

Municipal Fire and Police Retirement System of Iowa

Required GASB 68 Reporting Information as of and for
the Year Ended June 30, 2023, and
Related Independent Auditor's Report

Municipal Fire and Police Retirement System of Iowa

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Independent Auditor's Report

To the Board of Trustees
Municipal Fire and Police Retirement System of Iowa
Des Moines, Iowa

Report on Audit of Schedule of Allocations and Net Pension Amounts by Employer

Opinions

We have audited the accompanying schedules of net pension liability (NPL) by city (proportionate share, share of NPL) as of June 30, 2023, and the schedules of deferred outflow of resources by city (differences between expected and actual experience, changes in assumptions, difference between projected and actual earnings and total deferred outflows), deferred inflows of resources by city (difference between projected and actual earnings and total deferred inflows) for the Municipal Fire and Police Retirement System of Iowa (the System) as of June 30, 2023, and the related schedule of pension expense by city (collectively the Schedules) for the year then ended, and the related notes to the Schedules.

In our opinion, the Schedules referred to above present fairly, in all material respects, the schedules of net pension liability (NPL) by city (proportionate share, share of NPL) as of June 30, 2023, and the schedules of deferred outflow of resources by city (differences between expected and actual experience, changes in assumptions, difference between projected and actual earnings and total deferred outflows), deferred inflows of resources by city (difference between projected and actual earnings and total deferred inflows) and pension expense by city for the System as of and for the year ended June 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended June 30, 2023, and our report thereon, dated October 13, 2023, expressed an unmodified opinion on those financial statements.

Responsibilities of Management for the Schedules

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

Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

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

Eide Bailly LLP

Boise, Idaho
April 10, 2024

Municipal Fire and Police Retirement System of Iowa

Net Pension Liability (NPL) by City

As of June 30, 2023

City	Proportionate Share (%)	Share of NPL	Covered Payroll *	NPL as % of Covered Payroll*
Ames	2.54%	\$ 15,880,608	\$ 9,195,997	172.69%
Ankeny	3.11%	19,451,101	11,263,565	172.69%
Bettendorf	1.99%	12,451,167	7,210,107	172.69%
Boone	0.53%	3,318,943	1,921,903	172.69%
Burlington	1.70%	10,673,287	6,180,589	172.69%
Camanche	0.27%	1,701,934	985,540	172.69%
Carroll	0.29%	1,845,659	1,068,767	172.69%
Cedar Falls	1.84%	11,551,137	6,688,926	172.69%
Cedar Rapids	9.06%	56,703,363	32,835,262	172.69%
Centerville	0.20%	1,257,978	728,458	172.69%
Charles City	0.30%	1,892,455	1,095,865	172.69%
Clinton	1.84%	11,538,406	6,681,554	172.69%
Clive	0.65%	4,048,076	2,344,123	172.69%
Council Bluffs	5.77%	36,143,408	20,929,592	172.69%
Creston	0.29%	1,842,065	1,066,686	172.69%
Davenport	6.97%	43,639,561	25,270,396	172.69%
Decorah	0.29%	1,813,980	1,050,423	172.69%
Des Moines	18.99%	118,928,293	68,867,902	172.69%
Dewitt	0.18%	1,101,359	637,765	172.69%
Dubuque	4.58%	28,659,784	16,596,044	172.69%
Estherville	0.19%	1,181,130	683,958	172.69%
Evansdale	0.12%	732,891	424,396	172.69%
Fairfield	0.23%	1,458,148	844,371	172.69%
Fort Dodge	1.60%	10,019,172	5,801,810	172.69%
Fort Madison	0.68%	4,273,301	2,474,544	172.69%
Grinnell	0.37%	2,317,544	1,342,022	172.69%
Indianola	0.53%	3,299,844	1,910,843	172.69%
Iowa City	3.52%	22,064,192	12,776,730	172.69%
Keokuk	0.72%	4,538,879	2,628,332	172.69%
Knoxville	0.26%	1,633,421	945,867	172.69%
Lemars	0.33%	2,086,120	1,208,011	172.69%
Maquoketa	0.20%	1,241,039	718,649	172.69%
Marion	1.96%	12,304,536	7,125,197	172.69%
Marshalltown	1.36%	8,521,855	4,934,758	172.69%
Mason City	1.87%	11,734,645	6,795,190	172.69%
Muscatine	1.72%	10,786,454	6,246,121	172.69%
Newton	1.01%	6,313,946	3,656,222	172.69%
Oelwein	0.22%	1,362,208	788,815	172.69%
Oskaloosa	0.41%	2,554,867	1,479,449	172.69%
Ottumwa	1.37%	8,554,587	4,953,711	172.69%
Pella	0.36%	2,273,892	1,316,744	172.69%
Sioux City	5.91%	37,009,040	21,430,854	172.69%
Spencer	0.48%	2,986,112	1,729,170	172.69%
Storm Lake	0.41%	2,567,873	1,486,980	172.69%
Urbandale	2.60%	16,258,507	9,414,827	172.69%
Waterloo	5.51%	34,516,674	19,987,598	172.69%
Waverly	0.34%	2,125,576	1,230,859	172.69%
Webster City	0.30%	1,862,429	1,078,478	172.69%
West Des Moines	4.02%	25,177,604	14,579,615	172.69%
Total	100.00%	\$ 626,199,050	\$ 362,613,585	172.69%

* Represents unaudited reported covered payroll. Amount reported is based on pensionable payroll and not total payroll. Please consult your auditor when presenting covered payroll in your reports.

Municipal Fire and Police Retirement System of Iowa

Deferred Outflows of Resources by City

As of June 30, 2023

City	Proportionate Share (%)	Difference Between Expected and Actual		Changes in Assumptions	Difference Between Projected and Actual Earnings		Contributions Made After Measurement Date	Total
		Experience						
Ames	2.54%	\$ 1,213,301	\$ 80,002	\$ 7,034,900	TBD	\$ 8,328,203		
Ankeny	3.11%	1,486,092	97,989	8,616,581	TBD	10,200,662		
Bettendorf	1.99%	951,287	62,726	5,515,702	TBD	6,529,715		
Boone	0.53%	253,572	16,720	1,470,248	TBD	1,740,540		
Burlington	1.70%	815,454	53,769	4,728,125	TBD	5,597,349		
Camanche	0.27%	130,030	8,574	753,934	TBD	892,538		
Carroll	0.29%	141,011	9,298	817,603	TBD	967,911		
Cedar Falls	1.84%	882,523	58,191	5,117,001	TBD	6,057,716		
Cedar Rapids	9.06%	4,332,217	285,656	25,118,841	TBD	29,736,714		
Centerville	0.20%	96,111	6,337	557,267	TBD	659,716		
Charles City	0.30%	144,586	9,534	838,333	TBD	992,452		
Clinton	1.84%	881,551	58,127	5,111,361	TBD	6,051,039		
Clive	0.65%	309,279	20,393	1,793,244	TBD	2,122,916		
Council Bluffs	5.77%	2,761,407	182,081	16,011,052	TBD	18,954,540		
Creston	0.29%	140,736	9,280	816,010	TBD	966,026		
Davenport	6.97%	3,334,124	219,844	19,331,749	TBD	22,885,717		
Decorah	0.29%	138,591	9,138	803,569	TBD	951,298		
Des Moines	18.99%	9,086,289	599,129	52,683,662	TBD	62,369,080		
Dewitt	0.18%	84,145	5,548	487,887	TBD	577,581		
Dubuque	4.58%	2,189,648	144,380	12,695,906	TBD	15,029,934		
Estherville	0.19%	90,240	5,950	523,225	TBD	619,415		
Evansdale	0.12%	55,994	3,692	324,661	TBD	384,347		
Fairfield	0.23%	111,405	7,346	645,940	TBD	764,691		
Fort Dodge	1.60%	765,479	50,474	4,438,361	TBD	5,254,314		
Fort Madison	0.68%	326,486	21,528	1,893,016	TBD	2,241,030		
Grinnell	0.37%	177,064	11,675	1,026,641	TBD	1,215,380		
Indianola	0.53%	252,113	16,624	1,461,787	TBD	1,730,524		
Iowa City	3.52%	1,685,736	111,153	9,774,146	TBD	11,571,034		
Keokuk	0.72%	346,777	22,866	2,010,663	TBD	2,380,306		
Knoxville	0.26%	124,796	8,229	723,584	TBD	856,609		
Lemars	0.33%	159,382	10,509	924,123	TBD	1,094,015		
Maquoketa	0.20%	94,817	6,252	549,764	TBD	650,833		
Marion	1.96%	940,084	61,987	5,450,747	TBD	6,452,818		
Marshalltown	1.36%	651,082	42,931	3,775,069	TBD	4,469,082		
Mason City	1.87%	896,543	59,116	5,198,292	TBD	6,153,952		
Muscatine	1.72%	824,100	54,339	4,778,257	TBD	5,656,696		
Newton	1.01%	482,394	31,808	2,796,995	TBD	3,311,197		
Oelwein	0.22%	104,075	6,862	603,440	TBD	714,377		
Oskaloosa	0.41%	195,195	12,871	1,131,772	TBD	1,339,839		
Ottumwa	1.37%	653,583	43,096	3,789,569	TBD	4,486,247		
Pella	0.36%	173,729	11,455	1,007,304	TBD	1,192,488		
Sioux City	5.91%	2,827,543	186,441	16,394,516	TBD	19,408,500		
Spencer	0.48%	228,143	15,043	1,322,808	TBD	1,565,994		
Storm Lake	0.41%	196,189	12,936	1,137,534	TBD	1,346,659		
Urbandale	2.60%	1,242,173	81,906	7,202,304	TBD	8,526,382		
Waterloo	5.51%	2,637,123	173,886	15,290,430	TBD	18,101,439		
Waverly	0.34%	162,397	10,708	941,602	TBD	1,114,707		
Webster City	0.30%	142,292	9,382	825,031	TBD	976,706		
West Des Moines	4.02%	1,923,605	126,838	11,153,346	TBD	13,203,788		
Total	100.00%	\$ 47,842,493	\$ 3,154,619	\$ 277,397,902	TBD	\$ 328,395,014		

Municipal Fire and Police Retirement System of Iowa

Deferred Inflows of Resources by City

As of June 30, 2023

<u>City</u>	<u>Proportionate Share (%)</u>	<u>Difference Between Expected and Actual Experience</u>	<u>Difference Between Projected and Actual Earnings</u>	<u>Total</u>
Ames	2.54%	\$ -	\$ (6,023,703)	\$ (6,023,703)
Ankeny	3.11%	-	(7,378,033)	(7,378,033)
Bettendorf	1.99%	-	(4,722,875)	(4,722,875)
Boone	0.53%	-	(1,258,914)	(1,258,914)
Burlington	1.70%	-	(4,048,504)	(4,048,504)
Camanche	0.27%	-	(645,564)	(645,564)
Carroll	0.29%	-	(700,080)	(700,080)
Cedar Falls	1.84%	-	(4,381,483)	(4,381,483)
Cedar Rapids	9.06%	-	(21,508,257)	(21,508,257)
Centerville	0.20%	-	(477,166)	(477,166)
Charles City	0.30%	-	(717,831)	(717,831)
Clinton	1.84%	-	(4,376,654)	(4,376,654)
Clive	0.65%	-	(1,535,483)	(1,535,483)
Council Bluffs	5.77%	-	(13,709,622)	(13,709,622)
Creston	0.29%	-	(698,717)	(698,717)
Davenport	6.97%	-	(16,553,002)	(16,553,002)
Decorah	0.29%	-	(688,064)	(688,064)
Des Moines	18.99%	-	(45,110,906)	(45,110,906)
Dewitt	0.18%	-	(417,758)	(417,758)
Dubuque	4.58%	-	(10,870,995)	(10,870,995)
Estherville	0.19%	-	(448,017)	(448,017)
Evansdale	0.12%	-	(277,994)	(277,994)
Fairfield	0.23%	-	(553,093)	(553,093)
Fort Dodge	1.60%	-	(3,800,391)	(3,800,391)
Fort Madison	0.68%	-	(1,620,914)	(1,620,914)
Grinnell	0.37%	-	(879,072)	(879,072)
Indianola	0.53%	-	(1,251,670)	(1,251,670)
Iowa City	3.52%	-	(8,369,209)	(8,369,209)
Keokuk	0.72%	-	(1,721,650)	(1,721,650)
Knoxville	0.26%	-	(619,576)	(619,576)
Lemars	0.33%	-	(791,290)	(791,290)
Maquoketa	0.20%	-	(470,741)	(470,741)
Marion	1.96%	-	(4,667,256)	(4,667,256)
Marshalltown	1.36%	-	(3,232,440)	(3,232,440)
Mason City	1.87%	-	(4,451,090)	(4,451,090)
Muscatine	1.72%	-	(4,091,430)	(4,091,430)
Newton	1.01%	-	(2,394,955)	(2,394,955)
Oelwein	0.22%	-	(516,702)	(516,702)
Oskaloosa	0.41%	-	(969,091)	(969,091)
Ottumwa	1.37%	-	(3,244,856)	(3,244,856)
Pella	0.36%	-	(862,514)	(862,514)
Sioux City	5.91%	-	(14,037,967)	(14,037,967)
Spencer	0.48%	-	(1,132,667)	(1,132,667)
Storm Lake	0.41%	-	(974,025)	(974,025)
Urbandale	2.60%	-	(6,167,044)	(6,167,044)
Waterloo	5.51%	-	(13,092,583)	(13,092,583)
Waverly	0.34%	-	(806,256)	(806,256)
Webster City	0.30%	-	(706,441)	(706,441)
West Des Moines	4.02%	-	(9,550,163)	(9,550,163)
Total	100.00%	\$ -	\$ (237,524,708)	\$ (237,524,708)

Municipal Fire and Police Retirement System of Iowa

Pension Expense by City
For the Year Ended June 30, 2023

<u>City</u>	<u>Proportionate Share (%)</u>	<u>Share of Pension Expense</u>
Ames	2.54%	\$ 2,269,603
Ankeny	3.11%	2,779,886
Bettendorf	1.99%	1,779,479
Boone	0.53%	474,332
Burlington	1.70%	1,525,390
Camanche	0.27%	243,235
Carroll	0.29%	263,775
Cedar Falls	1.84%	1,650,850
Cedar Rapids	9.06%	8,103,854
Centerville	0.20%	179,786
Charles City	0.30%	270,463
Clinton	1.84%	1,649,030
Clive	0.65%	578,537
Council Bluffs	5.77%	5,165,494
Creston	0.29%	263,262
Davenport	6.97%	6,236,819
Decorah	0.29%	259,248
Des Moines	18.99%	16,996,831
Dewitt	0.18%	157,403
Dubuque	4.58%	4,095,960
Estherville	0.19%	168,803
Evansdale	0.12%	104,742
Fairfield	0.23%	208,394
Fort Dodge	1.60%	1,431,906
Fort Madison	0.68%	610,726
Grinnell	0.37%	331,216
Indianola	0.53%	471,603
Iowa City	3.52%	3,153,340
Keokuk	0.72%	648,681
Knoxville	0.26%	233,443
Lemars	0.33%	298,141
Maquoketa	0.20%	177,365
Marion	1.96%	1,758,523
Marshalltown	1.36%	1,217,915
Mason City	1.87%	1,677,076
Muscatine	1.72%	1,541,564
Newton	1.01%	902,368
Oelwein	0.22%	194,682
Oskaloosa	0.41%	365,133
Ottumwa	1.37%	1,222,593
Pella	0.36%	324,977
Sioux City	5.91%	5,289,207
Spencer	0.48%	426,765
Storm Lake	0.41%	366,992
Urbandale	2.60%	2,323,611
Waterloo	5.51%	4,933,007
Waverly	0.34%	303,780
Webster City	0.30%	266,172
West Des Moines	4.02%	3,598,298
Total	<u>100.00%</u>	<u>\$ 89,494,260</u>

Plan Administration

The Municipal Fire and Police Retirement System of Iowa (System) was created by the Iowa General Assembly in 1990 to establish a statewide retirement system for fire and police personnel covered by the provisions of Iowa Code Chapter 411. The programs of the System include the payment of pension benefits for service retirement, ordinary disability retirement, accidental disability retirement, survivors of deceased members and the refund of contributions upon withdrawal by a terminated member.

The System is managed by a Board of Trustees established by Iowa Code Chapter 411. The Board of Trustees represents the police officer and firefighter memberships, Cities, and citizens of Iowa, while the Iowa General Assembly provides the System with direction and oversight.

Basis of Accounting

Contributions for employers, pension expense, deferred outflow and inflows of resources, and net pension liability are recognized on an accrual basis of accounting.

Use of Estimates in the Preparation of the Schedules

The preparation of the Schedules in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

Plan Membership

As of July 1, 2023, System membership consisted of the following:

Inactive members (or beneficiaries) currently receiving benefits	4,353
Inactive members entitled to but not yet receiving benefits	453
Active members	<u>4,155</u>
 Total	 <u><u>8,961</u></u>

Plan Description

The System’s membership is mandatory for firefighters and police officers of the Cities. Members of the System are provided with pensions through a cost-sharing multiple employer defined benefit pension plan administered by the System. The System issues a stand-alone financial report which is available to the public by mail at 7155 Lake Drive, Suite 201, West Des Moines, IA 50266 or at www.MFPRSI.org.

System benefits are established under Iowa Code Chapter 411 and the administrative rules thereunder. Chapter 411 and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. Refer to the plan documents for more information.

Pension Benefits

Participating members are entitled to the benefit provisions in effect on the member's date of termination. The following is a summary of System benefit provisions as of June 30, 2023:

Retirement - Members with four or more years of service are entitled to pension benefits beginning at age 55. Full service retirement benefits are granted to members with 22 years of service, while partial benefits are available to those members with 4 to 22 years of service based on the ratio of years completed to years required (22 years). Members with less than four years of service are entitled to a refund of their contribution only, with interest for the period of employment.

Benefits are calculated based upon the member's highest three years of compensation. The average of these 3 years becomes the member's average final compensation. The base benefit is 66 percent of the member's average final compensation. Additional benefits are available to members who perform more than 22 years of service (2 percent for each additional year of service, up to a maximum of eight years). Survivor benefits are available to the beneficiary of a retired member according to the provisions of the benefit option chosen plus an additional benefit for each child. Survivor benefits are subject to a minimum benefit for those members who chose the basic benefit with a 50 percent surviving spouse benefit.

Disability and Death - Disability coverage is broken down into two types, accidental and ordinary. Accidental disability is defined as permanent disability incurred in the line of duty, with benefits equivalent to the greater of 60 percent of the member's average final compensation or the member's service retirement benefit calculation amount. Ordinary disability occurs outside the call of duty and pays benefits equivalent to the greater of 50 percent of the member's average final compensation, for those with 5 or more years of service, or the member's service retirement benefit calculation amount, and 25 percent of average final compensation for those with less than 5 years of service.

Death benefits are similar to disability benefits. Benefits for accidental death are 50 percent of the average final compensation of the member plus an additional amount for each child, or the provisions for ordinary death. Ordinary death benefits consist of a pension equal to 40 percent of the average final compensation of the member plus an additional amount for each child, or a lump-sum distribution to the designated beneficiary equal to 50 percent of the previous year's earnable compensation of the member or equal to the amount of the member's total contributions plus interest.

Benefits are increased (escalated) annually in accordance with Iowa Code Chapter 411.6 which states a standard formula for the increases.

Traumatic Personal Injury - The surviving spouse or dependents of an active member who dies due to a traumatic personal injury incurred in the line of duty receives a \$100,000 lump-sum payment.

Deferred Retirement Option Program (DROP) - Active members, at least 55 years of age, with 22 or more years of service have the option to participate in the DROP Program. The DROP is an arrangement whereby a member who is otherwise eligible to retire and commence benefits opts to continue to work. A member can elect a 3, 4, or 5 year DROP period. By electing to participate in DROP the member is signing a contract indicating the member will retire at the end of the selected DROP period. During the DROP period the member's retirement benefit is frozen and a DROP benefit is credited to a DROP account established for the member. Assuming the member completes the DROP period, the DROP benefit is equal to 52% of the member's retirement benefit at the member's earliest date eligible and 100% if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed to the member in the form of a lump sum or rollover to an eligible plan.

Contributions

Member - Member contribution rates are set by state statute. In accordance with Iowa Code Chapter 411 as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2023.

Employer - Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 23.90% for the year ended June 30, 2023.

State Appropriations - State appropriations are approved by the state legislature and may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State therefore is considered to be a nonemployer contributing entity. There were no state appropriations approved by the state legislature for fiscal year ended June 30, 2023.

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

The allocation amongst all Cities of the contributions to the System for the period ended June 30, 2023, was as follows:

City	Proportionate Share (%)	Actuarially Determined Contribution	Contributions in Relation to the ADC	Contribution Deficiency/ (Excess)	Covered Payroll *	Contributions as a % of Covered Payroll
Ames	2.54%	\$ 2,197,833	\$ 2,197,833	\$ -	\$ 9,195,997	23.90%
Ankeny	3.11%	2,691,979	2,691,979	-	11,263,565	23.90%
Bettendorf	1.99%	1,723,207	1,723,207	-	7,210,107	23.90%
Boone	0.53%	459,332	459,332	-	1,921,903	23.90%
Burlington	1.70%	1,477,154	1,477,154	-	6,180,589	23.90%
Camanche	0.27%	235,543	235,543	-	985,540	23.90%
Carroll	0.29%	255,434	255,434	-	1,068,767	23.90%
Cedar Falls	1.84%	1,598,646	1,598,646	-	6,688,926	23.90%
Cedar Rapids	9.06%	7,847,590	7,847,590	-	32,835,262	23.90%
Centerville	0.20%	174,100	174,100	-	728,458	23.90%
Charles City	0.30%	261,911	261,911	-	1,095,865	23.90%
Clinton	1.84%	1,596,883	1,596,883	-	6,681,554	23.90%
Clive	0.65%	560,243	560,243	-	2,344,123	23.90%
Council Bluffs	5.77%	5,002,148	5,002,148	-	20,929,592	23.90%
Creston	0.29%	254,936	254,936	-	1,066,686	23.90%
Davenport	6.97%	6,039,595	6,039,595	-	25,270,396	23.90%
Decorah	0.29%	251,050	251,050	-	1,050,423	23.90%
Des Moines	18.99%	16,459,350	16,459,350	-	68,867,902	23.90%
Dewitt	0.18%	152,425	152,425	-	637,765	23.90%
Dubuque	4.58%	3,966,435	3,966,435	-	16,596,044	23.90%
Estherville	0.19%	163,465	163,465	-	683,958	23.90%
Evansdale	0.12%	101,430	101,430	-	424,396	23.90%
Fairfield	0.23%	201,803	201,803	-	844,371	23.90%
Fort Dodge	1.60%	1,386,626	1,386,626	-	5,801,810	23.90%
Fort Madison	0.68%	591,413	591,413	-	2,474,544	23.90%
Grinnell	0.37%	320,742	320,742	-	1,342,022	23.90%
Indianola	0.53%	456,690	456,690	-	1,910,843	23.90%
Iowa City	3.52%	3,053,624	3,053,624	-	12,776,730	23.90%
Keokuk	0.72%	628,169	628,169	-	2,628,332	23.90%
Knoxville	0.26%	226,061	226,061	-	945,867	23.90%
Lemars	0.33%	288,713	288,713	-	1,208,011	23.90%
Maquoketa	0.20%	171,756	171,756	-	718,649	23.90%
Marion	1.96%	1,702,914	1,702,914	-	7,125,197	23.90%
Marshalltown	1.36%	1,179,402	1,179,402	-	4,934,758	23.90%
Mason City	1.87%	1,624,043	1,624,043	-	6,795,190	23.90%
Muscatine	1.72%	1,492,816	1,492,816	-	6,246,121	23.90%
Newton	1.01%	873,833	873,833	-	3,656,222	23.90%
Oelwein	0.22%	188,526	188,526	-	788,815	23.90%
Oskaloosa	0.41%	353,587	353,587	-	1,479,449	23.90%

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

City	Proportionate Share (%)	Actuarially Determined Contribution	Contributions in Relation to the ADC	Contribution Deficiency/ (Excess)	Covered Payroll *	Contributions as a % of Covered Payroll
Ottumwa	1.37%	1,183,931	1,183,931	-	4,953,711	23.90%
Pella	0.36%	314,700	314,700	-	1,316,744	23.90%
Sioux City	5.91%	5,121,950	5,121,950	-	21,430,854	23.90%
Spencer	0.48%	413,270	413,270	-	1,729,170	23.90%
Storm Lake	0.41%	355,387	355,387	-	1,486,980	23.90%
Urbandale	2.60%	2,250,133	2,250,133	-	9,414,827	23.90%
Waterloo	5.51%	4,777,013	4,777,013	-	19,987,598	23.90%
Waverly	0.34%	294,174	294,174	-	1,230,859	23.90%
Webster City	0.30%	257,755	257,755	-	1,078,478	23.90%
West Des Moines	4.02%	3,484,511	3,484,511	-	14,579,615	23.90%
Total	100.00%	\$ 86,664,231	\$ 86,664,231	\$ -	\$362,613,585	

* Represents unaudited reported covered payroll. Amount reported is based on pensionable payroll and not total payroll. Please consult your auditor when presenting covered payroll in your reports.

Net Pension Liability

The components of the net pension liability of the System at June 30, 2023, were as follows:

Total Pension Liability	\$ 3,801,949,463
Plan Fiduciary Net Position	<u>(3,175,750,413)</u>
	<u>\$ 626,199,050</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>83.53%</u>

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

The following schedule presents the changes in net pension liability for fiscal year ended June 30, 2023.

Total Pension Liability - Beginning of Year	\$ 3,651,617,338
Service cost	61,347,565
Interest	270,511,939
Difference between expected and actual experience	30,734,937
Changes of assumptions	3,924,038
Benefit payments, including refunds	<u>(216,186,354)</u>
 Total Pension Liability - End of Year	 <u>3,801,949,463</u>
 Plan Fiduciary net Position - Beginning of Year	 3,090,046,862
Contributions - Employer and State	86,664,231
Contributions - Member	34,165,042
Net investment income	182,866,808
Benefit payments, including refunds	(216,186,354)
Administrative expenses	(1,969,805)
Other	<u>163,629</u>
 Plan Fiduciary Net Position - End of Year	 <u>3,175,750,413</u>
 Net Pension Liability - End of Year	 <u>\$ 626,199,050</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 83.53%
 Covered Payroll	 \$ 362,613,585
 Net Pension Liability as a Percentage of the Covered Payroll	 172.69%

*Represents unaudited covered payroll. Amount reported is based on pensionable payroll and not total payroll. Please consult your auditor when presenting covered payroll in your reports.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the current discount rate of 7.50%, as well as the net pension liability calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 4,272,431,031	\$ 3,801,949,463	\$ 3,412,483,025
Plan Fiduciary Net Position	<u>(3,175,750,413)</u>	<u>(3,175,750,413)</u>	<u>(3,175,750,413)</u>
 Net Pension Liability	 <u>\$ 1,096,680,618</u>	 <u>\$ 626,199,050</u>	 <u>\$ 236,732,612</u>

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

The allocation amongst all Cities of the sensitivity in Net Pension Liability of the System at June 30, 2023, was as follows:

City	Proportionate Share (%)	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Ames	2.54%	\$ 27,812,171	\$ 15,880,608	\$ 6,003,615
Ankeny	3.11%	34,065,280	19,451,101	7,353,429
Bettendorf	1.99%	21,806,090	12,451,167	4,707,125
Boone	0.53%	5,812,561	3,318,943	1,254,716
Burlington	1.70%	18,692,439	10,673,287	4,035,003
Camanche	0.27%	2,980,646	1,701,934	643,411
Carroll	0.29%	3,232,356	1,845,659	697,746
Cedar Falls	1.84%	20,229,842	11,551,137	4,366,872
Cedar Rapids	9.06%	99,306,250	56,703,363	21,436,531
Centerville	0.20%	2,203,133	1,257,978	475,575
Charles City	0.30%	3,314,311	1,892,455	715,437
Clinton	1.84%	20,207,547	11,538,406	4,362,059
Clive	0.65%	7,089,514	4,048,076	1,530,363
Council Bluffs	5.77%	63,299,002	36,143,408	13,663,903
Creston	0.29%	3,226,062	1,842,065	696,387
Davenport	6.97%	76,427,234	43,639,561	16,497,801
Decorah	0.29%	3,176,875	1,813,980	685,769
Des Moines	18.99%	208,282,580	118,928,293	44,960,469
Dewitt	0.18%	1,928,842	1,101,359	416,365
Dubuque	4.58%	50,192,714	28,659,784	10,834,743
Estherville	0.19%	2,068,548	1,181,130	446,523
Evansdale	0.12%	1,283,533	732,891	277,067
Fairfield	0.23%	2,553,698	1,458,148	551,248
Fort Dodge	1.60%	17,546,868	10,019,172	3,787,717
Fort Madison	0.68%	7,483,957	4,273,301	1,615,508
Grinnell	0.37%	4,058,782	2,317,544	876,140
Indianola	0.53%	5,779,112	3,299,844	1,247,496
Iowa City	3.52%	38,641,662	22,064,192	8,341,300
Keokuk	0.72%	7,949,070	4,538,879	1,715,909
Knoxville	0.26%	2,860,658	1,633,421	617,510
Lemars	0.33%	3,653,482	2,086,120	788,651
Maquoketa	0.20%	2,173,467	1,241,039	469,171
Marion	1.96%	21,549,292	12,304,536	4,651,692
Marshalltown	1.36%	14,924,573	8,521,855	3,221,661
Mason City	1.87%	20,551,225	11,734,645	4,436,246
Muscatine	1.72%	18,890,631	10,786,454	4,077,786
Newton	1.01%	11,057,798	6,313,946	2,386,968
Oelwein	0.22%	2,385,675	1,362,208	514,979
Oskaloosa	0.41%	4,474,413	2,554,867	965,860
Ottumwa	1.37%	14,981,896	8,554,587	3,234,035
Pella	0.36%	3,982,332	2,273,892	859,638
Sioux City	5.91%	64,815,009	37,009,040	13,991,153
Spencer	0.48%	5,229,664	2,986,112	1,128,890

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

<u>City</u>	<u>Proportionate Share (%)</u>	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
Storm Lake	0.41%	4,497,191	2,567,873	970,777
Urbandale	2.60%	28,473,996	16,258,507	6,146,478
Waterloo	5.51%	60,450,056	34,516,674	13,048,922
Waverly	0.34%	3,722,584	2,125,576	803,568
Webster City	0.30%	3,261,726	1,862,429	704,085
West Des Moines	4.02%	44,094,271	25,177,604	9,518,315
Total	<u>100.00%</u>	<u>\$ 1,096,680,618</u>	<u>\$ 626,199,050</u>	<u>\$ 236,732,612</u>

Deferred Inflows and Outflows of Resources

As of June 30, 2023, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 47,842,493
Changes of assumptions	-	3,154,619
Net difference between projected and actual earnings	(237,524,708)	277,397,902
Contributions made subsequent to measurement date*	<u>TBD</u>	<u>TBD</u>
Total	<u>\$ (237,524,708)</u>	<u>\$ 328,395,014</u>

*Contributions made subsequent to the measurement date will not be known until after the end of the reporting period.

Other amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future years' pension expense as follows:

<u>Years Ending June 30.</u>	<u>Annual Recognition</u>
2024	\$ 4,783,630
2025	(23,958,111)
2026	92,293,237
2027	17,071,959
2028	679,591

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

The allocation amongst all Cities of amounts currently reported as Deferred (Inflows)/Outflows of the System to be recognized in Pension Expense was as follows:

City	Proportionate Share (%)	Year Ending June 30,				
		2024	2025	2026	2027	2028
Ames	2.54%	\$ 121,314	\$ (607,585)	\$ 2,340,586	\$ 432,950	\$ 17,235
Ankeny	3.11%	148,590	(744,191)	2,866,828	530,292	21,110
Bettendorf	1.99%	95,116	(476,376)	1,835,133	339,454	13,513
Boone	0.53%	25,354	(126,981)	489,167	90,484	3,602
Burlington	1.70%	81,535	(408,355)	1,573,098	290,984	11,583
Camanche	0.27%	13,001	(65,115)	250,842	46,400	1,847
Carroll	0.29%	14,099	(70,614)	272,025	50,318	2,003
Cedar Falls	1.84%	88,241	(441,942)	1,702,481	314,917	12,536
Cedar Rapids	9.06%	433,166	(2,169,447)	8,357,306	1,545,894	61,538
Centerville	0.20%	9,610	(48,130)	185,409	34,296	1,365
Charles City	0.30%	14,457	(72,405)	278,922	51,594	2,054
Clinton	1.84%	88,144	(441,455)	1,700,604	314,570	12,522
Clive	0.65%	30,924	(154,878)	596,631	110,362	4,393
Council Bluffs	5.77%	276,105	(1,382,832)	5,327,048	985,372	39,225
Creston	0.29%	14,072	(70,477)	271,495	50,220	1,999
Davenport	6.97%	333,369	(1,669,631)	6,431,879	1,189,738	47,360
Decorah	0.29%	13,857	(69,402)	267,356	49,454	1,969
Des Moines	18.99%	908,513	(4,550,143)	17,528,415	3,242,321	129,070
Dewitt	0.18%	8,413	(42,138)	162,325	30,026	1,195
Dubuque	4.58%	218,936	(1,096,511)	4,224,063	781,347	31,103
Estherville	0.19%	9,023	(45,190)	174,083	32,201	1,282
Evansdale	0.12%	5,599	(28,040)	108,018	19,981	795
Fairfield	0.23%	11,139	(55,788)	214,911	39,753	1,582
Fort Dodge	1.60%	76,538	(383,329)	1,476,690	273,151	10,873
Fort Madison	0.68%	32,644	(163,495)	629,827	116,502	4,638
Grinnell	0.37%	17,704	(88,668)	341,575	63,183	2,515
Indianola	0.53%	25,208	(126,251)	486,352	89,963	3,581
Iowa City	3.52%	168,552	(844,167)	3,251,962	601,532	23,945
Keokuk	0.72%	34,673	(173,656)	668,969	123,743	4,926
Knoxville	0.26%	12,478	(62,494)	240,744	44,532	1,773
Lemars	0.33%	15,936	(79,814)	307,466	56,874	2,264
Maquoketa	0.20%	9,480	(47,482)	182,912	33,834	1,347
Marion	1.96%	93,996	(470,766)	1,813,521	335,456	13,354
Marshalltown	1.36%	65,100	(326,043)	1,256,006	232,330	9,248
Mason City	1.87%	89,643	(448,963)	1,729,527	319,920	12,735
Muscatine	1.72%	82,399	(412,685)	1,589,777	294,069	11,706
Newton	1.01%	48,233	(241,569)	930,590	172,136	6,852
Oelwein	0.22%	10,406	(52,118)	200,771	37,138	1,478
Oskaloosa	0.41%	19,517	(97,748)	376,553	69,653	2,773
Ottumwa	1.37%	65,350	(327,295)	1,260,830	233,222	9,284
Pella	0.36%	17,371	(86,998)	335,141	61,993	2,468
Sioux City	5.91%	282,718	(1,415,950)	5,454,630	1,008,971	40,165

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

City	Proportionate Share (%)	Year Ending June 30,				
		2024	2025	2026	2027	2028
Spencer	0.48%	22,811	(114,247)	440,112	81,410	3,241
Storm Lake	0.41%	19,616	(98,246)	378,470	70,007	2,787
Urbandale	2.60%	124,201	(622,044)	2,396,283	443,253	17,645
Waterloo	5.51%	263,678	(1,320,593)	5,087,289	941,022	37,460
Waverly	0.34%	16,238	(81,324)	313,281	57,949	2,307
Webster City	0.30%	14,227	(71,256)	274,497	50,775	2,021
West Des Moines	4.02%	192,336	(963,284)	3,710,837	686,413	27,324
Total	100.00%	\$ 4,783,630	\$ (23,958,111)	\$ 92,293,237	\$ 17,071,959	\$ 679,591

Expected Remaining Service Lives

Gains and losses which are amortized over future years are referred to as deferred inflows or gains, and deferred outflows or losses. Investment gains and losses are recognized over a closed five year period. Economic and demographic gains and losses and changes in the total pension liability due to changes in assumptions are recognized over a closed period equal to the average expected remaining service lives of all covered active and inactive members, determined as of the beginning of the measurement period. The amortization period is calculated as the weighted average of expected remaining service lives assuming zero years for all inactive members.

The amortization period for the June 30, 2022 to June 30, 2023, measurement period was determined as follows:

As of June 30, 2022	Members	Expected Remaining Service Lives
Active Members	4155	11.086
Inactive Members	4806	0.000
Weighted Average rounded to the Nearest Tenth	N/A	5.100

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

Pension Expense	<u>June 30, 2023</u>
Service Cost	\$ 61,347,565
Interest on Total Pension Liability	270,511,939
Administrative Expenses	1,969,805
Other Changes in Fiduciary Net Position	(163,629)
Member Contributions	(34,165,042)
Expected Investment Return Net of Investment Expenses	(228,157,979)
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	17,042,564
Assumption Changes	2,344,691
Investment (Gains)/Losses	<u>(1,235,654)</u>
 Pension Expense	 <u><u>\$ 89,494,260</u></u>

Actuarial Assumptions

The total pension liability in the July 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00 Percent
Salary Increases	3.75 to 15.11 percent including inflation
Investment Rate of Return	7.50 percent, net of pension plan investment expense

The actuarial assumptions used in the July 1, 2023, valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2022. There were no significant changes of benefit terms.

Mortality rates as of July 1, 2023, were based on RP 2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set forward two years and disabled set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The investment policy and decisions are governed by the Board of Trustees. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2023

Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Broad Fixed Income	4.9%
Broad U.S. Equity	7.1%
Global Equity	7.2%
Broad Non-US Equity	7.4%
Managed Futures	5.2%
Core Real Estate	6.8%
Opportunistic Real Estate	11.1%
Global Infrastructure	6.9%
Private Credit	10.1%
Private Equity	12.1%

Discount rate – The discount rate used to measure the total pension liability was 7.50 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 City 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 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.