A. Actuarial Value of Assets as of 01/01/2011	1,023,450,890
B. Contributions from Employer, Members, Other	50,535,676
C. Benefits, Refunds, and Administrative Expense	86,222,180
D. Theoretical Actuarial Value of Assets without Return at 12/31/2011 (A+B-C)	987,764,386
E. Average Actuarial Value of Assets during 2011 (A+D)/2	1,005,607,638
F. Expected Return at 7.50% (E X 0.075)	75,420,573
G. Actual Return from II (F)	40,189,521
H. Excess Investment Return	0
I. Excess Investment Return Transfer	
a. 10% of first 2% $0.10 \times \$0 =$	0
b. 5% of additional return $0.05 \times \$0 =$	<u>0</u>
c. Total Preliminary Excess Return Transfer	0
J. Experience Loss for 2011 (Ex. 1, p.3, item III (G))	34,010,186
K. Final Excess Investment Return Transfer (lesser of I(c) and J, but not less than zero)	0

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

Retired and Terminated Members

	<u>1/1/2012</u>		<u>1/1/2011</u>	
	<u>Number</u>	<u>Benefits</u>	<u>Number</u>	<u>Benefits</u>
BREC		-\$-		-\$-
DROP	19	628,843.56	21	677,930.64
Retired & Disabled	103	1,954,749.00	97	1,719,504.60
Survivor & Court Orders	25	183,398.40	20	147,679.80
Vested Terminated	<u>3</u>	<u>36,128.16</u>	<u>4</u>	<u>43,380.24</u>
Subtotal	150	2,803,119.12	142	2,588,495.28
REGULAR				
DROP	213	7,390,930.92	235	7,711,654.80
Retired & Disabled	1,544	33,444,715.20	1,471	31,056,722.28
Survivors & Court Orders	367	3,268,558.92	365	3,133,657.68
Vested Terminated	<u>33</u>	<u>393,341.28</u>	<u>35</u>	<u>420,636.36</u>
Subtotal	2,157	44,497,546.32	2,106	42,322,671.12
FIRE				
DROP	59	3,481,146.72	65	3,706,617.24
Retired & Disabled	459	15,123,757.32	455	14,736,973.56
Survivors & Court Orders	132	1,491,285.84	124	1,374,474.84
Vested Terminated	<u>2</u>	<u>43,058.04</u>	<u>2</u>	<u>43,058.04</u>
Subtotal	652	20,139,247.92	646	19,861,123.68
POLICE				
DROP	13	727,489.68	16	863,330.64
Retired & Disabled	242	6,428,378.64	252	6,636,267.00
Survivors & Court Orders	98	964,005.12	92	880,269.96
Vested Terminated	<u>5</u>	<u>81,397.44</u>	<u>5</u>	<u>81,397.44</u>
Subtotal	358	8,201,270.88	365	8,461,265.04
TOTAL				
DROP	304	12,228,410.88	337	12,959,533.32
Retired & Disabled	2,348	56,951,600.16	2,275	54,149,467.44
Survivors & Court Orders	622	5,907,248.28	601	5,536,082.28
Vested Terminated	<u>43</u>	<u>553,924.92</u>	<u>46</u>	<u>588,472.08</u>
GRAND TOTAL	3,317	75,641,184.24	3,259	73,233,555.12

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

Active Members
Age-Service Distribution as of 1/1/2012

BREC

Age	Completed Years of Service							Total	Earnings	
	00-04	05-09	10-14	15-19	20-24	25-29	30+		Total -\$-	Average -\$-
15-24	10	2	0	0	0	0	0	12	274,692	22,891
25-29	30	19	0	0	0	0	0	49	1,449,008	29,572
30-34	26	25	4	0	0	0	0	55	1,934,114	35,166
35-39	20	18	7	4	0	0	0	49	1,873,477	38,234
40-44	13	13	10	3	2	0	0	41	1,557,515	37,988
45-49	16	18	11	3	4	0	0	52	2,065,543	39,722
50-54	24	19	6	3	5	1	0	58	2,053,213	35,400
55-59	18	23	8	3	1	0	0	53	1,936,722	36,542
60-64	10	13	7	2	2	0	0	34	1,139,805	33,524
65-69	7	8	1	0	1	0	0	17	527,575	31,034
70 +	0	8	0	0	0	0	0	8	242,329	30,291
Total	174	166	54	18	15	1	0	428	15,053,991	35,173
		Average Age:		45.31		Average Service:		6.16		

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

Active Members
Age-Service Distribution as of 1/1/2012

REGULAR

Age	Completed Years of Service							Total	Earnings	
	00-04	05-09	10-14	15-19	20-24	25-29	30+		Total -\$-	Average -\$-
15-24	67	1	0	0	0	0	0	68	1,991,445	29,286
25-29	152	70	1	0	0	0	0	223	7,164,995	32,130
30-34	127	105	33	0	0	0	0	265	9,536,756	35,988
35-39	91	71	60	19	0	0	0	241	9,003,138	37,357
40-44	69	75	62	55	21	1	0	283	11,640,222	41,132
45-49	65	73	51	53	74	21	1	338	14,444,388	42,735
50-54	70	86	62	69	81	13	0	381	14,809,144	38,869
55-59	53	52	38	50	72	10	0	275	11,771,239	42,805
60-64	23	34	32	32	28	4	2	155	6,771,847	43,689
65-69	7	7	10	6	2	3	0	35	1,691,087	48,317
70 +	2	1	5	5	2	2	0	17	788,925	46,407
Total	726	575	354	289	280	54	3	2,281	89,613,186	39,287
Average Age:				44.91			Average Service:		9.31	

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

Active Members
Age-Service Distribution as of 1/1/2012

FIREFIIGHTERS

Age	Completed Years of Service							Total	Earnings	
	00-04	05-09	10-14	15-19	20-24	25-29	30+		Total -\$-	Average -\$-
15-24	25	8	0	0	0	0	0	33	1,174,862	35,602
25-29	28	61	11	0	0	0	0	100	4,538,810	45,388
30-34	7	37	35	13	0	0	0	92	4,918,296	53,460
35-39	5	19	20	35	6	0	0	85	5,027,998	59,153
40-44	1	3	11	31	27	5	0	78	5,390,216	69,105
45-49	0	0	4	4	31	29	0	68	5,453,988	80,206
50-54	0	1	0	2	18	12	2	35	2,682,623	76,646
55-59	0	1	1	0	5	1	1	9	675,932	75,104
60-64	0	0	0	0	0	1	0	1	58,583	58,583
65-69	0	0	0	0	0	0	0	0	0	0
70 +	0	0	0	0	0	0	0	0	0	0
Total	66	130	82	85	87	48	3	501	29,921,308	59,723
	Average Age:			37.14			Average Service:		11.82	

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

Active Members
Age-Service Distribution as of 1/1/2012

POLICE

Age	Completed Years of Service							Total	Earnings	
	00-04	05-09	10-14	15-19	20-24	25-29	30+		Total -\$-	Average -\$-
15-24	0	0	0	0	0	0	0	0	0	0
25-29	0	0	0	0	0	0	0	0	0	0
30-34	0	0	1	0	0	0	0	1	49,882	49,882
35-39	0	0	3	4	1	0	0	8	507,146	63,393
40-44	0	0	1	6	3	1	0	11	696,372	63,307
45-49	0	0	0	3	1	1	0	5	322,922	64,584
50-54	0	0	0	2	2	3	0	7	457,491	65,356
55-59	0	0	0	1	0	0	0	1	57,466	57,466
60-64	0	0	1	0	0	0	0	1	29,397	29,397
65-69	0	0	0	0	0	0	1	1	72,128	72,128
70 +	0	0	0	0	0	0	0	0	0	0
Total	0	0	6	16	7	5	1	35	2,192,803	62,652
Average Age:				45.31			Average Service:		17.92	

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

Active Members
Age-Service Distribution as of 1/1/2012

ALL INCLUDED ACTIVES

Age	Completed Years of Service							Total	Earnings	
	00-04	05-09	10-14	15-19	20-24	25-29	30+		Total	Average
15-24	102	11	0	0	0	0	0	113	3,440,999	30,451
25-29	210	150	12	0	0	0	0	372	13,152,813	35,357
30-34	160	167	73	13	0	0	0	413	16,439,048	39,804
35-39	116	108	90	62	7	0	0	383	16,411,759	42,851
40-44	83	91	84	95	53	7	0	413	19,284,325	46,693
45-49	81	91	66	63	110	51	1	463	22,286,841	48,136
50-54	94	106	68	76	106	29	2	481	20,002,471	41,585
55-59	71	76	47	54	78	11	1	338	14,441,359	42,726
60-64	33	47	40	34	30	5	2	191	7,999,632	41,883
65-69	14	15	11	6	3	3	1	53	2,290,790	43,222
70 +	2	9	5	5	2	2	0	25	1,031,254	41,250
Total	966	871	496	408	389	108	7	3,245	136,781,288	42,151
Average Age:				43.77			Average Service:		9.37	

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

Reconciliation of Participant Counts

	<u>Actives</u>	<u>Retirees*, Disableds, and Beneficiaries</u>	<u>Vested Terminated</u>
01/01/2011	3,379	3,213	46
Changes due to:			
Retirement*	-85	+89	-3
Withdrawal	-315	-	-
Disability	-12	+12	-
Death	-9	-83	-
New Beneficiary	-	+39	-
New Hires**	+287	-	-
Data Changes, QDRO's	-	+4	-
	<hr/>	<hr/>	<hr/>
01/01/2012	3,245	3,274	43

* Including DROP entries.

** Includes 6 transfers.

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

Summary of Principal System Provisions

(Based on Ordinance Nos. 235 and 276)

Effective Date: December 31, 1953, as restated effective April 1, 1997 (1:250, 1:258) (Ordinance No. 10779) Amended effective January 1, 1998 (Ordinances No. 11019 and 11020). Amended effective February 23, 2000, August 26, 2000, December 31, 2001 (Ordinance 11827), and July 1, 2012.

Fiscal Year:

Calendar year.

Membership:
(1:259, 1:266)

Any regular employee of the City-Parish, excluding Police employees who elected to transfer into Municipal Police Employees' Retirement System of Louisiana (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 member 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:
(1:260, 1:261)

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:

Average compensation during the highest 36 consecutive months of Creditable Service.

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

Summary of Principal System Provisions
(Continued)

Service Retirement Eligibility: (1:265A)	(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.
Service Retirement each Benefits: (1:265A-1, 1:265A-3)	Full Retirement: 3.0% of Final Average Compensation for 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 3%/year Retirement: (1:265A-2)	If not eligible for full retirement: Benefits are reduced by prior to age 55.
Disability: (1:265D)	<u>Ordinary Disability</u> : 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. <u>Service Connected</u> : 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. Benefits are offset by Workers' Compensation (1:264F). Ordinary disability benefits are paid on a life annuity basis; service connected disabilities are paid on a 50% Joint & Survivor basis.

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

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 Option 2 benefits (including 100% Joint & Survivor actuarially equivalent to 50% Joint & Survivor, 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.
- (5) If no benefits are payable under (1), (2), (3) or (4), \$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. Benefits deferred to age 55. If Member contributions are withdrawn, benefit is forfeited.

Optional Allowances:
(1:264C)

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;

Option 3: Any other form approved by the Board.

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

Summary of Principal System Provisions

(Continued)

Retirement Benefit

Adjustments:

(1:269)

For Members who retired before December 31, 1989, or surviving spouses of such Members, who did not enter DROP, an annual payment of \$600 at July 1, 1992 plus \$30 for each year retired since then (excluding first year).

Supplemental Benefit

Payments (1:269.1)

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; (ii) decreases in Retirement Benefit Adjustment payments under 1:269 since July, 2002; and (iii) MERS payments received for 2006 and later.

Deferred Retirement

Option Plan (DROP):

(1:271)

Prior to July 1, 1991:

Eligibility: If eligible to retire with an immediate service retirement allowance and between 25 and 30 years of Creditable Service.

Duration: The lesser of 5 years, or 32 years minus Creditable Service at DROP entry.

Benefits: Service retirement allowances are paid into the Member's DROP account, and credited with interest at the rate set by the Board of Trustees. 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 the 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.

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

Summary of Principal System Provisions
(Continued)

Deferred Retirement
Option Plan (DROP):
(1:271)

On and after July 1, 1991:

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.

On and after July 1, 2002: 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.

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 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.

Changes Since Prior
Valuation:

None.

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

Summary of Actuarial Basis

Valuation Date: January 1, 2012

Valuation Method: Individual Entry Age Normal Actuarial Cost Method with Unfunded Actuarial Accrued Liability

Asset Valuation Method: 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.

Actuarial Assumptions:

Investment Return: 7.50% compounded annually.

Salary Increases: 3.50% compounded annually due to inflation, plus longevity/merit in accordance with following schedule:

<u>Age</u>	<u>BREC/Regular</u> %	<u>Fire/Police</u> %
30	+2.50	+4.00
35	+1.50	+2.00
40	+1.25	+2.00
45	+ .75	+1.00
50	+ .50	0
55	0	0

Aggregate Payroll Growth: 2.50% compounded annually.

Non-Disabled Mortality: 1994 Group Annuity Mortality Table, set forward 2 years, producing following specimen rates:

<u>Age</u>	<u>Male</u>	<u>Female</u>
20	.0556%	.0289%
30	.0839%	.0397%
40	.1252%	.0825%
50	.3213%	.1734%
60	1.0147%	.5832%
70	2.8481%	1.6506%

Disabled Mortality: Same as non-disabled mortality.

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

Summary of Actuarial Basis

Turnover and Disability: In accordance with the following specimen rates:

<u>Age</u>	<u>Disability</u>	<u>Turnover</u>
20	.0006	.079
25	.0006	.077
30	.0006	.072
35	.0007	.063
40	.0011	.052
45	.0022	.040
50	.0046	.026
55	.0102	.009
60	.0320	.001
61	.0355	.000
62	.0400	.000
63	.0450	.000
64	.0410	.000
65	.0195	.000

The turnover rates are modified as follows, based on years of employment:

<u>Year</u>	<u>Regular, BREC</u>	<u>Fire, Police</u>
0-1	330%	90%
2	225%	70%
3	180%	35%
4-10	150%	35%
11-15	60%	20%
16+	40%	10%

Probabilities of disability are in accordance with the Eleventh Actuarial Valuation of the Railroad Retirement System. Turnover is based on Table T-5. The disability rates for Fire and Police are increased by 100% and 25% for Regular and BREC.

Assumed Transfers to Retirement System (for accumulated vacation and sick leave, e.g.):

	<u>Total</u>
BREC	1.00 year
Regular	1.00 year
Fire	1.75 years
Police	1.50 years

No provision is included for cash payments by the System under the "one for two" provisions.

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

Summary of Actuarial Basis

Retirement: Regular, BREC, Police:	Earlier of 25.5 years of service credit or age 61 with 11 years of service credit.
Fire:	Earlier of 26 years of service or age 61 with 11 years of service credit.
Type of Disability:	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
Recovery:	No probabilities of recovery are used.
Remarriage:	No probabilities of remarriage are used.
Spouse's Ages:	Female spouses are assumed to be 3 years younger than males.
Marital Status:	80% of employees are assumed to be married.
Amortization Method:	Level percentage of payroll 30-year open amortization.
Investment Expense:	The rate of return on assets is assumed to be net of investment expense.
Administrative Expense:	The actual amount of the prior year's expense is added to the normal cost.
Withdrawal of Employee Contributions:	100% of employees who terminate (other than retirement, death, or disability) are assumed to withdraw their contributions.
Change in Ordinance Provisions Not Reflected:	None.
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 a perpetuity.
Sources of Data:	Membership and asset data as of January 1, 2012 was furnished by Retirement Office staff.

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

Summary of Actuarial Basis

**Changes Since Prior
Valuation:**

None.

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

Values of Accrued Benefits

	<u>12/31/2011</u>	<u>12/31/2010</u>
	-\$-	-\$-
I. Present Value of Vested Accrued Benefits		
A. Retirements, DROPS, COLA, and Beneficiaries	730,048,854	713,376,272
B. DROP Accounts	175,975,307	177,070,532
C. Disability Retirements	27,767,473	25,735,102
D. Leave Balances	4,290,599	3,325,183
E. Vested Terminated Members	4,255,920	4,396,791
F. Active Members	<u>323,895,088</u>	<u>329,011,116</u>
G. Total	1,266,233,241	1,252,914,996
II. Present Value of Non-Vested Accrued Benefits	36,044,950	14,771,760
III. Present Value of Accrued Benefits	1,302,278,191	1,267,686,756
IV. The values of accumulated plan benefits were determined in accordance with The American Academy of Actuaries Interpretations and FASB Statement No. 35, Accounting and Reporting by Defined Benefit Pension Plans.		
V. Statement of Changes in Accrued Benefits		
A. Present Value of Accrued Benefits at 12/31/2010		1,267,686,756
B. Increase (Decrease) During the Year Attributable to:		
1. Benefits Accumulated		27,865,146
2. Benefits Paid and Contributions Refunded		(85,156,836)
3. Assumption Changes		N/A
4. Plan Amendment		N/A
5. Other		N/A
6. Increase Due to Decrease in Discount Period		<u>91,883,125</u>
7. Net Increase		34,591,435
C. Present Value of Accrued Benefits at 12/31/2011		1,302,278,191

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

Supplementary Information for GASB 25/27

I. Schedule of Funding Progress for GASB 25/27

Actuarial Valuation Date	Actuarial Value of Assets (a) -\$-	Actuarial Accrued Liability (AAL) --Entry Age (b) -\$-	UAAL (b - a) -\$-	Funded Ratio (a/b) -%-	Covered Payroll (c) -\$-	UAAL as a Percentage of Covered Payroll ((b - a)/c) -%-
01/01/95	480,505,268	657,162,178	176,656,909	73	100,596,231	176
01/01/96	551,301,959	718,277,070	166,975,111	77	104,601,384	160
01/01/97	587,193,233	773,936,127	186,742,894	76	109,658,886	170
01/01/98	635,463,896	811,977,242	176,513,346	78	114,102,750	155
01/01/99	740,257,038	875,075,687	134,818,649	85	118,742,991	114
01/01/00 ⁽¹⁾	741,562,144	809,012,654	67,450,510	92	96,744,086	70
01/01/01	786,941,507	855,994,379	69,052,872	92	99,510,155	69
01/01/02	873,021,308	902,821,264	29,799,956	97	102,793,456	27
01/01/02 ⁽²⁾	813,977,773	902,821,264	88,843,491	90	102,793,456	86
01/01/03	818,150,788	947,726,617	129,575,829	86	101,339,785	128
01/01/04	847,227,425	985,671,695	138,444,270	86	106,240,559	130
01/01/05	883,663,240	1,057,269,629	173,606,389	84	109,887,349	158
01/01/06	924,904,837	1,111,081,729	186,176,892	83	115,559,703	161
01/01/07	979,597,562	1,163,175,147	183,577,585	84	120,067,013	153
01/01/08	1,020,575,797	1,206,648,213	186,072,416	85	123,524,590	151
01/01/09	997,853,412	1,270,104,552	272,251,140	79	131,041,421	208
01/01/10	1,002,378,598	1,350,074,067	347,695,469	74	136,119,407	255
01/01/11	1,023,450,890	1,385,722,119	362,271,229	74	136,123,660	266
01/01/12	1,027,953,907	1,423,218,176	395,264,269	72	136,781,288	289

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

Supplementary Information for GASB 25/27

II. Schedule of Employer Contributions for GASB 25/27

<u>Year Ended December 31</u>	<u>Annual Required Contribution</u> -\$-	<u>Actual City Contribution</u> -\$-	<u>Percentage Contribution</u> -%-
1995	17,845,851	14,276,717	80
1996	17,773,028	16,219,697	91
1997	19,510,792	17,849,014	91
1998	17,967,514	19,245,205	107
1999	15,658,856	20,426,071	130
2000 ⁽¹⁾	11,240,695	13,120,568	117
2001	13,708,997	10,911,144	80
2002	11,304,510	11,855,318	105
2002 ⁽²⁾	16,110,422	11,855,318	74
2003	18,479,710	14,067,801	76
2004	19,623,023	18,614,063	95
2005	20,785,669	21,947,383 ⁽³⁾	106
2006	22,129,069	25,029,841 ⁽⁴⁾	113
2007	22,431,367	26,812,456 ⁽⁵⁾	120
2008	22,931,211	27,161,196 ⁽⁶⁾	118
2009	29,050,693	28,550,151 ⁽⁷⁾	98
2010	33,890,884	34,240,596 ⁽⁸⁾	101
2011	35,001,688	37,305,836 ⁽⁹⁾	107
2012	36,777,168		

⁽¹⁾ These results reflect the impact of the police transfers out to MPERS and the assumption changes

⁽²⁾ These results reflect the impact of the change in Asset Valuation Method described in Exhibit 8.

⁽³⁾ Including a MERS contribution of \$614,589, and a DROP Severance Contribution of \$1,310,297.

⁽⁴⁾ Including a MERS contribution of \$665,909, and a DROP Severance Contribution of \$1,196,592.

⁽⁵⁾ Including a MERS contribution of \$720,280, and a DROP Severance Contribution of \$1,591,009.

⁽⁶⁾ Including a MERS contribution of \$799,678, and a DROP Severance Contribution of \$1,043,625.

⁽⁷⁾ Including a MERS contribution of \$832,766, and a DROP Severance Contribution of \$1,399,949.

⁽⁸⁾ Including a MERS contribution of \$846,107, and a DROP Severance Contribution of \$1,935,967.

⁽⁹⁾ Including a MERS contribution of \$865,096, and a DROP Severance Contribution of \$1,512,701.

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

Supplementary Information for GASB 25/27

III. Calculation of Annual Required Contribution for GASB 25/27

<u>Year</u>	<u>Employer Normal Cost</u> -\$-	<u>Amortization Payment</u> -\$-	<u>Annual Required Contribution</u> -\$-
1995	7,278,742	10,567,109	17,845,851
1996	7,543,054	10,229,974	17,773,028
1997	7,774,413	11,736,379	19,510,792
1998	6,568,507	11,399,007	17,967,514
1999	6,696,856	8,962,760	15,658,856
2000 ⁽¹⁾	6,615,148	4,625,547	11,240,695
2001	8,813,215	4,895,782	13,708,997
2002	9,114,718	2,189,792	11,304,510
2002 ⁽²⁾	9,114,718	6,995,704	16,110,422
2003	8,148,061	9,896,174	18,044,235
2004	8,599,216	11,023,807	19,623,023
2005 ⁽³⁾	9,478,552	11,307,117	20,785,669
2006	10,003,225	12,125,844	22,129,069
2007 ⁽³⁾	10,474,818	11,956,549	22,431,367
2008	10,812,172	12,119,039	22,931,211
2009	11,318,767	17,731,926	29,050,693
2010 ⁽⁴⁾	11,840,564	22,050,320	33,890,884
2011	12,026,996	22,974,692	35,001,688
2012	11,710,108	25,067,060	36,777,168

⁽¹⁾ These results reflect the impact of the police transfers out to MPERS and the assumption changes.

⁽²⁾ These results reflect the impact of the change in Asset Valuation Method described in Exhibit 8.

⁽³⁾ These results reflect the impact of the assumption changes made.

⁽⁴⁾ These results reflect the impact of the changes made in methods and assumptions described in Exhibit 8.

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

Analysis of Financial Experience

Gains and Losses in Unfunded Actuarial Liability During Years Ended 2005 - 2010
Resulting From Differences between Assumed Experience and Actual Experience

<u>Elements of Experience</u>	<u>\$ Gain or (Loss) For Year</u>					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Investment Return	\$11,572,540	\$3,703,857	\$(71,465,958)	\$(38,437,581)	(20,396,885)	(35,231,052)
Salary Increases	511,417	(11,057,142)	(12,291,095)	2,882,364	7,087,550	(623,723)
Retirements	(2,564,712)	(2,085,335)	(5,254,485)	3,839,301	26,986,427	15,933,989
Mortality	(1,093,841)	2,002,693	8,050,198	(6,198,778)	(9,830,807)	(14,988,684)
Disability	(251,451)	(623,951)	(70,536)	163,987	(570,786)	(10,597)
Turnover	(1,141,020)	(1,343,869)	(494,934)	(9,883,007)	(10,119,063)	1,878,566
New Members	(2,523,118)	(2,193,515)	(2,418,464)	(2,143,500)	(1,461,549)	(1,671,178)
Contribution Differences	N/A	N/A	2,279,010	3,620,538	5,303,016	N/A
Leaves, Transfers, Etc.	<u>900,168</u>	<u>4,558,277</u>	<u>(5,695,744)</u>	<u>1,630,981</u>	<u>(3,055,745)</u>	<u>702,493</u>
Gain or (Loss) from Experience	7,688,993	(3,418,447)	(84,338,002)	(48,146,233)	(11,360,858)	(34,010,186)
Non Recurring Elements:						
Plan Amendment-Minimum Benefits	--	--	--	--	--	--
Assumption Change	(4,896,297)	--	--	(24,625,616)	--	--
Actuarial Method Change						
Valuation Software	--	--	--	--	--	--
Composite Gain/(Loss) During Year	<u>\$2,792,696</u>	<u>\$(3,418,447)</u>	<u>\$(84,338,002)</u>	<u>\$(72,771,849)</u>	<u>\$(11,360,858)</u>	<u>\$(34,010,186)</u>

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

Summary of Actuarial Accrued Liabilities and Percentage Covered by Net Assets Available for Benefits
Eighteen Years Ended December 31, 2011

Valuation Date	(1) Active Members Contributions*	(2) Retirees and Survivors**	(3) Terminated Vested Members Provided	(4) Active Members Employer for Benefits	Net Assets Available	Percentage of Actuarial Liabilities Covered by Assets			
	-\$-	-\$-	-\$-	-\$-		(1) -%-	(2) -%-	(3) -%-	(4) -%-
01/01/95	123,717,539	279,585,049	2,117,499	251,742,091	451,829,129	100.0	100.0	100.0	18.4
01/01/96	132,421,606	301,934,866	2,244,846	281,675,752	551,301,959	100.0	100.0	100.0	40.7
01/01/97	142,100,816	330,846,679	2,591,163	298,397,469	599,358,282	100.0	100.0	100.0	41.5
01/01/98	144,327,095	351,227,198	2,722,929	313,700,020	681,597,891	100.0	100.0	100.0	58.4
01/01/99	157,699,747	378,012,494	2,977,698	336,385,748	762,739,589	100.0	100.0	100.0	66.6
01/01/00(A)	171,802,254	423,400,316	2,564,432	329,254,889	844,884,061	100.0	100.0	100.0	75.1
01/01/00(B)	156,035,166	393,102,229	2,564,432	248,085,049	820,256,852	100.0	100.0	100.0	100.0
01/01/00(C)	156,035,166	393,102,229	2,564,432	257,310,827	820,256,852	100.0	100.0	100.0	100.0
01/01/01	163,520,688	411,192,686	2,452,084	278,828,921	814,281,608	100.0	100.0	100.0	85.0
01/01/02	170,232,470	446,993,673	3,840,108	281,755,013	773,353,218	100.0	100.0	100.0	54.0
01/01/03	179,875,436	485,156,581	4,224,586	278,470,014	684,118,262	100.0	100.0	100.0	5.3
01/01/04	190,501,659	508,211,266	3,441,763	283,517,007	814,138,814	100.0	100.0	100.0	39.5
01/01/05	166,648,034	559,595,787	2,810,515	328,215,293	878,148,169	100.0	100.0	100.0	45.4
01/01/06	185,590,714	592,961,470	2,777,542	329,752,003	926,869,870	100.0	100.0	100.0	44.1
01/01/07	196,143,559	629,048,416	3,398,410	334,584,762	1,031,031,076	100.0	100.0	100.0	60.5
01/01/08	212,407,644	660,297,629	3,229,816	330,713,124	1,035,391,227	100.0	100.0	100.0	48.2
01/01/09	235,554,734	689,274,354	3,719,456	341,556,008	711,989,579	100.0	69.1	0.0	0.0
01/01/10	256,663,672	720,761,899	4,156,485	368,492,011	848,628,273	100.0	82.1	0.0	0.0
01/01/11	267,075,592	742,436,557	4,396,791	371,813,179	941,863,350	100.0	90.9	0.0	0.0
01/01/12	270,043,946	762,106,926	4,255,920	386,811,384	887,029,701	100.0	81.0	0.0	0.0

* Including DROP accounts.

** Including DROP participants' future benefits.

(A) Before Police Transfers Out, Prior Assumptions

(B) After Police Transfers Out, Prior Assumptions

(C) After Police Transfer Out, Revised Assumptions

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

Active Membership Data
Eighteen Years Ended December 31, 2011

<u>Valuation Date</u>	<u>Total Active Members</u>	<u>Percentage Change</u>	<u>Annual Payroll</u>	<u>Average Annual Pay</u>	<u>% Increase in Average Pay</u>
		-%-	-\$-	-\$-	-%-
01/01/95	3,917	5.7	100,596,231	25,682	0.7
01/01/96	3,934	0.4	104,601,384	26,589	3.5
01/01/97	3,962	0.7	109,658,886	27,678	4.1
01/01/98	4,015	1.3	114,102,750	28,419	2.7
01/01/99	4,012	(0.1)	118,742,991	29,597	4.1
01/01/00(A)	3,954	(1.4)	119,251,634	30,160	1.9
01/01/00(B)	3,393	(15.4)	96,744,086	28,513	(3.7)
01/01/01	3,377	(0.5)	99,510,155	29,467	3.3
01/01/02	3,315	(1.8)	102,793,456	31,009	5.2
01/01/03	3,220	(2.9)	101,339,785	31,472	1.5
01/01/04	3,321	3.1	106,240,559	31,991	1.6
01/01/05	3,314	(0.0)	109,887,349	33,159	3.6
01/01/06	3,229	(2.6)	115,559,704	35,788	7.9
01/01/07	3,309	2.5	120,067,016	36,285	1.4
01/01/08	3,313	0.1	123,524,590	37,285	2.8
01/01/09	3,357	1.3	131,041,421	39,035	4.7
01/01/10	3,419	1.8	136,119,407	39,813	2.0
01/01/11	3,379	(1.2)	136,123,660	40,285	1.2
01/01/12	3,245	(4.0)	136,781,288	42,151	4.6

Schedule of Retirees and Beneficiaries Added
Eighteen Years Ended December 31, 2011

<u>Valuation Date</u>	<u>Number of Annuities*</u>	<u>Additions</u>	<u>Deletions</u>	<u>Percentage Change in Membership</u>	<u>Annual Annuities</u>	<u>Percentage Change in Annuities</u>
				-%-	-\$-	-%-
01/01/95	1,727	151	71	4.9	27,752,170	6.2
01/01/96	1,827	119	19	5.8	30,545,204	10.1
01/01/97	1,926	138	39	5.4	32,676,514	7.0
01/01/98	1,999	105	32	3.8	34,823,622	6.6
01/01/99	2,089	154	64	4.5	37,506,535	7.7
01/01/00(A)	2,244	214	59	7.4	41,849,149	11.6
01/01/00(B)	2,170	214	133	3.9	39,181,315	4.5
01/01/01	2,255	146	61	3.9	41,164,627	5.1
01/01/02	2,361	177	71	4.7	44,720,170	8.6
01/01/03	2,501	206	66	5.9	48,621,899	8.7
01/01/04	2,583	152	70	3.3	51,306,203	5.5
01/01/05	2,733	210	60	5.8	54,689,449	6.6
01/01/06	2,851	207	89	4.3	58,160,300	6.3
01/01/07	2,980	195	66	4.5	61,639,818	6.0
01/01/08	3,074	189	95	3.2	65,094,105	5.6
01/01/09	3,155	175	94	2.6	68,381,184	5.0
01/01/10	3,208	151	98	1.7	70,713,569	3.4
01/01/11	3,259	151	100	1.6	73,233,555	3.6
01/01/12	3,317	146	88	1.8	75,641,184	3.3

*Including DROP participants

(A) Before Police Transfers Out
(B) After Police Transfers Out

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

Membership Data

I. Actives

	<u>Count</u>	2011 <u>Average Salary</u>	<u>Count</u>	2010 <u>Average Salary</u>
		-\$-		-\$-
BREC	428	35,173	450	33,635
Regular	2,281	39,287	2,397	37,722
Fire	501	59,723	497	57,238
Police	<u>35</u>	62,652	<u>35</u>	60,618
Total	3,245	42,151	3,379	40,285

II. Annuitants

	<u>Count</u>	2011 <u>Average Annuity</u>	<u>Count</u>	2010 <u>Average Annuity</u>
		-\$-		-\$-
Retirees & Survivors	2,787	21,601	2,705	21,164
Disabilities	183	14,512	171	14,257
DROP	<u>304</u>	40,225	<u>337</u>	38,456
Total	3,274	22,934	3,213	22,471

III. Inactive Members

	<u>Count</u>	2011 <u>Average Deferred Annuity</u>	<u>Count</u>	2010 <u>Average Deferred Annuity</u>
		-\$-		-\$-
Deferred Vested	43	12,882	46	12,793