

June 4, 2021

Board of Trustees
Employees Retirement System of the
City of Baton Rouge and Parish of East Baton Rouge
209 St. Ferdinand Street
P.O. Box 1471
Baton Rouge, LA 70821

RE: GASB Statement No.67 and No.68 – Employees’ Retirement System of the City of Baton Rouge and Parish of East Baton Rouge

Dear Board:

We are pleased to present to the Board a GASB Statement No.67 and No.68 measured as of December 31, 2020 for the Employees’ Retirement System of the City of Baton Rouge and Parish of East Baton Rouge.

The calculation of the liability associated with the benefits referenced in this report was performed for satisfying the requirements of GASB No.67 and No.68 and is not applicable for other purposes, such as determining the plan’s funding requirements. A calculation of the plan’s liability for other purposes may produce significantly different results.

The total pension liability, net pension liability, and certain sensitivity information shown in this report are based on an actuarial valuation as of January 1, 2020. The total pension liability was rolled-forward from the valuation date to the plan’s fiscal year ending December 31, 2020 using generally accepted actuarial principles. It is our opinion that the assumptions used for this purpose are internally consistent, reasonable, and comply with the requirements under GASB No.67 and No.68.

Certain schedules should include a 10-year history of information. As provided for in GASB No.67 and No.68, this historical information is only presented for the last 2 years in which the information was measured in conformity with the requirements of GASB No.67 and No.68.

To the best of our knowledge, these statements are complete and accurate and are in accordance with generally recognized actuarial practices and methods. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact me at 239-433-5500.

Respectfully submitted,
Foster & Foster, Inc.

By: 

Shelley R. Johnson, ASA, MAAA

Enclosures

STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2020

<u>ASSETS</u>	MARKET VALUE
Cash and Cash Equivalents:	
Money Market	6,258,249
Cash	11,451,518
Total Cash and Equivalents	17,709,767
Receivables:	
Member Contributions	853,401
Employer Contributions	3,704,144
From Broker for Investments Sold	2,548,833
Other	101,969
Investment Income	78,657
Total Receivable	7,287,004
Investments:	
Fixed Income	320,462,047
Equities	660,981,544
Alternative	209,254,544
Real Estate	76,435,627
Total Investments	1,267,133,762
Properties at Cost, Net of Accumulated Depreciation	626,213
Deferred Outflows of Resources - OPEB related	363,081
Total Assets	1,293,119,827
LIABILITIES	
Payables:	
Accrued Expenses and Benefits	1,822,079
Total OPEB Liability	3,020,488
To Broker for Investments Purchased	102,635
Total Liabilities	4,945,202
Deferred Inflows of Resources - OPEB related	508,250
NET POSITION RESTRICTED FOR PENSIONS	1,287,666,375

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020
Market Value Basis

ADDITIONS

Contributions:

Member	13,956,200	
Employer	51,108,528	
MERS Contributions	1,260,272	
DROP Severance Contributions	2,081,015	
 Total Contributions		 68,406,015

Investment Income:

Net Increase in Fair Value of Investments	149,383,687	
Interest & Dividends	673,268	
Less Investment Expense ¹	(6,969,749)	
 Net Investment Income		 143,087,206

Total Additions		211,493,221
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DEDUCTIONS

Distributions to Members:

Benefit Payments	89,013,264	
Lump Sum DROP Distributions	21,095,357	
Supplemental Benefit Payments	1,756,380	
Excess Benefit Plan	267,212	
Refunds of Member Contributions	3,425,203	
 Total Distributions		 115,557,416

Administrative Expense		1,460,277
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Total Deductions		117,017,693
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Net Increase in Net Position		94,475,528
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NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		1,193,187,649
Beginning of the Year OPEB adjustment		3,198
End of the Year		1,287,666,375

¹Investment related expenses include investment advisory, custodial and performance monitoring fees.

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended December 31, 2020)

Plan Administration

This plan was effective December 31, 1953 and was most recently amended effective September 1, 2015 (Ord. Nos. 16039 and 16040).

The plan is a cost-sharing employer defined benefit pension plan, established and amended by the City of Baton Rouge, Louisiana and Parish of East Baton Rouge acting through its Board of Trustees.

Any regular employee of the City-Parish, excluding Police Officers who elected to transfer into the Municipal Police Employees' Retirement System of Louisiana (MPERS) as of February 26, 2000 and Police Officers hired after that date. Part-time council members with service prior to January 1, 1997, retroactive to December 31, 1976.

Plan Membership as of January 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3,817
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	15
Active Plan Members	<u>2,934</u>
	<u><u>6,766</u></u>

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

The Plan provisions can be found in the January 1, 2020 Actuarial Valuation Report for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: Equal to the Maximum Employer Contribution, if less than 8.00%. If the Maximum Employer Contribution is 17% or greater, Member Contribution is 50% of Employer Contribution (but not more than 9.5%). Maximum Employer Contribution rate is the larger of the City rate and the Special Funds rate.

Employer Contributions: Balance of actuarially required contribution less member contributions, as determined above. City then determines equivalent City Rate and the Special Funds Rate.

MERS payments received for 2006 and later are reserved for future Supplemental Benefit Payments.

Investment Policy:

The following was the Board's adopted asset allocation policy as of December 31, 2020:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	32.50%
International Equity	17.50%
Domestic Bonds	25.00%
International Bonds	5.00%
Real Estate	15.00%
Alternative Assets	5.00%
Total	<u><u>100.00%</u></u>

Concentrations:

The Plan did not hold investments in any one organization that represent 5 percent or more of the Pension Plan's Fiduciary Net Position.

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Rate of Return:

For the year ended December 31, 2020, the annual money-weighted rate of return on Pension Plan investments, net of Pension Plan investment expense, was 12.24 percent.

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deferred Retirement Option Program

Eligibility and Participation Period

Members Hired Prior to 9/1/2015: Members with 25 to 30 years of service, regardless of age, are eligible for the lesser of five (5) years of participation, or combined service and DROP participation up to thirty-two (32) years. Members with at least 10 years of service up to 25 years of service are eligible for up to 3 years of participation.

Members Hired On/After 9/1/2015: Non-public safety members must have between 25 and 33 years of service at age 55. Public safety members must meet an age 50 requirement. Members with 10 or up to 25 years of service and are age 60 for non-public safety or age 55 for public safety are eligible for up to 3 years of participation.

All other Members eligible for DROP: Not more than thirty-six (36) months.

For Members who are not eligible to participate at thirty (30) years of Creditable Service due to age, the participation period is the difference of the earliest date of eligibility plus five (5) years and the date of election to enter DROP, provided this difference is at least two (2) years.

The DROP balance as December 31, 2020 is \$286,318,791.

NET PENSION LIABILITY OF THE SPONSOR

The components of the Net Pension Liability of the Sponsor on December 31, 2020 were as follows:

Total Pension Liability	\$ 1,872,065,232
Plan Fiduciary Net Position	<u>\$ (1,287,666,375)</u>
Sponsor's Net Pension Liability	<u>\$ 584,398,857</u>
Plan Fiduciary Net Position as a percentage of Total Pension Liability	68.78%

Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of January 1, 2020 updated to December 31, 2020 using the following actuarial assumptions:

Inflation	2.25%
Salary Increases	Age based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rates Healthy Active Lives:

RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year).

Mortality Rates Healthy Inactive Lives:

RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year).

Mortality Rates Disabled Lives:

RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year).

The most recent actuarial experience study used to review the other significant assumptions was dated March 20, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2020, the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Long Term Expected Real Rate of Return ¹
Domestic Equity	7.50%
International Equity	8.50%
Domestic Bonds	2.50%
International Bonds	3.50%
Real Estate	4.50%
Alternative Assets	5.70%

¹ Source: AndCo Consulting

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Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. For purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.93% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 7.00%.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Sponsor's Net Pension Liability	\$ 751,819,349	\$ 584,398,857	\$ 444,029,840

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Years

	12/31/2020	12/31/2019
Total Pension Liability		
Service Cost	22,402,096	22,147,773
Interest	125,116,162	124,632,274
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	17,602,346	14,403,685
Changes of assumptions	-	(30,062,495)
Benefit Payments, including Refunds of Employee Contributions	(115,557,416)	(113,135,811)
Net Change in Total Pension Liability	49,563,188	17,985,426
Total Pension Liability - Beginning	1,822,502,044	1,804,516,618
Total Pension Liability - Ending (a)	<u>\$ 1,872,065,232</u>	<u>\$ 1,822,502,044</u>
Plan Fiduciary Net Position		
Contributions - Employer	51,108,528	46,810,696
Contributions - Employee	16,037,215	16,252,241
Contributions - Nonemployer Contributing Entity	1,260,272	1,223,294
Net Investment Income	143,087,206	175,633,969
Benefit Payments, including Refunds of Employee Contributions	(115,557,416)	(113,135,811)
Administrative Expense	(1,460,277)	(1,375,344)
Net Change in Plan Fiduciary Net Position	94,475,528	125,409,045
Plan Fiduciary Net Position - Beginning	1,193,187,649	1,071,084,994
Beginning of the Year adjustment	3,198	(3,306,390)
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,287,666,375</u>	<u>\$ 1,193,187,649</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 584,398,857</u>	<u>\$ 629,314,395</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.78%	65.47%
Covered Payroll	\$ 150,240,931	\$ 146,827,386
Net Pension Liability as a percentage of Covered Payroll	388.97%	428.61%

Notes to Schedule:*Changes of assumptions:*

For purposes of determining the GASB discount rate at the 12/31/2019 measurement date, a depletion date projection as of that date have been performed. The results of this projection showed a single discount rate of 7.00%. The discount rate has been lowered from 7.04% to 7.00%. Additionally, in a response to an Actuarial Experience Study dated March 20, 2020, the Board approved the following changes:

- Inflation
- Investment Return
- Salary Increases
- Mortality Rates
- Retirement Rates
- Withdrawal Rates
- Disability Rates
- Converted Leave
- Employee Contribution Withdrawal Rate

SCHEDULE OF CONTRIBUTIONS
Last 2 Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
12/31/2020	\$ 50,673,054	\$ 52,368,800	\$ (1,695,746)	\$ 150,240,931	34.86%
12/31/2019	\$ 47,448,484	\$ 48,033,990	\$ (585,506)	\$ 146,827,386	32.71%

Notes to Schedule

Valuation Date: 01/01/2019

Actuarially Determined contribution rates are calculated as of January 1, two years prior of the following year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the January 1, 2019 Actuarial Valuation for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

SCHEDULE OF INVESTMENT RETURNS
Last 2 Years

Fiscal Year Ended	Annual Money-Weighted Rate of Return Net of Investment Expense
12/31/2020	12.24%
12/31/2019	16.84%

NOTES TO THE FINANCIAL STATEMENTS
(For the Year Ended December 31, 2020)

Plan Description

This plan was effective December 31, 1953 and was most recently amended effective September 1, 2015 (Ord. Nos. 16039 and 16040).

The plan is a cost-sharing employer defined benefit pension plan, established and amended by the City of Baton Rouge, Louisiana and Parish of East Baton Rouge acting through its Board of Trustees.

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Plan Membership as of January 1, 2020:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	3,817
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	15
Active Plan Members	2,934
	<u>6,766</u>

Benefits Provided

The Plan provides retirement, termination, disability and death benefits.

The Plan provisions can be found in the January 1, 2020 Actuarial Valuation Report for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

Contributions

Member Contributions: Equal to the Maximum Employer Contribution, if less than 8.00%. If the Maximum Employer Contribution is 17% or greater, Member Contribution is 50% of Employer Contribution (but not more than 9.5%). Maximum Employer Contribution rate is the larger of the City rate and the Special Funds rate.

Employer Contributions: Balance of actuarially required contribution less member contributions, as determined above. City then determines equivalent City Rate and the Special Funds Rate.

MERS payments received for 2006 and later are reserved for future Supplemental Benefit Payments.

Net Pension Liability

The measurement date is December 31, 2020.

The measurement period for the pension expense was January 1, 2020 to December 31, 2020.

The reporting period is January 1, 2020 through December 31, 2020.

The Sponsor's Net Pension Liability was measured as of December 31, 2020.

The Total Pension Liability used to calculate the Net Pension Liability was determined as of that date.

The employer's proportion of the Net Pension Liability was based the employer's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers.

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Actuarial Assumptions:

The Total Pension Liability was determined by an actuarial valuation as of January 1, 2020 updated to December 31, 2020 using the following actuarial assumptions:

Inflation	2.25%
Salary Increases	Age based
Discount Rate	7.00%
Investment Rate of Return	7.00%

Mortality Rates Healthy Active Lives:

RP-2006 Blue Collar Employee Projected back to 2001, Generational with MP-2018 (2016 base year).

Mortality Rates Healthy Inactive Lives:

RP-2006 Blue Collar Annuitant Projected back to 2001, Generational with MP-2018 (2016 base year).

Mortality Rates Disabled Lives:

RP-2006 Disability Table Projected back to 2001, Generational with MP-2018 (2016 base year).

The most recent actuarial experience study used to review the other significant assumptions was dated March 20, 2020.

The Long-Term Expected Rate of Return on Pension Plan investments can be determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of Pension Plan investment expenses and inflation) are developed for each major asset class.

For 2020, the inflation rate assumption of the investment advisor was 2.50%.

These ranges are combined to produce the Long-Term Expected Rate of Return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the Pension Plan's target asset allocation as of December 31, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return¹</u>
Domestic Equity	32.50%	7.50%
International Equity	17.50%	8.50%
Domestic Bonds	25.00%	2.50%
International Bonds	5.00%	3.50%
Real Estate	15.00%	4.50%
<u>Alternative Assets</u>	<u>5.00%</u>	5.70%
Total	<u><u>100.00%</u></u>	

¹ Source: AndCo Consulting

Discount Rate:

The Discount Rate used to measure the Total Pension Liability was 7.00 percent.

The projection of cash flows used to determine the Discount Rate assumed that Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate. Based on those assumptions, the Pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the Long-Term Expected Rate of Return on Pension Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability. For purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.93% (based on the weekly rate closest to but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index); and the resulting single discount rate is 7.00%.

CHANGES IN NET PENSION LIABILITY

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balances as of January 1, 2020	\$1,822,502,044	\$ 1,193,187,649	\$ 629,314,395
Beginning of the Year adjustment	-	3,198	(3,198)
Changes for a Year:			
Service Cost	22,402,096	-	22,402,096
Interest	125,116,162	-	125,116,162
Differences between Expected and Actual Experience	17,602,346	-	17,602,346
Changes of assumptions	-	-	-
Changes of benefit terms	-	-	-
Contributions - Employer	-	51,108,528	(51,108,528)
Contributions - Employee	-	16,037,215	(16,037,215)
Contributions - Nonemployer Contributing Entity	-	1,260,272	(1,260,272)
Net Investment Income	-	143,087,206	(143,087,206)
Benefit Payments, including Refunds of Employee Contributions	(115,557,416)	(115,557,416)	-
Administrative Expense	-	(1,460,277)	1,460,277
Net Changes	49,563,188	94,475,528	(44,912,340)
Balances as of December 31, 2020	\$1,872,065,232	\$ 1,287,666,375	\$ 584,398,857

Sensitivity of the Net Pension Liability to changes in the Discount Rate.

	Current Discount		
	1% Decrease	Rate	1% Increase
	6.00%	7.00%	8.00%
Sponsor's Net Pension Liability	\$ 751,819,349	\$ 584,398,857	\$ 444,029,840

Pension Plan Fiduciary Net Position.

Detailed information about the pension Plan's Fiduciary Net Position is available in a separately issued Plan financial report.

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PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

For the year ended December 31, 2020, the Sponsor will recognize a Pension Expense of \$48,857,582.

On December 31, 2020, the Sponsor reported Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	27,708,031	-
Changes of assumptions	7,914,100	18,037,497
Net difference between Projected and Actual Earnings on Pension Plan investments	-	66,898,777
Total	<u>\$ 35,622,131</u>	<u>\$ 84,936,274</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to pensions will be recognized in Pension Expense as follows:

Year ended December 31:	
2021	\$ (6,453,966)
2022	\$ (1,863,660)
2023	\$ (32,263,890)
2024	\$ (8,732,627)
2025	\$ -
Thereafter	\$ -

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
Last 2 Years

	12/31/2020	12/31/2019
Total Pension Liability		
Service Cost	22,402,096	22,147,773
Interest	125,116,162	124,632,274
Changes of benefit terms	-	-
Differences between Expected and Actual Experience	17,602,346	14,403,685
Changes of assumptions	-	(30,062,495)
Benefit Payments, including Refunds of Employee Contributions	(115,557,416)	(113,135,811)
Net Change in Total Pension Liability	49,563,188	17,985,426
Total Pension Liability - Beginning	1,822,502,044	1,804,516,618
Total Pension Liability - Ending (a)	<u>\$ 1,872,065,232</u>	<u>\$ 1,822,502,044</u>
Plan Fiduciary Net Position		
Contributions - Employer	51,108,528	46,810,696
Contributions - Employee	16,037,215	16,252,241
Contributions - Nonemployer Contributing Entity	1,260,272	1,223,294
Net Investment Income	143,087,206	175,633,969
Benefit Payments, including Refunds of Employee Contributions	(115,557,416)	(113,135,811)
Administrative Expense	(1,460,277)	(1,375,344)
Net Change in Plan Fiduciary Net Position	94,475,528	125,409,045
Plan Fiduciary Net Position - Beginning	1,193,187,649	1,071,084,994
Beginning of the Year adjustment	3,198	(3,306,390)
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,287,666,375</u>	<u>\$ 1,193,187,649</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 584,398,857</u>	<u>\$ 629,314,395</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	68.78%	65.47%
Covered Payroll	\$ 150,240,931	\$ 146,827,386
Net Pension Liability as a percentage of Covered Payroll	388.97%	428.61%

Notes to Schedule:*Changes of assumptions:*

For purposes of determining the GASB discount rate at the 12/31/2019 measurement date, a depletion date projection as of that date have been performed. The results of this projection showed a single discount rate of 7.00%. The discount rate has been lowered from 7.04% to 7.00%. Additionally, in a response to an Actuarial Experience Study dated March 20, 2020, the Board approved the following changes:

- Inflation
- Investment Return
- Salary Increases
- Mortality Rates
- Retirement Rates
- Withdrawal Rates
- Disability Rates
- Converted Leave
- Employee Contribution Withdrawal Rate

SCHEDULE OF CONTRIBUTIONS
Last 2 Years

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a percentage of Covered Payroll
12/31/2020	\$ 50,673,054	\$ 52,368,800	\$ (1,695,746)	\$ 150,240,931	34.86%
12/31/2019	\$ 47,448,484	\$ 48,033,990	\$ (585,506)	\$ 146,827,386	32.71%

Notes to Schedule

Valuation Date: 01/01/2019

Actuarially Determined contribution rates are calculated as of January 1, two years prior of the following year in which contributions are reported.

Methods and assumptions used to determine contribution rates can be found in the January 1, 2019 Actuarial Valuation for the Employees' Retirement System of the City of Baton Rouge and Parish of East Baton Rouge prepared by Foster & Foster Actuaries and Consultants.

EXPENSE DEVELOPMENT AND AMORTIZATION SCHEDULES

The following information is not required to be disclosed but is provided for informational purposes.

COMPONENTS OF PENSION EXPENSE
YEAR ENDING DECEMBER 31, 2020

	Net Pension Liability	Deferred Inflows	Deferred Outflows	Pension Expense
Balances as of January 1, 2020	\$ 629,314,395	\$ 141,900,987	\$ 133,991,164	
Total Pension Liability Factors:				
Service Cost	22,402,096	-	-	22,402,096
Interest	125,116,162	-	-	125,116,162
Changes in benefit terms	-	-	-	-
Differences between Expected and Actual Experience with regard to economic or demographic assumptions	17,602,346	-	17,602,346	-
Current year amortization of experience difference	-	-	(16,856,589)	16,856,589
Change in assumptions about future economic or demographic factors or other inputs	-	-	-	-
Current year amortization of change in assumptions	-	(6,012,499)	(7,914,100)	1,901,601
Benefit Payments, including Refunds of Employee Contributions	(115,557,416)	-	-	-
Net change	<u>49,563,188</u>	<u>(6,012,499)</u>	<u>(7,168,343)</u>	<u>166,276,448</u>
Plan Fiduciary Net Position:				
Contributions - Employer	51,108,528	-	-	-
Contributions - Employee	16,037,215	-	-	(16,037,215)
Contributions - Nonemployer Contributing Entity	1,260,272	-	-	-
Projected Net Investment Income	81,821,727	-	-	(81,821,727)
Difference between projected and actual earnings on Pension Plan investments	61,265,479	61,265,479	-	-
Current year amortization	-	(51,417,233)	(30,400,230)	(21,017,003)
Benefit Payments, including Refunds of Employee Contributions	(115,557,416)	-	-	-
Administrative Expenses	(1,460,277)	-	-	1,460,277
Net change	<u>94,475,528</u>	<u>9,848,246</u>	<u>(30,400,230)</u>	<u>(117,415,668)</u>
Beginning of the Year adjustment	3,198	-	-	(3,198)
Balances as of December 31, 2020	<u><u>\$ 584,398,857</u></u>	<u><u>\$ 145,736,734</u></u>	<u><u>\$ 96,422,591</u></u>	<u><u>\$ 48,857,582</u></u>

SCHEDULE OF EMPLOYER PENSION AMOUNTS
 YEAR ENDING DECEMBER 31, 2020

<u>Employer</u>	<u>Employer Contributions¹</u>	<u>Current Year Proportionate Share</u>
City of Baton Rouge and Parish of East Baton Rouge	42,482,272	80.93649%
District Attorney of the Nineteenth Judicial District	1,294,976	2.46717%
East Baton Rouge Parish Family Court	196,645	0.37464%
East Baton Rouge Parish Juvenile Court	197,354	0.37600%
St. George Fire Protection District (certain electing members)	32,069	0.06110%
Brownsfield Fire Protection District	102,487	0.19526%
Eastside Fire Protection District	65,828	0.12541%
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	7,671,907	14.61638%
Office of the Coroner of East Baton Rouge Parish	444,869	0.84756%
Total	<u>\$52,488,407</u>	

¹ The Employer Contributions were based on the 2020 data multiplied by the FY2022 Contribution rates.

SCHEDULE OF EMPLOYER PENSION AMOUNTS
 YEAR ENDING DECEMBER 31, 2020

<u>Employer</u>	<u>Net Pension Liability¹</u>	<u>Current Year Proportionate Share</u>	<u>Prior Year Proportionate Share</u>	<u>Change in Proportion from Prior Year²</u>	<u>Proportionate Share of Collective Pension Expense</u>
City of Baton Rouge and Parish of East Baton Rouge	472,991,897	80.93649%	81.49536%	-0.55887%	39,543,609
District Attorney of the Nineteenth Judicial District	14,418,088	2.46717%	2.59392%	-0.12676%	1,205,398
East Baton Rouge Parish Family Court	2,189,419	0.37464%	0.38040%	-0.00575%	183,042
East Baton Rouge Parish Juvenile Court	2,197,313	0.37600%	0.37844%	-0.00245%	183,702
St. George Fire Protection District (certain electing members)	357,052	0.06110%	0.05976%	0.00133%	29,851
Brownsfield Fire Protection District	1,141,076	0.19526%	0.16933%	0.02593%	95,398
Eastside Fire Protection District	732,920	0.12541%	0.12269%	0.00272%	61,274
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	85,417,980	14.61638%	13.66697%	0.94941%	7,141,212
Office of the Coroner of East Baton Rouge Parish	4,953,112	0.84756%	1.13312%	-0.28557%	414,096
Total	\$584,398,857	100.00000%	100.00000%	0.00000%	\$48,857,582

¹ The portion of the Net Pension Liability was calculated using the proportion of employer contributions.

² The impact to the Net Pension Liability due to the Change in Proportion was reflected in the rebalancing of the Deferred Inflow/Outflow balances for the fiscal year.

SCHEDULE OF EMPLOYER PENSION AMOUNTS
YEAR ENDING DECEMBER 31, 2020

	Collective Deferred Outflow			Collective Deferred Inflow		
	Experience Gain/Loss	Change of Assumptions	Investment Gain/Loss	Experience Gain/Loss	Change of Assumptions	Investment Gain/Loss
<u>Employer</u>						
City of Baton Rouge and Parish of East Baton Rouge	22,425,906	6,405,395	-	-	14,598,916	54,145,519
District Attorney of the Nineteenth Judicial District	683,603	195,254	-	-	445,015	1,650,504
East Baton Rouge Parish Family Court	103,807	29,650	-	-	67,577	250,633
East Baton Rouge Parish Juvenile Court	104,181	29,757	-	-	67,820	251,536
St. George Fire Protection District (certain electing members)	16,929	4,835	-	-	11,020	40,873
Brownsfield Fire Protection District	54,102	15,453	-	-	35,219	130,624
Eastside Fire Protection District	34,750	9,925	-	-	22,622	83,901
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	4,049,912	1,156,755	-	-	2,636,430	9,778,182
Office of the Coroner of East Baton Rouge Parish	234,841	67,076	-	-	152,878	567,005
Total	<u>\$27,708,031</u>	<u>\$7,914,100</u>	<u>\$0</u>	<u>\$0</u>	<u>\$18,037,497</u>	<u>\$66,898,777</u>

SCHEDULE OF EMPLOYER PENSION AMOUNTS
YEAR ENDING DECEMBER 31, 2020

<u>Employer</u>	<u>Collective Deferred Outflow/Inflow to be Recognized</u>					
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Thereafter</u>
City of Baton Rouge and Parish of East Baton Rouge	(5,223,614)	(1,508,380)	(26,113,258)	(7,067,883)	-	-
District Attorney of the Nineteenth Judicial District	(159,230)	(45,980)	(796,004)	(215,448)	-	-
East Baton Rouge Parish Family Court	(24,179)	(6,982)	(120,875)	(32,716)	-	-
East Baton Rouge Parish Juvenile Court	(24,267)	(7,007)	(121,311)	(32,834)	-	-
St. George Fire Protection District (certain electing members)	(3,943)	(1,139)	(19,712)	(5,335)	-	-
Brownsfield Fire Protection District	(12,602)	(3,639)	(62,997)	(17,051)	-	-
Eastside Fire Protection District	(8,094)	(2,337)	(40,464)	(10,952)	-	-
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	(943,336)	(272,400)	(4,715,814)	(1,276,394)	-	-
Office of the Coroner of East Baton Rouge Parish	(54,701)	(15,796)	(273,455)	(74,014)	-	-
Total	<u>\$ (6,453,966)</u>	<u>\$ (1,863,660)</u>	<u>\$ (32,263,890)</u>	<u>\$ (8,732,627)</u>	<u>\$ -</u>	<u>\$ -</u>

SCHEDULE OF EMPLOYER PENSION AMOUNTS
YEAR ENDING DECEMBER 31, 2020

<u>Employer</u>	Net Pension Liability Assuming -1% Change in Discount Rate	Net Pension Liability Assuming +1% Change in Discount Rate	Prior Year End Pension Liability	Change in Net Pension Liability due to Change in Proportion ¹	Employer's Proportionate Share of Total Contributions ²
City of Baton Rouge and Parish of East Baton Rouge	608,496,161	359,382,148	512,862,034	3,015,036	42,385,467
District Attorney of the Nineteenth Judicial District	18,548,629	10,954,952	16,323,918	683,824	1,292,025
East Baton Rouge Parish Family Court	2,816,651	1,663,534	2,393,898	31,037	196,197
East Baton Rouge Parish Juvenile Court	2,826,806	1,669,532	2,381,587	13,196	196,904
St. George Fire Protection District (certain electing members)	459,341	271,290	376,094	(7,201)	31,996
Brownsfield Fire Protection District	1,467,976	866,997	1,065,611	(139,875)	102,253
Eastside Fire Protection District	942,889	556,877	772,132	(14,675)	65,678
Recreation and Park Commission for the Parish of East Baton Rouge (BREC)	109,888,801	64,901,105	86,008,222	(5,121,918)	7,654,425
Office of the Coroner of East Baton Rouge Parish	6,372,095	3,763,405	7,130,899	1,540,576	443,855
Total	<u>\$ 751,819,349</u>	<u>\$ 444,029,840</u>	<u>\$ 629,314,395</u>	<u>\$ -</u>	<u>\$ 52,368,800</u>

¹ The impact to the Net Pension Liability due to the Change in Proportion was reflected in the rebalancing of the Deferred Inflow/Outflow balances for the fiscal year.

² The portion of the employer's share of the total contributions was calculated using the proportion of the employer's actual 2020 contributions. This results in a \$0 impact to the differences between contributions and share of contributions for all employers.

AMORTIZATION SCHEDULE - INVESTMENTS

Increase (Decrease) in Pension Expense Arising from the Recognition of the of Differences Between Projected and Actual Earnings on Pension Plan Investments

Plan Year Ending	Differences Between Expected and Actual Earnings	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026
2020	\$ (61,265,479)	5	\$ (12,253,095)	\$ (12,253,096)	\$ (12,253,096)	\$ (12,253,096)	\$ (12,253,096)	\$ -	\$ -
2019	\$ (101,997,503)	5	\$ (20,399,501)	\$ (20,399,501)	\$ (20,399,501)	\$ (20,399,501)	\$ -	\$ -	\$ -
2018	\$ 152,001,148	5	\$ 30,400,230	\$ 30,400,230	\$ 30,400,230	\$ -	\$ -	\$ -	\$ -
2017	\$ (87,441,752)	5	\$ (17,488,350)	\$ (17,488,350)	\$ -	\$ -	\$ -	\$ -	\$ -
2016	\$ (6,381,431)	5	\$ (1,276,287)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ (21,017,003)	\$ (19,740,717)	\$ (2,252,367)	\$ (32,652,597)	\$ (12,253,096)	\$ -	\$ -

AMORTIZATION SCHEDULE - CHANGES OF ASSUMPTIONS

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Changes of Assumptions

Plan Year Ending	Changes of Assumptions	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026
2019	\$ (30,062,495)	5	\$ (6,012,499)	\$ (6,012,499)	\$ (6,012,499)	\$ (6,012,499)	-	-	-
2018	\$ 31,656,400	4	\$ 7,914,100	\$ 7,914,100	-	-	-	-	-
Net Increase (Decrease) in Pension Expense			<u>\$ 1,901,601</u>	<u>\$ 1,901,601</u>	<u>\$ (6,012,499)</u>	<u>\$ (6,012,499)</u>	<u>-</u>	<u>-</u>	<u>-</u>

AMORTIZATION SCHEDULE - EXPERIENCE

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience

Plan Year Ending	Differences Between Expected and Actual Experience	Recognition Period (Years)	2020	2021	2022	2023	2024	2025	2026
2020	\$ 17,602,346	5	\$ 3,520,470	\$ 3,520,469	\$ 3,520,469	\$ 3,520,469	\$ 3,520,469	\$ -	\$ -
2019	\$ 14,403,685	5	\$ 2,880,737	\$ 2,880,737	\$ 2,880,737	\$ 2,880,737	\$ -	\$ -	\$ -
2018	\$ 19,935,775	4	\$ 4,983,944	\$ 4,983,944	\$ -	\$ -	\$ -	\$ -	\$ -
2017	\$ 21,885,752	4	\$ 5,471,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Increase (Decrease) in Pension Expense			\$ 16,856,589	\$ 11,385,150	\$ 6,401,206	\$ 6,401,206	\$ 3,520,469	\$ -	\$ -