EMPLOYER PENSION REPORT

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM STATE OF LOUISIANA

JUNE 30, 2013

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
STATE OF LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

February 13, 2015

Board of Trustees of the Municipal Police
Employees' Retirement System
7722 Office Park Boulevard, Suite 200
Baton Rouge, Louisiana 70809-7601

We have audited the accompanying schedule of employer allocations of the Municipal Police Employees' Retirement System as of and for the year ended June 30, 2013, and the related notes. We have also audited the total for all entities of the columns titled net pension liability included in the accompanying schedule of pension amounts by employer of Municipal Police Employees' Retirement System as of and for the year ended June 30, 2013, and the related notes to the schedules.

Management's Responsibility for the Schedules

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

Auditor's Responsibility

Our responsibility is to express an opinion on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer allocations and specified column total included in the schedule of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability for the total of all participating entities for Municipal Police Employees' Retirement System as of and for the year ended June 30, 2013 in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 6 to the schedules, the total pension liability for Municipal Police Employees' Retirement System was $2,399,375,820 at June 30, 2013. The actuarial valuations were based on various assumptions made by the System's actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at June 30, 2013 could be understated or overstated.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Municipal Police Employees' Retirement System as of and for the year ended June 30, 2013, and our report thereon, dated December 2, 2013, expressed an unmodified opinion on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2015 on our consideration of the Municipal Police Employees' Retirement System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Municipal Police Employees' Retirement System's internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of Municipal Police Employees' Retirement System management, the Board of Trustees, Municipal Police Employees' Retirement System participating employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

New Orleans, Louisiana

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

Employer	Projected Required Combined Contributions	Employer Allocation Percentage
Abbeville	$ 492,446	0.441694 %
Addis	167,250	0.150013
Alexandria	3,461,070	3.104370
Amite	166,162	0.149037
Arcadia	97,040	0.087039
Arnaudville	66,142	0.059325
Baker	586,290	0.525867
Baldwin	6,869	0.006161
Ball	120,367	0.107962
Bastrop	385,090	0.345402
Baton Rouge	16,166,665	14.500520
Benton	102,967	0.092355
Berwick	155,550	0.139519
Blanchard	16,107	0.014447
Bogalusa	708,689	0.635651
Bossier City	3,538,953	3.174227
Breaux Bridge	163,901	0.147009
Brusly	109,925	0.098596
Bunkie	66,910	0.060014
Carencro	212,356	0.190470
Columbia	27,198	0.024395
Coushatta	128,156	0.114948
Covington	604,135	0.541873
Crowley	590,900	0.530002
Cullen	25,396	0.022779
Denham Springs	760,815	0.682405
Dequincy	134,441	0.120585
Deridder	454,734	0.407869
Dixie Inn	24,753	0.022202
Duson	36,081	0.032362
Epps	11,390	0.010216
Eunice	458,314	0.411080

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

Employer	Projected Required Combined Contributions	Employer Allocation Percentage
Farmerville	$ 24,430	0.021912 %
Folsom	40,388	0.036226
Franklin	118,842	0.106594
Franklinton	371,634	0.333333
French Settlement	13,809	0.012386
Golden Meadow	55,671	0.049934
Gonzales	1,103,963	0.990188
Gramercy	55,767	0.050020
Greenwood	123,661	0.110916
Gretna	1,850,777	1.660035
Grosse Tete	9,112	0.008173
Hammond	1,652,070	1.481807
Harahan	298,309	0.267565
Haughton	151,582	0.135960
Haynesville	69,595	0.062423
Henderson	13,162	0.011806
Homer	101,051	0.090637
Houma	1,666,683	1.494914
Independence	28,738	0.025776
Iowa	35,129	0.031509
Jackson	43,261	0.038802
Jean Lafitte	26,273	0.023565
Jeanerette	84,885	0.076137
Jena	39,037	0.035014
Jennings	478,521	0.429204
Jonesboro	25,312	0.022703
Kaplan	14,708	0.013192
Kenner	3,430,501	3.076952
Kentwood	10,186	0.009136
Kinder	105,084	0.094254
Lafayette	5,369,389	4.816017
Lake Charles	3,188,759	2.860124

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

Employer	Projected Required Combined Contributions	Employer Allocation Percentage
Lecompte	$ 15,511	0.013912 %
Leesville	285,987	0.256513
Leonville	44,852	0.040230
Livingston	50,776	0.045543
Livonia	121,080	0.108601
Lockport	100,409	0.090061
Mamou	12,631	0.011329
Mandeville	887,828	0.796328
Mangham	15,908	0.014269
Mansfield	245,588	0.220278
Many	176,978	0.158739
Marksville	56,824	0.050968
Maurice	49,045	0.043990
Mer Rouge	19,442	0.017438
Minden	564,619	0.506429
Monroe	3,558,424	3.191691
Morgan City	638,482	0.572680
Natchitoches	993,274	0.890907
New Llano	26,657	0.023910
New Orleans	25,975,360	23.298326
New Roads	281,898	0.252845
Newellton	9,192	0.008245
Oak Grove	72,252	0.064806
Oakdale	161,520	0.144874
Oberlin	30,386	0.027254
Olla	23,473	0.021054
Opelousas	1,237,364	1.109841
Parks	17,494	0.015691
Patterson	198,895	0.178397
Pearl River	22,781	0.020433
Pine Prairie	11,462	0.010281
Pineville	1,140,491	1.022951

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

Employer		Projected Required Combined Contributions	Employer Allocation Percentage	
Plaquemine	$	381,978	0.342611	%
Pollock		19,005	0.017046	
Ponchatoula		349,731	0.313688	
Port Allen		281,707	0.252674	
Rayne		265,658	0.238279	
Rayville		170,261	0.152714	
Ringgold		62,901	0.056418	
Rosepine		26,081	0.023393	
Ruston		867,072	0.777711	
Sarepta		31,338	0.028108	
Scott		308,498	0.276704	
Shreveport		11,865,068	10.642248	
Slaughter		31,870	0.028585	
Slidell		1,625,863	1.458301	
Sorrento		14,202	0.012738	
Springhill		142,686	0.127981	
St. Francisville		33,541	0.030084	
St. Gabriel		244,977	0.219730	
St. Martinville		80,594	0.072288	
Sulphur		1,020,042	0.914916	
Sunset		19,724	0.017691	
Tallulah		104,080	0.093353	
Thibodaux		1,287,850	1.155124	
Tickfaw		19,049	0.017086	
Vidalia		234,429	0.210269	
Ville Platte		370,456	0.332277	
Vinton		128,432	0.115196	
Walker		272,494	0.244411	
Welsh		54,967	0.049302	
West Monroe		1,213,539	1.088471	
Westlake		300,053	0.269129	
Westwego		736,138	0.660271	

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER ALLOCATIONS
JUNE 30, 2013

Employer	Projected Required Combined Contributions	Employer Allocation Percentage
Winnfield	$ 148,745	0.133415 %
Winnsboro	129,091	0.115787
Woodworth	78,971	0.070832
Youngsville	47,374	0.042492
Zachary	810,380	0.726862
Zwolle	17,161	0.015392
Total	$ 111,490,240	100.00000 %

See accompanying notes.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Employer	Net Pension Liability
Abbeville	$ 3,528,442
Addis	1,198,368
Alexandria	24,799,044
Amite	1,190,572
Arcadia	695,305
Arnaudville	473,914
Baker	4,200,852
Baldwin	49,217
Ball	862,447
Bastrop	2,759,220
Baton Rouge	115,836,395
Benton	737,771
Berwick	1,114,538
Blanchard	115,409
Bogalusa	5,077,854
Bossier City	25,357,091
Breaux Bridge	1,174,371
Brusly	787,627
Bunkie	479,418
Carencro	1,521,556
Columbia	194,878
Coushatta	918,254
Covington	4,328,715
Crowley	4,233,884
Cullen	181,968
Denham Springs	5,451,345
Dequincy	963,285
Deridder	3,258,233
Dixie Inn	177,359
Duson	258,522
Epps	81,610
Eunice	3,283,884
Farmerville	175,042

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Employer	Net Pension Liability
Folsom	$ 289,389
Franklin	851,519
Franklinton	2,662,807
French Settlement	98,945
Golden Meadow	398,894
Gonzales	7,910,048
Gramercy	399,581
Greenwood	886,045
Gretna	13,261,074
Grosse Tete	65,289
Hammond	11,837,312
Harahan	2,137,424
Haughton	1,086,107
Haynesville	498,662
Henderson	94,311
Homer	724,047
Houma	11,942,016
Independence	205,910
Iowa	251,707
Jackson	309,967
Jean Lafitte	188,247
Jeanerette	608,215
Jena	279,707
Jennings	3,428,666
Jonesboro	181,361
Kaplan	105,383
Kenner	24,580,017
Kentwood	72,982
Kinder	752,942
Lafayette	38,472,417
Lake Charles	22,847,902
Lecompte	111,135
Leesville	2,049,136

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Employer	Net Pension Liability
Leonville	$ 321,375
Livingston	363,817
Livonia	867,552
Lockport	719,446
Mamou	90,501
Mandeville	6,361,411
Mangham	113,987
Mansfield	1,759,675
Many	1,268,075
Marksville	407,154
Maurice	351,411
Mer Rouge	139,302
Minden	4,045,573
Monroe	25,496,601
Morgan City	4,574,814
Natchitoches	7,116,949
New Llano	191,003
New Orleans	186,117,066
New Roads	2,019,835
Newellton	65,865
Oak Grove	517,698
Oakdale	1,157,316
Oberlin	217,717
Olla	168,188
Opelousas	8,865,888
Parks	125,346
Patterson	1,425,112
Pearl River	163,228
Pine Prairie	82,129
Pineville	8,171,773
Plaquemine	2,736,924
Pollock	136,171
Ponchatoula	2,505,875

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Employer	Net Pension Liability
Port Allen	$ 2,018,469
Rayne	1,903,475
Rayville	1,219,945
Ringgold	450,691
Rosepine	186,873
Ruston	6,212,690
Sarepta	224,539
Scott	2,210,431
Shreveport	85,014,858
Slaughter	228,349
Slidell	11,649,536
Sorrento	101,757
Springhill	1,022,367
St. Francisville	240,324
St. Gabriel	1,755,298
St. Martinville	577,468
Sulphur	7,308,743
Sunset	141,323
Tallulah	745,744
Thibodaux	9,227,628
Tickfaw	136,490
Vidalia	1,679,719
Ville Platte	2,654,372
Vinton	920,235
Walker	1,952,460
Welsh	393,846
West Monroe	8,695,175
Westlake	2,149,918
Westwego	5,274,529
Winnfield	1,065,776
Winnsboro	924,956
Woodworth	565,837
Youngsville	339,444

(Continued)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
AS OF AND FOR THE YEAR ENDED JUNE 30, 2013

Employer	Net Pension Liability
Zachary	$ 5,806,487
Zwolle	122,958
Total	$ 798,843,041

See accompanying notes

DO NOT PRINT	798,843,041

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
NOTES TO SCHEDULES
JUNE 30, 2013

The Municipal Police Employees' Retirement System (System) is a cost-sharing multiple-employer defined benefit pension plan established by Act 189 of 1973 to provide retirement, disability and survivor benefits to municipal police officers in Louisiana.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

Basis of Accounting:

The System's employer schedules are prepared using the accrual basis of accounting. Members' earnable compensation, for which the employer allocations are based, is recognized in the period in which the employee is compensated for services performed. The member's earnable compensation is attributed to the employer for which the member is employed as of June 30, 2013.

During the year ended June 30, 2014, the System adopted the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans*. GASB Statement No. 67 established new standards of financial reporting for defined benefit pension plans. Significant changes included specifying the approach of contributing entities to measure pension liabilities for benefits provided through the pension plan. The provisions of this statement were retroactively applied to the fiscal year ended June 30, 2013.

System Employees:

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

Plan Fiduciary Net Position:

Plan fiduciary net position is a significant component of the System's collective net pension liability. The System's fiduciary net position was determined using the accrual basis of accounting. The System's assets, liabilities, revenues and expenses were recorded with the use of

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
NOTES TO SCHEDULES
JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Plan Fiduciary Net Position: (Continued)

estimates and assumptions in conformity with accounting principles generally accepted in the United States of America. Such estimates primarily related to unsettled transactions and events as of the date of the financial statements and estimates over the determination of the fair market value of the System's investments. Accordingly, actual results may differ from estimated amounts.

2. PLAN DESCRIPTION:

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing multiple-employer plan. Membership in the System is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing she does not have to pay social security and providing she meets the statutory criteria. The System provides retirement benefits for municipal police officers. The projections of benefit payments in the calculation of the total pension liability includes all benefits to be provided to current active and inactive employees through the System in accordance with benefit terms and any additional legal agreements to provide benefits that are in force at the measurement date.

Benefit provisions are authorized within Act 189 of 1973 and amended by LRS 11:2211-11:2233. The following is a brief description of the plan and its benefits and is provided for general information purposes only. Participants should refer to the appropriate statutes for more complete information.

Membership Prior to January 1, 2013

A member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55. A member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age with an actuarially reduced benefit.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
NOTES TO SCHEDULES
JUNE 30, 2013

2. PLAN DESCRIPTION: (Continued)

Membership Commencing Prior to January 1, 2013: (Continued)

Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statutes, the benefits range from forty to sixty percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives benefits equal to ten percent of the member's average final compensation or $200.00 per month, whichever is greater.

Membership Commencing January 1, 2013

Member eligibility for regular retirement, early retirement, disability and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Under the Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 25 years of creditable service at any age or has 12 years of creditable service at age 55. Under the Non Hazardous Duty sub plan, a member is eligible for regular retirement after he has been a member of the System and has 30 years of creditable service at any age, 25 years of creditable service at age 55, or 10 years of creditable service at age 60. Under both sub plans, a member is eligible for early retirement after he has been a member of the System for 20 years of creditable service at any age, with an actuarially reduced benefit from age 55.

Under the Hazardous and Non Hazardous Duty sub plans, the benefit rates are three percent and two and a half percent, respectively, of average final compensation (average monthly earnings during the highest 60 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary.

Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Under certain conditions outlined in the statues, the benefits range from twenty-five to fifty-five percent of the member's average final compensation for the surviving spouse. In addition, each child under age eighteen receives ten percent of average final compensation or $200 per month whichever is greater. If deceased member had less than ten years of service, beneficiary will receive a refund of employee contributions only.

Cost of Living Adjustments

The Board of Trustees is authorized to provide annual cost-of-living adjustments computed on the amount of the current regular retirement, disability, beneficiary or survivor's benefit, not to exceed 3% in any given year. The Board is authorized to provide an additional 2% COLA, computed on the member's original benefit, to all regular retirees, disability, survivors and beneficiaries who are 65 years of age or older on the cut-off date which determines eligibility.

No regular retiree, survivor or beneficiary shall be eligible to receive a cost-of-living adjustment until benefits have been received at least one full fiscal year and the payment of such COLA, when authorized, shall not be effective until the lapse of at least one-half of the fiscal year.

2. PLAN DESCRIPTION: (Continued)

Cost of Living Adjustments: (Continued)

Members who elect early retirement are not eligible for a cost of living adjustment until they reach regular retirement age.

Deferred Retirement Option Plan

A member is eligible to elect to enter the deferred retirement option plan (DROP) when he is eligible for regular retirement based on the members' sub plan participation. Upon filing the application for the program, the employee's active membership in the System is terminated. At the entry date into the DROP, the employee and employer contributions cease. The amount to be deposited into the DROP account is equal to the benefit computed under the retirement plan elected by the participant at date of application. The duration of participation in the DROP is thirty six months or less. If employment is terminated after the three-year period the participant may receive his benefits by lump sum payment or a true annuity. If employment is not terminated, active contributing membership into the System shall resume and upon later termination, he shall receive additional retirement benefit based on the additional service. For those eligible to enter DROP prior to January 1, 2004, DROP accounts shall earn interest subsequent to the termination of DROP participation at a rate of half of one percentage point below the percentage rate of return of the System's investment portfolio as certified by the actuary on an annual basis but will never lose money. For those eligible to enter DROP subsequent to January 1, 2004, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. This could result in a negative earnings rate being applied to the account.

If the member elects a money market investment return, the funds are transferred to a government money market account.

Initial Benefit Option Plan

In 1999, the State Legislature authorized the System to establish an Initial Benefit Option program. Initial Benefit Option is available to members who are eligible for regular retirement and have not participated in DROP. The Initial Benefit Option program provides both a one-time single sum payment of up to 36 months of regular monthly retirement benefit, plus a reduced monthly retirement benefit for life. Interest is computed on the balance based on same criteria as DROP.

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
NOTES TO SCHEDULES
JUNE 30, 2013

3. EMPLOYER CONTRIBUTIONS

Contributions for all employers are actuarially determined as required by state law but cannot be less than 9% of the employees' earnable compensation excluding overtime but including state supplemental pay.

For the year ended June 30, 2013, total contributions due for employers and employees were 41%. The employer and employee contribution rates for all members hired prior to January 1, 2013 and Hazardous Duty members hired after January 1, 2013 were 31% and 10%, respectively. The employer and employee contribution rates for all Non-Hazardous Duty members hired after January 1, 2013 were 33% and 8%, respectively. The employer and employee contribution rates for all members whose earnable compensation is less than or equal to the poverty guidelines issued by the United States Department of Health and Human Services were 33.5% and 7.5%, respectively. The actuarial required employer and employee combined contribution for June 30, 2013 was 41.03%.

The System also receives insurance premium tax monies as additional employer contributions and is considered support from a non-contributing entity. This tax is appropriated by the legislature each year based on an actuarial study.

4. SCHEDULE OF EMPLOYER ALLOCATIONS:

The schedule of employer allocations reports the required projected combined (employer and employee) contributions in addition to the employer allocation percentage. The required combined contributions are used to determine the proportionate relationship of each employer to all employers of Municipal Police Employees' Retirement System. The employer's proportion was determined on a basis that is consistent with the manner in which contributions to the pension plan are determined. The allocation percentages were used in calculating each employer's proportionate share of pension amounts.

The allocation method used in determining each employer's proportion was based on the combined (employer and employee) projected contribution effort to the plan for the next fiscal year as compared to the total of all combined projected contribution effort to the plan for the next fiscal year. The combined projected contribution effort was actuarially determined by the System's actuary.

The combined projected contribution effort was calculated by multiplying the projected future compensation of active members in the System on June 30, 2013 by the next fiscal year's combined actuarially required contribution rate. Projected future compensation was calculated by multiplying compensation by a payroll factor of 1.014. Compensation was determined as follows:

1. Actual earned compensation for active members enrolled in the System the entire fiscal year, plus;
2. Annualized compensation for active members on June 30, 2013 enrolled in the System for a portion of the fiscal year. Annualized compensation was calculated using actual compensation and the employee's date of hire.

4. SCHEDULE OF EMPLOYER ALLOCATIONS: (Continued)

The payroll factor was actuarially determined using salary assumptions for expected net changes in active members plus expected new hires and their payroll over the next fiscal year.

The next fiscal year's net combined employer and employees' actuarially required contribution rate is 41.53%.

5. SCHEDULE OF PENSION AMOUNTS BY EMPLOYER:

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

6. ACTUARIAL METHODS AND ASSUMPTIONS:

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

The components of the net pension liability of the System's employers as of June 30, 2013 are as follows:

	2013
Total Pension Liability	$ 2,399,375,820
Plan Fiduciary Net Position	1,600,532,779
Total Collective Net Pension Liability	$ 798,843,041

The actuarial assumptions used in the June 30, 2013 valuation (excluding mortality) were based on the assumptions used in the June 30, 2013 actuarial funding valuation, and were initially designed to match, to the extent possible, those used by the prior actuary for the fiscal 2010 valuation. Adjustments to some non-mortality decrements were necessary due to differences in software design.

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
NOTES TO SCHEDULES
JUNE 30, 2013

6. ACTUARIAL METHODS AND ASSUMPTIONS: (Continued)

A summary of the actuarial methods and assumptions used in determining the total pension liability as of June 30, 2013 are as follows:

Valuation Date	June 30, 2013
Actuarial Cost Method	Entry Age Normal Cost
Investment Rate of Return	7.5%, net of investment expense
Inflation Rate	3%
Mortality	RP-2000 Employee Mortality Table was selected for active members. RP-2000 Healthy Annuitant Mortality Table was selected for healthy annuitants and beneficiaries. RP-2000 Disabled Lives Mortality Table was selected for disabled annuitants.

Salary increases, including inflation and merit	Years of Service	Salary Growth Rate
	1	10.00%
	2	6.00%
	3 – 19	4.30%
	20 – 29	5.50%
	30 & Over	4.00%

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System'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.

The mortality rate assumption used was set based upon an experience study performed by the prior actuary on plan data for the period July 1, 2003 through June 30, 2008 and review of similar law enforcement mortality. The data was then assigned credibility weighting and combined with a standard table to produce current levels of mortality. This mortality was then projected forward to a period equivalent to the estimated duration of the System's liabilities. Annuity values calculated based on this mortality were compared to those produced by using a set back of standard tables. The result of the procedure indicated that the tables used would produce liability values approximating the appropriate generational mortality tables.

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
NOTES TO SCHEDULES
JUNE 30, 2013

7. RETIREMENT SYSTEM AUDIT REPORT

Municipal Police Employees Retirement System issued a stand-alone audit report on its financial statements for the year ended June 30, 2013. Access to the audit report can be found on the System's website: www.lampers.org or on the Office of Louisiana Legislative Auditor's official website: www.lla.state.la.us.

8. ESTIMATES:

The process of preparing the schedule of employer allocations and schedule of pension amounts in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Accordingly, actual results may differ from estimated amounts.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF EMPLOYER PENSION SCHEDULES PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

February 13, 2015

Board of Trustees of the Municipal Police
Employees' Retirement System
7722 Office Park Boulevard, Suite 200
Baton Rouge, LA 70809-7601

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the employer pension schedules of the Municipal Police Employees' Retirement System, as of June 30, 2013, and the related notes to the schedules and have issued our report thereon dated February 13, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the employer pension schedules, we considered the Municipal Police Employees' Retirement System's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the employer pension schedules, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Police Employees' Retirement System's internal control. Accordingly, we do not express an opinion on the effectiveness of the Municipal Police Employees' Retirement System's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Duplantier, Hrapmann, Hogan & Maher, LLP

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2013

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the employer pension schedules of Municipal Police Employees' Retirement System for the year ended June 30, 2013 was unmodified.

2. The audit of the employer pension schedules disclosed no instances of noncompliance.

3. Findings Required To Be Reported Under Generally Accepted Government Auditing Standards:

   None

4. Status of Prior Year Comments:

   Not applicable