

ANNUAL COMPREHENSIVE FINANCIAL REPORT

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
STATE OF LOUISIANA

FOR THE FISCAL YEARS ENDED JUNE 30, 2021 AND 2020

*Prepared by the Accounting, Investment, and Public Information of
Municipal Police Employees' Retirement System*

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INTRODUCTORY SECTION



MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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Phone 800.443.4248 / 225.929.7411 **Fax** 225.929.6542 **Web** lampers.org

December 31, 2021

Dear Board Members:

We are pleased to present to you the first Annual Comprehensive Financial Report (Annual Report) for the Municipal Police Employees' Retirement System (MPERS or the System) for fiscal year ended June 30, 2021. Even with the volatility and concerns of the market due to the COVID-19 global pandemic, MPERS investment portfolio realized a gross-of-fees return on assets of 26.1%, the highest in the System's 48-year history.

This report contains a wealth of information regarding the activities of MPERS during the past fiscal year and we are very proud to present the first of this type of report in the System's history. We hope that you will find this report both helpful and informative as to your understanding of the System.

Management's Responsibility

This report consists of management's representation regarding the MPERS finances. Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making those representations, management has established an internal control framework that provides reasonable assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Our independent external auditors, Duplantier, Hrapmann, Hogan, & Maher, LLP have conducted an audit of our basic financial statements in accordance with auditing standards generally accepted in the United States of America, performing such tests and other procedures as they deem necessary to express an opinion in their report to the Board.

Financial Information

The basic financial statements have been prepared in accordance with generally accepted accounting principles applied on a consistent basis as promulgated by the Governmental Accounting Standards Board (GASB). The Management's Discussion and Analysis (MD&A) includes an introduction, overview, and analysis to accompany the basic financial statements. This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with the document. MPERS MD&A can be found immediately following the reports of the independent auditors in the Financial Section of this report.

Profile of MPERS

MPERS is a cost-sharing multiple-employer defined benefit pension plan, established by the state legislature in 1973. The System is a public trust fund created to provide retirement allowances and other benefits for municipal policemen in the state of Louisiana and their beneficiaries. All invested

funds, cash, and property are held in the name of MPERS for the sole benefit of the membership. A fifteen-member Board of Trustees (comprised of seven active members, two retired members, four ex-officio members, and two mayors appointed by the Louisiana Municipal Association) governs the System. The Board administers the System and selects the executive director, who selects key management personnel, including the chief financial officer.

The Board of Trustees annually approves an operating budget for administrative expenses that is prepared by staff to address member and employer needs while keeping costs reasonable. The Board must also approve any increases in the budget during the year.

Investments

For the fiscal year, MPERS investment portfolio realized a gross-of-fees, return on investment assets of 26.1%. The System earned 10.2% for the five-year period, 7.8% for the ten-year period, and 6.8% for the thirty-year period. The asset allocation is chosen by the Board of Trustees with the guidance of the Investment Consultant to produce an optimal mix of assets while minimizing risk. A more detailed exhibit of the investment performance can be found in the Investment Section of this report.

Funding

Annually, the MPERS actuary determines the funding requirements needed to meet current and future benefit obligations. Actuarial contributions are based on normal cost and amortization of the unfunded accrued liability and employers are required to pay the percentage of total payroll equal to the normal cost plus an amount sufficient to amortize the unfunded accrued liability as it pertains to MPERS. This year the MPERS actuary is recommending that the Public Retirement Systems' Actuarial Committee (PRSAC) approve an employer rate of 31.25% for the fiscal year ending June 30, 2023.

The actuarial value of liabilities exceeds the value of actuarial assets. At year-end, the ratio of the value of actuarial assets to actuarial accrued liabilities increased to 77.78%, with an unfunded liability decreasing from \$768,189,980 to \$733,479,440. The reduction in the unfunded liability was due to the collection of the annual amortization payment, adjustment for interest, and the net impact of the System's gains and losses during Fiscal 2021. The System's gains and losses included a significant gain on investments, but the impact of a reduction in the valuation interest rate caused a larger liability assumption loss. Beginning in fiscal year 2017, the Board lowered the long-term assumed rate of 7.5% over three actuarial valuations to 7.125%, and then in fiscal year 2020, lowered it again to 6.95%. Because of the significant returns in 2021, the Board was able to reach the target assumption of 6.75% as of June 30, 2021. Additional information regarding the financial condition of the System can be found in the Actuarial Section of this report.

Major Initiatives

Part of our mission is to provide exceptional customer service to our members and contributing employers as well as to improve the financial security of our members. Key accomplishments for the past year are summarized below:

System Governance

As part of its commitment to organizational sustainability, good governance, and strategic oversight, the MPERS Board contracted Global Governance Advisors Inc. ("GGA") to conduct an independent governance effectiveness assessment to help ensure that the Board is following governance best practices and proactively managing its ability to fulfill its mission and vision.

The Board is in the process of implementing the recommendations made by GGA. Thus far, the Board has established a formal committee structure, which includes investment, human resources and governance, policy, and legislative committees. The Board has also established board diversity, emergency succession, ethics and fiduciary, procurement, and whistleblower policies.

Legislation

While there were no legislative changes in fiscal year 2021, the System enacted legislative changes that did provide changes to the plan in fiscal year 2020. In addition to changes in the plan's valuation interest rate and changes in the plan's demographic and financial assumptions as a result of the 2020 plan experience study, the plan's 2020 legislation changed the future funding and contribution structure. The actuarial valuation was modified to account for legislation that requires members who achieve 100% accrual on or after July 1, 2021 to continue remitting employee contributions until terminating membership in the plan. The valuation was also modified to account for legislation that requires employers to continue to contribute on the salaries of DROP participants who begin DROP participation on or after July 1, 2021. These changes produce higher projected payroll (especially in fiscal 2022) along with changes in projected employee contributions. As a result, employer contribution rates should decrease as the System expects to collect a lower contribution rate on a larger overall covered payroll.

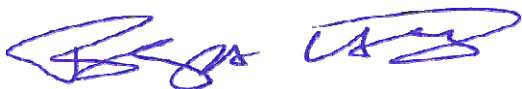
Technology Improvements

Over the past two years, MPERS implemented a new web-based pension administration system, replacing a decades-old mainframe system. MPERS partnered with Provaliant Retirement, LLC during this transition process and, after an RFP process, MPERS chose Tegrit Software Ventures, Inc. as our new pension administration system vendor. The new system is aptly named PATROLE, which stands for Pension Administration Technology for Retiring Our Law Enforcers. PATROLE went live in September 2020 and has transformed the efficiency and effectiveness of the membership and retirement process. The implementation with our 150 municipalities during the Covid-19 pandemic was difficult yet forced us to be creative in training our employers. After many virtual trainings and phone calls, the transition was relatively seamless and very appreciated by our employers. On the member side, the member portal launched early into fiscal year 2021 and has been very well received from both active and retired members. Being able to submit documents, view statements, change tax elections, run estimates, etc. has been a welcome update to our members. Frankly, it was long overdue.

Building Improvements

PATROLE has allowed us to go almost completely paperless, which allowed us to downsize the physical space of our offices. A portion of the MPERS building first floor had been unfinished since we moved in 2003. We completed the first floor incorporating offices for the System and moved at the end of fiscal year 2021. We will rent the second floor of the System's building in order to generate revenue.

Respectfully Submitted,



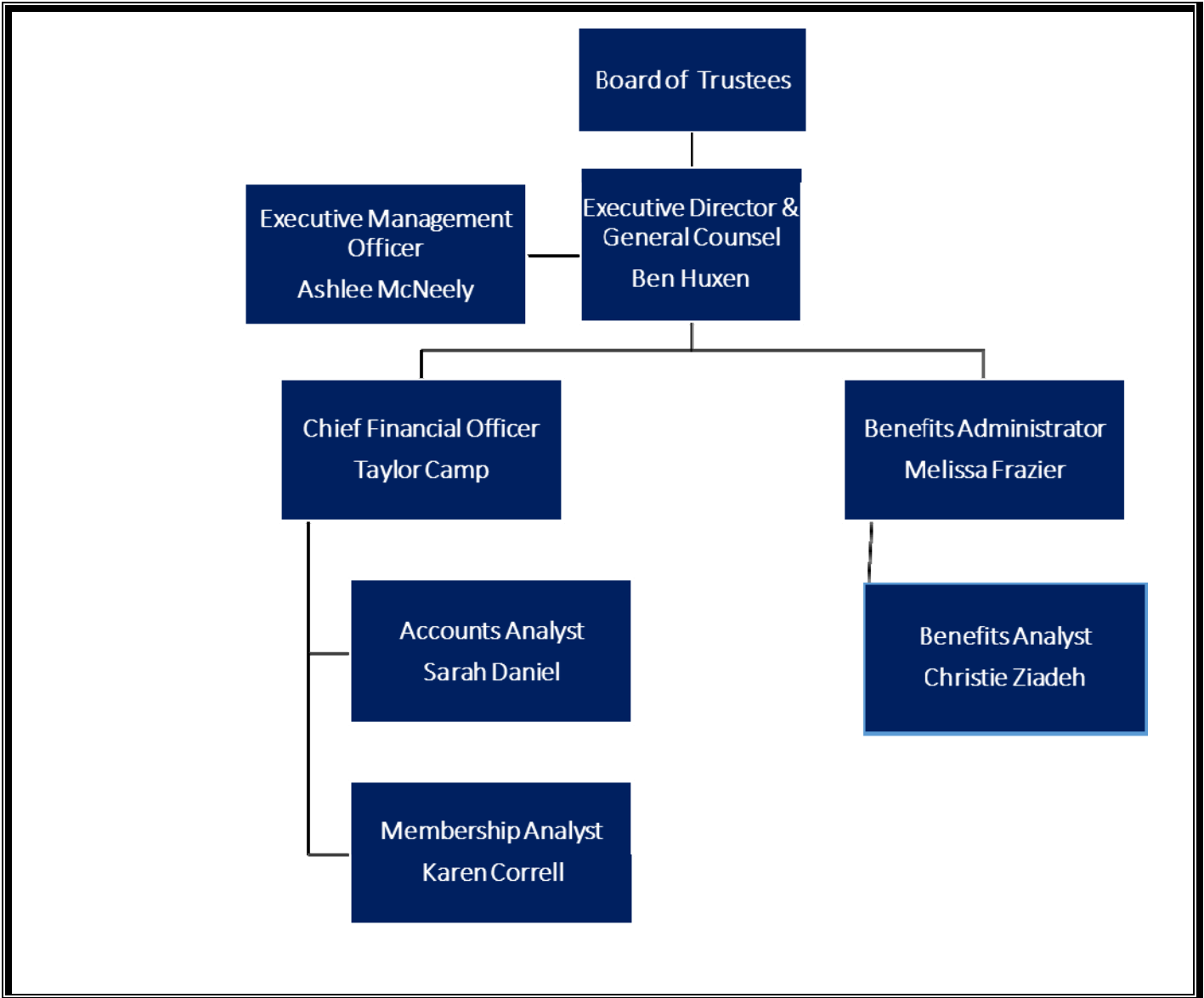
Ben Huxen, CPA
Executive Director & General Counsel



Taylor Camp, CPA
Chief Financial Officer

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
INTRODUCTORY SECTION
JUNE 30, 2021

ADMINISTRATIVE ORGANIZATION



MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
INTRODUCTORY SECTION
JUNE 30, 2021

BOARD OF TRUSTEES

| | |
|---|--|
| <u>CHAIRMAN</u> | <u>VICE-CHAIRMAN</u> |
| Chief G. Scott Ford Chief's District I St. Francisville Police Department Term: 07/01/2017 – 06/30/2022 | Larry Reech Retired District II Term: 07/01/2017-06/30/2022 |

| BOARD MEMBERS | |
|--|--|
| Lieutenant Tyrone Warren Non-Chief District I Bossier City Police Department Term: 01/01/2021-06/30/2026 | Chief Michael J. Glaser Chiefs District III Kenner Police Department Term: 01/01/2018-06/30/2023 |
| Assistant Chief Jason DiMarco Non-Chief District II Gretna Police Department Term: 01/01/2021-06/30/2025 | Kelly Gibson Retired District I Term: 04/1/2020-06/30/2022 |
| Major Raymond Burkart, Jr Non-chief District III New Orleans Police Department Term: 07/01/2019-06/30/2024 | Major Gerard Landry LMA Appointee – 01/01/2017 City of Denham Springs No term limit |
| Chief Chris Wilrye Chiefs District I Westlake Police Department Term: 01/19/2019-06/30/2023 | Major Greg Cromer LMA Appointee – 09/01/2020 City of Slidell No term limit |
| Chief Dwayne Munch Chiefs District II Westwego Police Department Term: 07/01/2017-06/30/2022 | |

| EX-OFFICIO MEMBERS | |
|--|--|
| Representative Tony Bacala Legislative Appointee | Senator Bob Hegers Legislative Appointee |
| Honorable John M. Schroder State Treasurer | Commissioner Jay Darden Division of Administration |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
INTRODUCTORY SECTION
JUNE 30, 2021

PROFESSIONAL CONSULTANTS

Actuary:

G.S. Curran & Company, Ltd

Auditor:

Duplantier, Hrapmann, Hogan and Maher, LLP

Custodian Bank and Securities Lending Vendor:ⁱ

BNY Mellon Asset Servicing

Other Consultants:

Abila
Allied Security Systems
CMA Technology
ConvergeOne
Provaliant Retirement, LLC
Tegrit Software Ventures, Inc.
Trabeau Consulting

Legal Consultants:

Daigle Fisse & Kessenich
DLA Piper
Weiler & Rees, LLC

Medical Examiners:

Alan Schroeder, M.D.
Brian C. Gremillion, M.D.
Jose Artecona, M.D.

Investment Consultant:ⁱ

NEPC, LLC

Investment Advisors:ⁱ

Acadian
Alliance Bernstein, L.P.
The BNY Mellon Company
CarVal Investors
Coller Capital
Entrust Global
GoldPoint Partners
HarbourVest Partners, LLC
Hotchkis & Wiley
Intech Investments
J.F. Lehman & Company
KBI Global Investors
Levine Leichtman Capital Partners LLC
Loomis, Sayles & Company
LSV Asset Management
Ninety One North America Inc.
Orleans Capital Management Corporation
Pacific Asset Management
Pinnacle Associates, LTD
Principal Global Advisors
Sculptor Overseas Fund II, LTD
Shepard Select Asset Fund LTD
Siguler Guff & Company
State Street Global Advisor
Summit Partners Credit Fund LP
Warburg Pincus LLC
William Blair

ⁱSchedule of Brokerage Commissions Paid and Investment Fees are located in the "Investment Section" of this report on page 89.

FINANCIAL SECTION



Duplantier Hrapmann Hogan & Maher, LLP

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(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

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December 14, 2021

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Municipal Police Employees' Retirement System (the System), as of and for the years ended June 30, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits 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 financial statements are free of material misstatement.

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Society of LA CPAs

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, 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 financial statements 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, 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 financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Municipal Police Employees' Retirement System as of June 30, 2021 and 2020, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As disclosed in Note 4 to the financial statements, the total pension liability for the Municipal Police Employees' Retirement System was \$3,350,028,394 and \$3,180,974,031 at June 30, 2021 and 2020, respectively. 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, 2021 and 2020 could be understated or overstated.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Municipal Police Employees' Retirement System's basic financial statements. The other supplementary information as listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section, investment section, actuarial section, and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 14, 2021 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 and regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Duplantier, Sharpner, Hogan and Oakes, LLP
New Orleans, Louisiana

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

The Management's Discussion and Analysis of the Municipal Police Employees' Retirement System's ("MPERS") ("the System") financial performance presents a narrative overview and analysis of the Municipal Police Employees' Retirement System's financial activities for the year ended June 30, 2021. Please read this document in conjunction with the financial statements, which begin on page 15.

FINANCIAL HIGHLIGHTS

- * The Municipal Police Employees' Retirement System ended the 2021 fiscal year with \$2.8 billion in net position restricted for pension benefits. This is an increase of \$560.2 million or 24.8% from the 2020 fiscal year, primarily due to income returns on the System's investments.
- * Contributions to the System by members and employers totaled \$132.8 million, an increase of \$1.9 million or 1.5% over the prior year, primarily due to an increase in the employer contribution rate.
- * Funds apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premiums tax totaled \$22.3 million, an increase of \$550 thousand or 2.5% over the prior year.
- * The System experienced net investment income in the amount of \$584.8 million during the 2021 fiscal year. This is a 1,014.0% increase from net investment income of \$52.5 million during the 2020 fiscal year. The increase was due primarily to higher market returns due to the current economic climate as it recovered from the COVID-19 pandemic.
- * Pension benefits paid to retirees and beneficiaries increased by \$6.2 million or 4.1%. This increase was due to larger benefits paid to new retirees.
- * DROP and IBO withdrawals decreased by \$492 thousand or 3.6%.
- * Administrative expenses totaled \$2.0 million, an increase of 12.1%, primarily due to the cost of implementing a new pension reporting system. The cost of administering the System for all plan participants during 2021 was \$154.84 per individual compared to \$139.56 per individual in 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

The System's basic financial statements were prepared in conformity with GASB Statement No. 67, *Reporting for Pension Plans*, and include the following: (1) statements of fiduciary net position, (2) statements of changes in fiduciary net position, and (3) notes to the financial statements.

The *Statement of Fiduciary Net Position* reports the System's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and the resultant net position restricted for pension benefits. It discloses the financial position of the System as of June 30, 2021 and 2020.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

The *Statement of Changes in Fiduciary Net Position* reports the results of the System's operations during the year, disclosing the additions to and deductions from the fiduciary net position. It supports the change that has occurred to the prior year's net position on the statement of fiduciary net position.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the financial statements. The notes begin on page 17.

The *Required Supplementary Information* consists of eight schedules and related notes. The eight schedules report changes in net pension liability, employers' net pension liability, contributions - employer and non-employer contributing entity, and investment returns. It also includes the schedules of changes in the total OPEB liability, the System's OPEB contributions, the System's proportionate share of the net pension liability in LASERS, and the System's contributions to LASERS.

The *Other Supplementary Information* section includes, per diem paid to trustees, administrative expenses, professional fees, investment expenses and schedule of compensation, benefits, and other payments to agency head.

FINANCIAL ANALYSIS

The System's financial position is measured in several ways. One way is to determine the fiduciary net position (difference between total assets and total liabilities) available to pay benefits. Over time, increases and decreases in the System's fiduciary net position indicates whether its financial health is improving or deteriorating. The following table represents a condensed version of the System's Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position.

Statements of Fiduciary Net Position
June 30, 2021, 2020, and 2019

| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
|--|-------------------------|-------------------------|-------------------------|
| Cash | \$ 19,528,588 | \$ 26,710,670 | \$ 21,703,370 |
| Receivables | 16,234,693 | 15,494,113 | 19,091,169 |
| Investments at fair value | 2,752,476,037 | 2,187,830,263 | 2,185,239,961 |
| Investments at contract value | 29,307,321 | 28,342,803 | - |
| Securities Lending Collateral Held | 8,745,814 | 4,187,009 | 7,307,257 |
| Prepaid expenses | 852 | 10,652 | 520 |
| Capital Assets | 4,880,784 | 3,500,420 | 2,697,192 |
| Total Assets | <u>2,831,174,089</u> | <u>2,266,075,930</u> | <u>2,236,039,469</u> |
| Deferred outflows of resources | <u>622,542</u> | <u>426,016</u> | <u>447,425</u> |
| Accounts Payable & Other Liabilities | 5,723,488 | 5,255,058 | 5,017,056 |
| Securities Lending Obligations | 8,745,814 | 4,187,009 | 7,307,257 |
| Total Liabilities | <u>14,469,302</u> | <u>9,442,067</u> | <u>12,324,313</u> |
| Deferred inflows of resources | <u>353,602</u> | <u>318,902</u> | <u>187,409</u> |
| Net Position Restricted for Pension Benefits | <u>\$ 2,816,973,727</u> | <u>\$ 2,256,740,977</u> | <u>\$ 2,223,975,172</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS (Continued)

Net position is restricted to provide monthly retirement allowances to members who contributed to the System as employees and their beneficiaries. For the fiscal year ended June 30, 2021, the fiduciary net position was \$2.8 billion. This reflected an increase of \$560 million from the previous fiscal year. The increase can mainly be attributed to an increase in the investments of \$564 million. The System has experienced a steady increase in fiduciary net position over the past few years mainly due to the increase in the value of the investments. The System is committed to diversify its portfolio to achieve steady returns.

Statements of Changes in Fiduciary Net Position
For the Years Ended June 30, 2021, 2020 and 2019

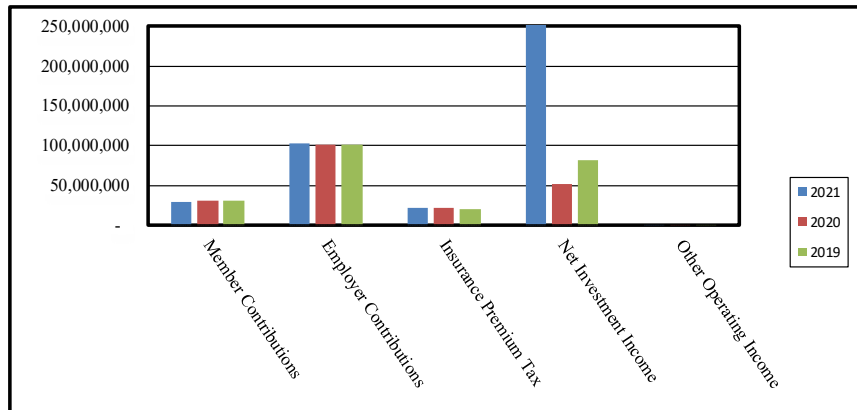
| | <u>2021</u> | <u>2020</u> | (Restated) <u>2019</u> |
|---|------------------|------------------|---------------------------|
| Additions: | | | |
| Employer Contributions | \$ 103,209,408 | \$ 100,615,513 | \$ 100,818,492 |
| Employee Contributions | 29,597,518 | 30,264,864 | 30,429,790 |
| Insurance Premium Taxes | 22,347,331 | 21,797,215 | 20,587,174 |
| Net Investment Income | 584,755,070 | 52,492,225 | 81,329,838 |
| Other Income | 98,551 | 90,553 | 119,468 |
| Total Additions | 740,007,878 | 205,260,370 | 233,284,762 |
| Deductions: | | | |
| Benefits | 170,688,991 | 164,986,083 | 159,186,593 |
| Refunds of Contributions | 4,511,520 | 3,885,219 | 4,195,787 |
| Net Transfers to/from Other Systems | 2,104,016 | 1,431,008 | 5,496,668 |
| Administrative Expenses | 1,995,085 | 1,780,198 | 1,712,243 |
| Pension Expense | 255,901 | 259,175 | 199,497 |
| Other Postemployment Benefits | 52,344 | 85,317 | 53,111 |
| Depreciation Expense | 167,271 | 71,565 | 70,613 |
| Total Deductions | 179,775,128 | 172,498,565 | 170,914,512 |
| Net Increase in Net Position | 560,232,750 | 32,761,805 | 62,370,250 |
| Net Position - Restricted for Benefits: | | | |
| Beginning of year as originally stated | 2,256,740,977 | 2,223,979,172 | 2,161,775,206 |
| Prior period adjustment | - | - | (166,284) |
| End of year as restated | \$ 2,816,973,727 | \$ 2,256,740,977 | \$ 2,223,979,172 |

**MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021**

FINANCIAL ANALYSIS (Continued)

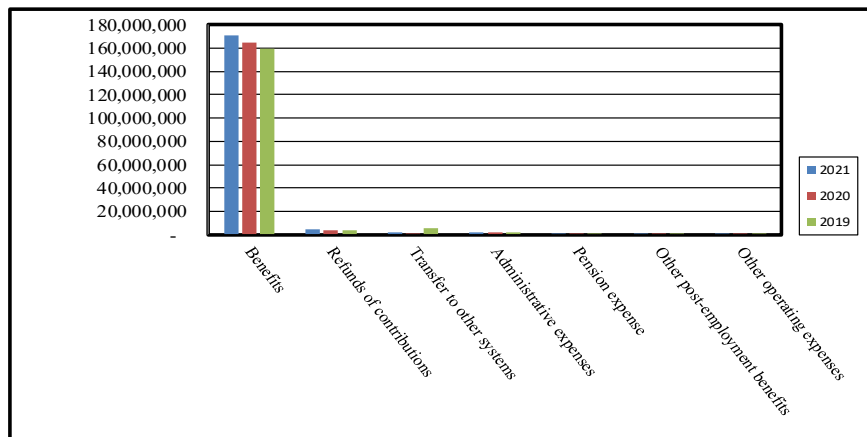
Additions to the System's Fiduciary Net Position (Continued)

Additions to the System's fiduciary net position are derived from member contributions, employer contributions, and investment income. Member contributions decreased by \$667 thousand or 2.2%, and employer contributions increased by \$2.6 million or 2.6%. The System experienced net investment income of \$584.8 million as compared to a net investment income of \$52.5 million in the previous year. This is a 1,014.0% increase in investment income. Funds apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premiums tax increased by \$550 thousand, or 2.5%.



Deductions from the System's Fiduciary Net Position

Deductions from the System's fiduciary net position include retirement, death and survivor benefits, refund of contributions, and administrative expenses. Deductions from fiduciary net position totaled \$179.8 million in fiscal year 2021. This is an increase of \$7.3 million or 4.2%.



MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

FINANCIAL ANALYSIS (Continued)

Capital Assets

The System's investment in capital assets as of June 30, 2021 was approximately \$4.9 million, net of depreciation, as reflected in the schedule below:

| Capital Assets | | | |
|--|---------------------|---------------------|---------------------|
| <u>June 30, 2021, 2020, and 2019</u> | | | |
| (Net of depreciation) | | | |
| | <u>2021</u> | <u>2020</u> | <u>2019</u> |
| Land | \$ 614,919 | \$ 614,919 | \$ 614,919 |
| Office building | 1,111,224 | 1,165,625 | 1,220,026 |
| Improvements | 11,453 | 13,877 | 16,636 |
| Furniture | 746 | 8,220 | 8,228 |
| Office equipment | 4,597 | 23,093 | 26,461 |
| Computer equipment and software | 2,697,612 | 14,542 | 7,468 |
| Software in progress | - | 1,660,144 | 803,454 |
| Construction in progress - office buildout | 440,233 | - | - |
| Total | <u>\$ 4,880,784</u> | <u>\$ 3,500,420</u> | <u>\$ 2,697,192</u> |

The System implemented a new pension reporting system which was placed in service during the year ended June 30, 2021. No other major capital assets were purchased over the past three years. For additional information on capital asset activity, see Note 13 in the Notes to the Financial Statements section.

Investments

MPERS is responsible for the prudent management of funds restricted for the exclusive benefits of their members. Funds are invested to achieve maximum returns without exposing retirement assets to unacceptable risks. Total fair value of investments at June 30, 2021 was \$2.8 billion as compared to \$2.2 billion at June 30, 2020, which is an increase of \$564.6 million or 25.8%.

REQUESTS FOR INFORMATION

Questions concerning any of the information provided or requests for additional financial information should be addressed to Municipal Police Employees' Retirement System, 7722 Office Park Boulevard, Suite 200, Baton Rouge, Louisiana 70809, (225) 929-7411.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| ASSETS: | | |
| Cash: | | |
| Operating cash | \$ 19,528,588 | \$ 26,710,670 |
| Total cash | 19,528,588 | 26,710,670 |
| Receivables: | | |
| Member contributions | 2,288,389 | 2,354,903 |
| Employer contributions | 7,924,037 | 7,753,256 |
| Investment receivable | 1,571,029 | 385,197 |
| Accrued interest and dividends | 4,451,238 | 5,000,757 |
| Total receivables | 16,234,693 | 15,494,113 |
| Capital assets, net | 4,880,784 | 3,500,420 |
| Investments, at fair value: | | |
| Cash and cash equivalents | 30,948,167 | 20,185,546 |
| Equities | 1,576,695,732 | 1,123,924,346 |
| Fixed income | 794,028,996 | 706,351,455 |
| Real estate | 177,718,487 | 174,676,936 |
| Alternative investments | 173,084,655 | 162,691,980 |
| Total investments, at fair value | 2,752,476,037 | 2,187,830,263 |
| Investments, at contract value: | | |
| Synthetic guaranteed investment contracts | 29,307,321 | 28,342,803 |
| Total investments, at contract value | 29,307,321 | 28,342,803 |
| Total investments | 2,781,783,358 | 2,216,173,066 |
| Other assets: | | |
| Collateral held under securities lending program | 8,745,814 | 4,187,009 |
| Prepaid expenses | 852 | 10,652 |
| Total other assets | 8,746,666 | 4,197,661 |
| TOTAL ASSETS | 2,831,174,089 | 2,266,075,930 |
| Deferred outflows of resources | 622,542 | 426,016 |
| LIABILITIES: | | |
| Accounts payable | 1,005,506 | 952,041 |
| Benefits payable | 66,851 | 66,851 |
| Refunds payable | 338,706 | 262,347 |
| Obligations under securities lending program | 8,745,814 | 4,187,009 |
| Other postemployment benefits obligation | 1,849,074 | 1,904,608 |
| Net pension liability | 971,638 | 606,109 |
| Investment payable | 1,491,713 | 1,463,102 |
| TOTAL LIABILITIES | 14,469,302 | 9,442,067 |
| Deferred inflows of resources | 353,602 | 318,902 |
| NET POSITION - RESTRICTED FOR PENSION BENEFITS | \$ 2,816,973,727 | \$ 2,256,740,977 |

The accompanying notes are an integral part of these financial statements.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---|-------------------------|-------------------------|
| ADDITIONS: | | |
| CONTRIBUTIONS: | | |
| Member contributions | \$ 29,597,518 | \$ 30,264,864 |
| Employer contributions | 103,209,408 | 100,615,513 |
| Insurance premium tax | 22,347,331 | 21,797,215 |
| Total contributions | <u>155,154,257</u> | <u>152,677,592</u> |
| INVESTMENT INCOME: | | |
| Net appreciation in fair value of investments | 562,015,474 | 32,690,027 |
| Interest, dividend, and other investment income | 29,108,636 | 27,971,022 |
| Securities lending income | 111,365 | 137,078 |
| Total investment income | <u>591,235,475</u> | <u>60,798,127</u> |
| Less investment expenses: | | |
| Investment consultant fees | 276,667 | 367,417 |
| Investment manager fees | 5,901,934 | 7,646,091 |
| Custodian fees | 301,804 | 292,394 |
| Total investment expenses | <u>6,480,405</u> | <u>8,305,902</u> |
| Net investment income | <u>584,755,070</u> | <u>52,492,225</u> |
| OTHER ADDITIONS: | | |
| Rental income | 1,564 | - |
| Military purchase | 96,987 | 90,553 |
| Total other additions | <u>98,551</u> | <u>90,553</u> |
| Total additions | <u>740,007,878</u> | <u>205,260,370</u> |
| DEDUCTIONS: | | |
| Retirement benefits | 157,448,046 | 151,252,790 |
| DROP/IBO withdrawals | 13,240,945 | 13,733,293 |
| Refund of contributions | 4,511,520 | 3,885,219 |
| Net transfers to/from other systems | 2,104,016 | 1,431,008 |
| Administrative expenses | 1,995,085 | 1,780,198 |
| Pension expense | 255,901 | 259,175 |
| Other postemployment benefit expense | 52,344 | 85,317 |
| Depreciation | 167,271 | 71,565 |
| Total deductions | <u>179,775,128</u> | <u>172,498,565</u> |
| NET INCREASE | 560,232,750 | 32,761,805 |
| NET POSITION - RESTRICTED FOR PENSION BENEFITS: | | |
| BEGINNING OF YEAR | <u>2,256,740,977</u> | <u>2,223,979,172</u> |
| END OF YEAR | <u>\$ 2,816,973,727</u> | <u>\$ 2,256,740,977</u> |

The accompanying notes are an integral part of these financial statements.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

The Municipal Police Employees' Retirement System (the System) was established as of July 1, 1973, by Act 189 of 1973. The System is a cost sharing multiple-employer defined benefit statewide retirement system, created for full-time municipal police officers in Louisiana. The System is administered by a Board of Trustees that consists of 15 trustees as follows:

1. Three members who shall not be chiefs of police but shall be active contributing members of the System with 10 or more years of creditable service.
2. Four members who shall be active contributing chiefs of police with four or more years of creditable service.
3. Two regular retirees of the System, who consist of:
 - a. One retired from Chief's District I.
 - b. One retired from Chief's District II.
4. Four ex officio trustees:
 - a. Chairman of the Senate Committee on Retirement or his designee.
 - b. The Commissioner of Administration or his designee.
 - c. The State Treasurer or his designee.
 - d. A member of the House Committee on Retirement appointed by the speaker of the House of Representatives or the member's designee.
5. Two mayors appointed by the Louisiana Municipal Association from municipalities having police departments participating in the System, to serve at the pleasure of the Louisiana Municipal Association.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The financial statements are prepared in accordance with the standards established by the Governmental Accounting Standards Board (GASB).

In addition, these financial statements include the provisions of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments and Related Standards*. This standard provides for inclusion of a management discussion and analysis as supplementary information and other changes.

The System's financial statements are prepared using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Interest income is recognized when earned. Dividends are recognized when declared. Insurance premiums are recognized in the year appropriated by the legislature.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

Expenditures are recognized in the period incurred.

Investments:

Investments are reported at fair value as required by GASB Statement No. 72 – Fair Value Measurement and Application. Fair value is described as an exit price. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value, which has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices, included within Level 1 that are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). These disclosures are noted in Note 5.

Synthetic Guaranteed Investment Contracts are carried at contract value as required by GASB 53, *Accounting and Financial Reporting of Derivative Instruments*.

Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. All derivative financial instruments are reported at fair value in the statements of fiduciary net position with valuation changes recognized in income. Realized and unrealized gains and losses are reported in the statements of changes in fiduciary net position as net appreciation (depreciation) in fair value of investments during the period the instruments are held and when instruments are sold or expire. The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private equity and real estate) has been recorded based on the investment's capital account balance, which is reported at fair value as of June 30, 2021 and 2020. Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term. Investments that do not have an established market are reported at estimated fair value.

Capital Assets:

The System's capital assets consist of land, building, building improvement, equipment, furniture and a pension administration system. The capital assets are recorded at historical cost and depreciated using the straight-line method over the asset's estimated useful life.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Deferred Outflows and Inflows of Resources:

In addition to assets, the statements of fiduciary net position report a separate section for deferred outflows of resources that represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense) until then. The System has two items that qualifies for reporting in this category - amounts related to other postemployment benefits and amounts related to pensions.

In addition to liabilities, the Statements of Fiduciary Net Position reports a separate section for deferred inflows of resources that represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The System has two items that qualify for reporting is this category - amounts related to other postemployment benefits and amounts related to pensions.

2. PLAN DESCRIPTION:

The Municipal Police Employees' Retirement System is the administrator of a cost-sharing, multiple-employer plan.

The Municipal Police Employees' Retirement System provides retirement benefits for municipal police officers. For the years ended June 30, 2021 and 2020, there were 144 and 141 contributing municipalities, respectively. At June 30, 2021 and 2020, statewide retirement membership consisted of:

| | <u>2021</u> | <u>2020</u> |
|--|---------------|---------------|
| Inactive plan members or beneficiaries receiving benefits | 4,938 | 5,856 |
| Inactive plan members entitled to but not yet receiving benefits | 2,276 | 2,063 |
| Active plan members | <u>5,671</u> | <u>4,837</u> |
| Total Participants as of Valuation Date | <u>12,885</u> | <u>12,756</u> |

Generally, any person who becomes an employee as defined in R.S. 11:2213(11) on or after September 9, 1977, shall become a member as a condition of employment. Employees of municipalities described in R.S. 11:157(A)(1) have the ability to opt out, but must be enrolled until they officially opt out.

Benefit provisions are authorized within Act 189 of 1973 and amended by Louisiana Revised Statute 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. PLAN DESCRIPTION: (Continued)

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 $3\frac{1}{3}\%$ 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.

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 40 to 60% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives benefits equal to 10% of the member's average final compensation or \$200 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 3% (generally) and $2\frac{1}{2}\%$, 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 statutes, the benefits range from 25 to 55% of the member's average final compensation for the surviving spouse. In addition, each child under age 18 receives 10% of average final compensation or \$200 per month whichever is greater. If deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. PLAN DESCRIPTION: (Continued)

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

Under Act 170 of the 2013 Regular Session of the Legislature, the Board of Trustees may not take action to authorize a COLA during any calendar year prior to the end of the legislative session for that year, during the first six months of any year, or in any calendar year in which the legislature has granted a COLA unless the legislation granting such COLA specifically allows the Board to also take COLA action.

The Board may grant a COLA if the System has a funded ratio, which is equal to the ratio of the actuarial value of System assets to the actuarial accrued liability calculated under the entry age normal funding method, of 90% or more and has not granted a benefit increase in the most recent year; a funded ratio of 80% or more and has not granted a benefit increase in the two most recent years; or a funded ratio of 70% or more and has not granted a benefit increase in the three most recent years. The System's actuary and the actuary for the Louisiana Legislative auditor must also both certify that the System's Funded Ratio was sufficient to grant the COLA. If the actuary for the Louisiana Legislative Auditor does not certify, then the board may appeal to PRSAC.

A COLA may only be granted if funds are available from interest earnings in excess of normal requirements, as determined by the actuary.

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 member's plan participation. 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 36 months or less. If employment is terminated after the DROP 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

2. PLAN DESCRIPTION: (Continued)

Deferred Retirement Option Plan: (Continued)

For those eligible to enter DROP subsequent to January 1, 2004 but before July 1, 2019, an irrevocable election is made to earn interest based on the System's investment portfolio return or a money market investment return. If the member elects to earn interest based on the System's investment portfolio this could result in negative earnings being applied to the member's account. If the member elects a money market investment account the funds are transferred to a government money market account. Pursuant to Act 78 of the 2019 Regular Session of the Louisiana Legislature, DROP members can self-direct their DROP funds. For those members who elected to self-direct their DROP funds the System transferred lump sum distributions to the stable value fund of Empower Retirement. Empower Retirement acts as an agent of the System to allow participants to self-direct the investing of their lump sum balances. Participants can irrevocably elect to participate in the self-directed portion of the program. If they do so, they can invest in Vanguard Lifestrategy Funds through Empower Retirement.

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.

Statutes should be read for more detail on eligibility and benefit provisions.

3. CONTRIBUTIONS AND RESERVES:

Contributions:

Contributions for all members are established by state statute and are deducted from members' salary and remitted by the participating municipality. Contributions for all employers are actuarially determined as required by state law but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay.

Employee contribution rates are 7.5% for members whose earnable compensation is less than or equal to the poverty guidelines. For employees whose compensation is greater than the poverty guidelines, contributions will be determined each fiscal year based on a sliding scale depending upon the total actuarially required contribution for both employee and employers.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. CONTRIBUTIONS AND RESERVES: (Continued)

Contributions: (Continued)

For the years ended June 30, 2021 and 2020, total employee and employer contribution rates are:

| | June 30, 2021 Contributions | | | June 30, 2020 Contributions | | |
|---|--------------------------------|-----------------|--------------|--------------------------------|-----------------|--------------|
| | <u>Employee</u> | <u>Employer</u> | <u>Total</u> | <u>Employee</u> | <u>Employer</u> | <u>Total</u> |
| Members hired prior to 1/1/2013 | 10.00% | 33.75% | 43.75% | 10.00% | 32.50% | 42.50% |
| Hazardous Duty Members hired after 1/1/2013 | 10.00% | 33.75% | 43.75% | 10.00% | 32.50% | 42.50% |
| Non Hazardous Duty Members hired after 1/1/2013 | 8.00% | 33.75% | 41.75% | 8.00% | 32.50% | 40.50% |
| Members whose earnable compensation is less than the poverty guidelines | 7.50% | 36.25% | 43.75% | 7.50% | 35.00% | 42.50% |

The System also receives insurance premium tax monies, which is considered support from a non-contributing entity. This tax is allocated by the state treasurer each year based on an actuarial study. For the years ended June 30, 2021 and 2020, the state appropriated \$22.3 million and \$21.8 million, respectively, in insurance premium tax.

Administrative costs of the retirement system are financed through employer contributions.

Reserves:

Use of the term "reserve" by the retirement system indicates that a portion of the fund balances is legally restricted for a specific future use. The nature and purpose of these reserves are outlined in the Louisiana Revised Statutes and explained below:

A) Annuity Savings:

The Annuity Savings is credited with contributions made by members of the System. When a member terminates his service, or upon his death, before qualifying for a benefit, the refund of his contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve. When a member retires, the amount of accumulated contributions is transferred to Annuity Reserve to provide part of the benefits. The balance in Annuity Savings as of June 30, 2021 and 2020 is \$268,536,382 and \$267,529,244, respectively.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

B) Pension Accumulation:

The Pension Accumulation consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The balance in Pension Accumulation as of June 30, 2021 and 2020 is \$670,808,303 and \$231,168,061, respectively.

C) Annuity Reserve:

The Annuity Reserve consists of the reserves for all pensions, excluding cost-of-living increases, granted to members and is the reserve account from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The balance in Annuity Reserve as of June 30, 2021 and 2020 is \$1,746,533,379 and \$1,637,687,382, respectively.

D) Deferred Retirement Option Plan Account:

The Deferred Retirement Option Plan Account consists of the reserves for all members who upon retirement eligibility elect to deposit into this account an amount equal to the member's monthly benefit if he had retired. A member can only participate in the program for up to 36 months, and upon termination may receive his benefits in a lump sum payment or by a true annuity. The balance in Deferred Retirement Option Plan Account as of June 30, 2021 and 2020 is \$128,549,483 and \$119,209,593, respectively.

E) Initial Benefit Option Reserve:

The Initial Benefit Option Reserve consists of the reserves for all participants who elect to take a lump sum benefit payment up front and subsequently receive a reduced monthly benefit. The maximum amount a member may receive up front is 36 months times the maximum benefit. The balance in Initial Benefit Option Reserve as of June 30, 2021 and 2020 is \$2,546,180 and \$1,146,697, respectively.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. NET PENSION LIABILITY OF EMPLOYERS:

The components of the net pension liability of the System's employers determined in accordance with GASB No. 67 as of June 30, 2021 and 2020 is as follows:

| | <u>2021</u> | <u>2020</u> |
|--|-----------------------|-----------------------|
| Total Pension Liability | \$ 3,350,028,394 | \$ 3,180,974,031 |
| Plan Fiduciary Net Position | <u>2,816,973,727</u> | <u>2,256,740,977</u> |
| Employers' Net Pension Liability | <u>\$ 533,054,667</u> | <u>\$ 924,233,054</u> |
| Plan Fiduciary Net Position as a % of the Total Pension Liability | 84.09% | 70.94% |

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future.

The assumptions used in the June 30, 2021 valuation are based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019, unless otherwise noted.

The required Schedules of Employers' Net Pension Liability located in required supplementary information following the *Notes to the Financial Statements* presents multi-year trend information regarding whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The total pension liability as of June 30, 2021 and 2020 is based on actuarial valuations for the same period, updated using generally accepted actuarial procedures.

Information on the actuarial valuations and assumptions is as follows:

| | |
|-----------------------------------|---|
| Valuation date | June 30, 2021 and 2020. |
| Actuarial cost method | Entry Age Normal Cost. |
| Investment rate of return | 6.750% and 6.950% (Net of investment expense) as of June 30, 2021 and 2020, respectively. |
| Estimated remaining service lives | 4 years |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

Inflation rate 2.50%

Mortality Mortality assumptions were based on an experience study for the period July 1, 2014 - June 30, 2019. The Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees, and Retirees was used multiplied by 115% for males and 125% for females each with full generational projection using the MP2019 scale. For disabled retirees the Public Retirement Plans Mortality for Safety below-Medium table was used multiplied by 105% for males and 115% for females each with full generational projection using the MP2019 scale.

| | | |
|---|-------------------------|---------------------------|
| Salary increases, including inflation and merit | <u>Years of Service</u> | <u>Salary Growth Rate</u> |
| | 1-2 | 12.30% |
| | Above 2 | 4.70% |

The forecasted long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and an adjustment for the effect of rebalancing/diversification. The resulting forecasted long-term rate of return is 7.30% and 7.19% for the years ended June 30, 2021 and 2020, respectively.

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2021 and 2020 are summarized in the following table:

| | June 30, 2021 | | June 30, 2020 | |
|---------------------|----------------------|---|----------------------|---|
| | Target Allocation | Long-Term Expected Portfolio Real Rate of Return | Target Allocation | Long-Term Expected Portfolio Real Rate of Return |
| <u>Asset Class</u> | | | | |
| Equity | 55.50% | 3.47% | 48.50% | 3.08% |
| Fixed Income | 30.50% | 0.59% | 33.50% | 0.54% |
| Alternative | 14.0% | 1.01% | 18.0% | 1.02% |
| Totals | 100.00% | 5.08% | 100.00% | 4.64% |
| Inflation | | 2.22% | | 2.55% |
| Expected Arithmetic | | <u>7.30%</u> | | <u>7.19%</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

The discount rate used to measure the total pension liability was 6.75% and 6.95% for the years ending June 30, 2021 and 2020, respectively. 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.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for the years ended June 30, 2021 and 2020, respectively.

| | Changes in Discount Rate | | |
|------------------------------|--------------------------|--------------------------|----------------|
| | 1% Decrease | Current Discount Rate | 1% Increase |
| Net Pension Liability - 2021 | \$ 929,030,067 | \$ 533,054,667 | \$ 202,548,855 |
| Net Pension Liability - 2020 | \$ 1,298,448,908 | \$ 924,233,054 | \$ 611,404,078 |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. FAIR VALUE DISCLOSURES:

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The System has the following recurring fair value measurements as of June 30, 2021 and 2020, respectively:

| | <u>6/30/2021</u> | <u>Fair Value Measurements Using</u> | | |
|---------------------------------------|-------------------------|--|--|--|
| | | <u>Quoted Prices in Active Markets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> | <u>Significant Unobservable Inputs (Level 3)</u> |
| Investments by Fair Value Level: | | | | |
| Cash Equivalents | \$ 30,948,167 | \$ - | \$ - | \$ 30,948,167 |
| Fixed Income Investments: | | | | |
| U.S. Treasury & Gov't Obligations | \$ 3,913,542 | \$ 3,913,542 | \$ - | \$ - |
| Corporate Bonds | 72,106,950 | - | 68,348,302 | 3,758,648 |
| Other | 12,681,075 | - | 12,681,075 | - |
| International Bonds | 8,572,037 | - | 8,572,037 | - |
| Total Fixed Income | <u>\$ 97,273,604</u> | <u>\$ 3,913,542</u> | <u>\$ 89,601,414</u> | <u>\$ 3,758,648</u> |
| Equity Securities: | | | | |
| Large Cap | \$ 552,329,586 | \$ 552,329,586 | \$ - | \$ - |
| Mid Cap | 344,063 | 344,063 | - | - |
| Small Cap | 113,364,330 | 113,364,330 | - | - |
| International Equities | 298,696,650 | 298,696,650 | - | - |
| Emerging Markets Equities | 72,566,123 | 72,566,123 | - | - |
| Total Equity Securities | <u>\$ 1,037,300,752</u> | <u>\$1,037,300,752</u> | <u>\$ -</u> | <u>\$ -</u> |
| Real Estate Investments | <u>\$ 773,438</u> | <u>\$ -</u> | <u>\$ 773,438</u> | <u>\$ -</u> |
| Total Investments at Fair Value Level | <u>\$ 1,166,295,961</u> | <u>\$1,041,214,294</u> | <u>\$ 90,374,852</u> | <u>\$ 34,706,815</u> |
| Investments measured at NAV: | | | | |
| Equities | \$ 539,394,980 | | | |
| Fixed Income | 696,755,392 | | | |
| Real Estate | 176,945,049 | | | |
| Alternative Investments | 173,084,655 | | | |
| Total Investments at NAV | <u>\$ 1,586,180,076</u> | | | |
| Total Investments at Fair Value | <u>\$ 2,752,476,037</u> | | | |
| Investment Derivatives: | | | | |
| Forward currency contract receivables | \$ 1,426,709 | \$ - | \$ 1,426,709 | \$ - |
| Forward currency contract payables | (1,427,490) | - | (1,427,490) | - |
| Total Investment Derivatives | <u>\$ (781)</u> | <u>\$ -</u> | <u>\$ (781)</u> | <u>\$ -</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. FAIR VALUE DISCLOSURES: (Continued)

| | 6/30/2020 | Fair Value Measurements Using | | |
|---------------------------------------|------------------|---|---|---|
| | | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Investments by Fair Value Level: | | | | |
| Cash Equivalents | \$ 20,185,546 | \$ - | \$ - | \$ 20,185,546 |
| Fixed Income Investments: | | | | |
| U.S. Treasury & Gov't Obligations | \$ 27,781,230 | \$ 24,751,978 | \$ 3,029,252 | \$ - |
| Corporate Bonds | 128,207,325 | - | 126,250,214 | 1,957,111 |
| Other | 42,765,758 | - | 42,765,758 | - |
| International Bonds | 26,525,247 | - | 26,525,247 | - |
| Total Fixed Income | \$ 225,279,560 | \$ 24,751,978 | \$ 198,570,471 | \$ 1,957,111 |
| Equity Securities: | | | | |
| Large Cap | \$ 403,133,393 | \$ 403,133,393 | \$ - | \$ - |
| Mid Cap | 421,004 | 421,004 | - | - |
| Small Cap | 66,134,261 | 66,134,261 | - | - |
| International Equities | 226,389,612 | 226,389,612 | - | - |
| Emerging Markets Equities | 48,112,316 | 48,112,316 | - | - |
| Total Equity Securities | \$ 744,190,586 | \$ 744,190,586 | \$ - | \$ - |
| Real Estate Investments | \$ 773,438 | \$ - | \$ 773,438 | \$ - |
| Total Investments at Fair Value Level | \$ 990,429,130 | \$ 768,942,564 | \$ 199,343,909 | \$ 22,142,657 |
| Investments measured at NAV: | | | | |
| Equities | \$ 379,733,760 | | | |
| Fixed Income | 481,071,895 | | | |
| Real Estate | 173,903,498 | | | |
| Alternative Investments | 162,691,980 | | | |
| Total Investments at NAV | \$ 1,197,401,133 | | | |
| Total Investments at Fair Value | \$ 2,187,830,263 | | | |
| Investment Derivatives: | | | | |
| Forward currency contract receivables | \$ 612,181 | \$ - | \$ 612,181 | \$ - |
| Forward currency contract payables | (601,851) | - | (601,851) | - |
| Total Investment Derivatives | \$ 10,330 | \$ - | \$ 10,330 | \$ - |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. FAIR VALUE DISCLOSURES: (Continued)

Debt and equity and securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and real estate investments classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Cash equivalents classified in Level 3 of the fair value hierarchy are valued at amortized cost since the inputs are unobservable in the marketplace.

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2021 is presented in the following table:

| | Fair Value 2021 | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|--|-------------------------|-------------------------|---|--------------------------------|
| Equities | \$ 539,394,980 | \$ - | Daily - Monthly | 5 - 30 days |
| Fixed Income | 696,755,392 | - | Daily - Monthly | 2 - 30 days |
| Real Estate funds | 159,888,679 | - | Quarterly | 90 days |
| Real Estate partnership | 17,056,370 | - | N/A | N/A |
| Alternative Investments - hedge funds | 16,026,343 | - | Quarterly | 90 days |
| Alternative Investments - private equity | <u>157,058,312</u> | 88,906,253 | N/A | N/A |
| Total Investments at NAV | <u>\$ 1,586,180,076</u> | | | |

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2020 is presented in the following table:

| | Fair Value 2020 | Unfunded Commitments | Redemption Frequency (If Currently Eligible) | Redemption Notice Period |
|--|-------------------------|-------------------------|---|--------------------------------|
| Equities | \$ 379,733,760 | \$ - | Daily - Monthly | None - 30 days |
| Fixed Income | 481,071,895 | - | Daily - Monthly | 2 - 30 days |
| Real Estate funds | 155,518,077 | - | Quarterly | 90 days |
| Real Estate partnership | 18,385,421 | 4,061,511 | N/A | N/A |
| Alternative Investments - hedge funds | 80,316,664 | - | Quarterly | 90 days |
| Alternative Investments - private equity | <u>82,375,316</u> | 79,151,580 | N/A | N/A |
| Total Investments at NAV | <u>\$ 1,197,401,133</u> | | | |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. FAIR VALUE DISCLOSURES: (Continued)

Equities:

Equities include investments in emerging markets, international equity funds, and domestic small cap funds. Emerging markets equity funds refer to any investments in stocks (i.e., publicly traded equity ownership) of companies domiciled, listed, and/or traded on the securities exchanges of countries classified as “emerging.” Countries are classified as “developed” or “emerging” by levels of economic development, size/liquidity of markets, and market accessibility criteria. International equity funds refer to any investments that represent an ownership stake of a non-U.S. domiciled company’s assets and earnings. The equity ownership stake represents a residual claim on assets, earnings, and dividends of the non-U.S. domiciled company. Domestic small cap funds refer to investments in U.S. stocks listed and/or traded on the securities exchange with a market capitalization between \$300 million and \$2 billion.

Fixed Income:

Fixed income includes investments in a domestic bond fund, bank loan fund, multisector full discretion trust, and emerging markets fixed income funds. Domestic fixed income bond fund refers to any investments in interest bearing securities that obligate a U.S.-based issuer (i.e., the domestic borrower) to pay the security holder (i.e., the lender) a specified amount of money at specific intervals and to repay the principal amount of the loan at maturity. The issuer (i.e., the borrower) of a domestic fixed income security must be a government entity, government agency, corporation, or other entity of the United States and/or domiciled in the United States. Bank loan fund investment seeks to outperform the benchmark by investing primarily in bank debt instruments of non-investment grade companies through a selective approach focused on the larger, rated issuers within the bank loan universe. Multisector full discretion trust seeks to outperform the Bloomberg Barclays Capital U.S. Government/Credit Index. Emerging markets fixed income funds refer to any investments in sovereign bonds of countries classified as “emerging” and/or corporate bonds of companies domiciled in countries classified as “emerging”. Emerging markets fixed income funds may be issued in either the respective local currency of the country or “hard” currency (i.e., globally traded currency perceived as a stable store of value).

Real Estate:

Private real estate investments refer to holdings that may include domestic and foreign income producing properties (e.g., office, hotel, commercial, residential, industrial, etc.), raw land, and other real estate related opportunities. The investment objective of a real estate portfolio is to enhance the risk/return profile of the System’s total portfolio primarily by providing a low correlation to equities and fixed income markets and diversification benefits to the overall portfolio.

The private equity real estate investment cannot be redeemed until called by the fund manager. The investment in the real estate fund can be redeemed on a quarterly basis throughout the year, with a liquidation period of up to 90 days.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

5. FAIR VALUE DISCLOSURES: (Continued)

Alternative Investments:

Alternative investments include investments in hedge funds and private equity funds. Hedge funds' investments refer to investment funds that may utilize a broad range of absolute return oriented investment strategies (e.g., convertible arbitrage, merger arbitrage, distressed securities, long/short equity, equity market neutral, etc.). The investment objective of the hedge fund portfolio is to achieve attractive long-term, risk-adjusted returns in a variety of capital market conditions in accordance with this investment policy statement. Private equity is an asset class consisting of equity securities and debt in operating companies that are not publicly traded on a stock exchange. Private equity funds employ a combination of strategies to achieve a long-term capital appreciation through investing primarily, either directly or indirectly through other entities, in privately negotiated investments acquired in the secondary market. The fair values of the investments in this type have been determined using the NAV per share (or equivalent). The investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated approximately 7 to 12 years from the commencement of the fund.

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS:

Following are the components of the System's deposits, cash equivalents, and investments at June 30, 2021 and 2020:

| | <u>2021</u> | <u>2020</u> |
|--|-------------------------|-------------------------|
| Deposits (bank balance) | \$ 19,909,255 | \$ 27,133,163 |
| Cash equivalents | 30,948,167 | 20,185,546 |
| Investments - fair value | 2,721,527,870 | 2,167,644,717 |
| Synthetic Guaranteed Investment contract - contract value | 29,307,321 | 28,342,803 |
| | <u>\$ 2,801,692,613</u> | <u>\$ 2,243,306,229</u> |

Deposits:

The System's bank deposits were fully insured or secured by perfected liens on the bank's securities as of June 30, 2021 and 2020.

Cash Equivalents:

For the year ended June 30, 2021 and 2020, cash equivalents in the amount of \$30,948,167 and \$20,185,546, respectively, consisted of government pooled investments held and managed by the System's custodian bank.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Synthetic Guaranteed Investment Contract:

The System provides a fully benefit-responsive Synthetic Guaranteed Investment Contract (SGIC) option for members of DROP/IBO participating in the Self-Directed Plan. The primary objective of the SGIC is to seek to provide safety of principal while earning as high a level of return as possible. The SGIC includes a wrap contract providing book value protection for participant withdrawals prior to maturity. The SGIC seeks consistency of returns with minimal volatility, while maintaining a stable credited rate of interest. The investment is reported at contract value in the amount of \$29,307,321 and \$28,342,803 as of June 30, 2021 and 2020, respectively. Market value was not available for Synthetic Guaranteed Investment contract as of June 30, 2021 and 2020.

Investments:

In accordance with Louisiana Revised Statute 11:263, the System is authorized to invest under the Prudent-Man Rule. The Prudent-Man Rule shall require each fiduciary of a retirement system and each board of trustees acting collectively on behalf of each system to act with the care, skill, prudence, and diligence under the circumstances prevailing that a prudent institutional investor acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims. Notwithstanding the Prudent-Man Rule, the System may not invest more than 65.0% of the book value of the System's assets in equities and at least 10% of the total equity portfolio must be invested in one or more index funds which seek to replicate the performance of the chosen index or indices.

The System's policy in regard to the allocation of invested assets is established and may be amended by the System's Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The following were the System's Board adopted asset allocation policies in effect on June 30, 2021 and 2020.

Target Asset Allocation

| <u>Asset Class</u> | <u>2021</u> | <u>2020</u> |
|-------------------------|----------------|----------------|
| Equity | 55.50% | 48.50% |
| Fixed Income | 30.50% | 33.50% |
| Alternative Investments | 14.00% | 18.00% |
| | <u>100.00%</u> | <u>100.00%</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Concentration of Credit Risk:

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's investment policy states that no more than 10% of the total stock portfolio value at market may be invested in the common stock of any one organization. In addition, exposure to any economic sector shall not exceed greater of 30% of the portfolio at market value or two times that of the underlying index for any given portfolio; and investments in one issuer shall not exceed 5% of any fixed income portfolio's market value unless otherwise authorized by the board. There are no investments greater than 30% in one economic sector at June 30, 2021 and 2020. The System's investment greater than 5% of the total fixed income portfolio is as follows:

| | 2021 | 2020 |
|-------------------------------------|---------------|---------------|
| Domestic Index Bond Fund | \$246,538,104 | \$337,276,425 |
| Multisector Fixed Income Trust Fund | 289,700,961 | - |
| Emerging Markets Debt Fund | 117,006,142 | 104,024,407 |
| Bank Loan Fund | 43,510,185 | 39,771,062 |

All investments were approved by the Board. There were no investments in any issuer that exceeded 5% of the System's net position as of June 30, 2021 and 2020.

Credit Risk:

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Following are the credit risk ratings of the System's investments in long-term debt securities as of June 30, 2021 and 2020.

Below is a schedule of bonds with their applicable ratings as of June 30, 2021:

| | Corporate <u>Bonds</u> | Foreign <u>Bonds</u> | U.S. Government <u>Bonds</u> | Other <u>Bonds</u> | <u>Total</u> |
|-----------|---------------------------|-------------------------|---------------------------------|-----------------------|---------------|
| AAA | \$ 1,011,880 | \$ - | \$ 3,913,542 | \$ 12,681,075 | \$ 17,606,497 |
| AA- | 1,641,600 | - | - | - | 1,641,600 |
| A+ | 3,090,180 | - | - | - | 3,090,180 |
| A | 4,606,761 | - | - | - | 4,606,761 |
| A- | 7,645,773 | - | - | - | 7,645,773 |
| BBB+ | 10,982,090 | - | - | - | 10,982,090 |
| BBB | 5,735,982 | - | - | - | 5,735,982 |
| BBB- | 2,205,576 | - | - | - | 2,205,576 |
| BB+ | 1,039,121 | 515,991 | - | - | 1,555,112 |
| BB | 3,290,609 | 753,850 | - | - | 4,044,459 |
| BB- | 5,546,977 | 1,067,915 | - | - | 6,614,892 |
| B+ | 9,868,713 | 887,955 | - | - | 10,756,668 |
| B | 7,177,471 | 1,817,430 | - | - | 8,994,901 |
| B- | 4,453,254 | 1,283,644 | - | - | 5,736,898 |
| CCC+ | 1,454,723 | 774,450 | - | - | 2,229,173 |
| CCC | 437,758 | - | - | - | 437,758 |
| CCC- | 608,666 | 265,363 | - | - | 874,029 |
| Not Rated | 1,309,816 | 1,205,439 | - | - | 2,515,255 |
| | \$ 72,106,950 | \$ 8,572,037 | \$ 3,913,542 | \$ 12,681,075 | \$ 97,273,604 |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

Below is a schedule of bonds with their applicable ratings as of June 30, 2020:

| | Corporate | Foreign | U.S. Government | Other | Total |
|-----------|-----------------------|----------------------|----------------------|----------------------|-----------------------|
| | <u>Bonds</u> | <u>Bonds</u> | <u>Bonds</u> | <u>Bonds</u> | |
| AAA | \$ 1,548,240 | \$ 279,272 | \$ 27,781,230 | \$ 16,364,024 | \$ 45,972,766 |
| AA+ | - | - | - | 100,316 | 100,316 |
| AA | 441,880 | 540,638 | - | 657,852 | 1,640,370 |
| AA- | 1,670,925 | - | - | 398,137 | 2,069,062 |
| A+ | 3,320,355 | - | - | 339,019 | 3,659,374 |
| A | 9,980,623 | 1,054,691 | - | 1,238,897 | 12,274,211 |
| A- | 9,083,057 | 906,045 | - | 675,700 | 10,664,802 |
| BBB+ | 15,303,395 | 1,028,475 | - | 2,570,728 | 18,902,598 |
| BBB | 22,103,916 | 3,735,573 | - | 189,874 | 26,029,363 |
| BBB- | 22,204,765 | 4,477,460 | - | 483,083 | 27,165,308 |
| BB+ | 7,522,237 | 2,009,122 | - | 206,381 | 9,737,740 |
| BB | 6,894,454 | 1,441,241 | - | 622,374 | 8,958,069 |
| BB- | 4,858,407 | 1,909,900 | - | 217,097 | 6,985,404 |
| B+ | 7,029,726 | 1,258,618 | - | 152,909 | 8,441,253 |
| B | 5,033,429 | 638,242 | - | 213,139 | 5,884,810 |
| B- | 3,357,619 | 1,253,454 | - | - | 4,611,073 |
| CCC+ | 2,589,788 | - | - | - | 2,589,788 |
| CCC | 1,382,451 | 784,620 | - | - | 2,167,071 |
| CCC- | 214,702 | - | - | - | 214,702 |
| CC | - | - | - | 160,640 | 160,640 |
| C+ | - | 22,815 | - | - | 22,815 |
| C | 74,628 | - | - | - | 74,628 |
| Not Rated | 3,592,728 | 5,185,081 | - | 18,175,588 | 26,953,397 |
| | <u>\$ 128,207,325</u> | <u>\$ 26,525,247</u> | <u>\$ 27,781,230</u> | <u>\$ 42,765,758</u> | <u>\$ 225,279,560</u> |

The System's investment policy limits its domestic fixed income investments (with the exception of full discretion, core plus, and bank loan portfolios) to corporate debt issues rated equivalent of BBB or better as defined by the least of the three rating agencies (Standard & Poor's, Moody's Investor Services, and Fitch). If securities fall to a CCC rating, they are to be eliminated in a timely manner. Obligations guaranteed or explicitly guaranteed by the U.S. Government consist of United States Treasury Notes.

The System invested in a domestic index bond fund. As of June 30, 2021 and 2020, the market value of the fund was \$246,538,104 and \$337,276,426, respectively. The rating of the bonds in the fund ranged from AAA to below B with 70.27% and 69.73% rated AAA as of June 30, 2021 and 2020 respectively.

The System invested in an emerging markets debt fund. As of June 30, 2021 and 2020, the market value of the fund is \$117,006,142 and \$104,024,407, respectively. The ratings of the bonds in the fund ranged from AAA to CC with 26% rated BBB and 23% rated BB as of June 30, 2021. The ratings of the bonds in the fund ranged from AAA to CC with 38% rated BBB and 19% rated BB as of June 30, 2020.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Credit Risk: (Continued)

The System invested in a bank loan fund. As of June 30, 2021 and 2020, the market value of the fund is \$43,510,185 and \$39,771,062, respectively. The ratings of the bonds in the fund ranged from BBB to NR with 15% rated BB and 73% rated B as of June 30, 2021. The ratings of the bonds in the fund ranged from BBB to NR with 16% rated BB and 73% rated B as of June 30, 2020.

The System invested in a multisector fixed income trust fund. As of June 30, 2021 and 2020, the market value of the fund is \$289,700,961 and \$0-, respectively. The ratings of the bonds in the fund ranged from AAA to NR with 40% rated BBB and 17% rated BB+ as of June 30, 2021.

Custodial Credit Risk:

Custodial credit risk is defined as the risk that, in the event of the failure of the counterparty, the System will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The System does not have a custodial credit risk policy. At June 30, 2021 and 2020, the System is not exposed to custodial risk for investments in the amount of \$2,750,629,367 and \$2,193,951,476, respectively, since the investments are held in the name of the System.

At June 30, 2021 and 2020, the System has \$31,153,991 and \$22,221,590, respectively, in cash equivalents and emerging growth credit fund partnerships, which are managed by fund managers and held with a different custodian and are therefore exposed to custodial credit risk since the investments are not in the name of the System. The underlying assets are held in the name of each individual fund and not the System.

The System reported collateral held for investment purposes in the amount of \$8,745,814 and \$4,187,009 as of June 30, 2021 and 2020, respectively. The System is exposed to custodial credit risk since the collateral is not in the name of the System.

Interest Rate Risk:

Interest rate risk is defined as the risk that changes in interest rates in the general market will adversely affect the fair value of an investment. As of June 30, 2021 and 2020, the System had the following investments in long-term debt securities:

| 2021 | Fair Value | Maturities | | | |
|------------------------|----------------------|---------------------|----------------------|----------------------|-----------------------|
| | | Less than 1 Year | 1-5 Years | 6-10 Years | Greater than 10 years |
| <u>Investment Type</u> | | | | | |
| Corporate Bonds | \$ 72,106,950 | \$ 1,221,273 | \$ 25,082,094 | \$ 43,464,499 | \$ 2,339,084 |
| U.S. Government Bonds | 3,913,542 | - | - | 3,913,542 | - |
| Foreign Bonds | 8,572,037 | 224,400 | 2,428,793 | 5,280,806 | 638,038 |
| Other Bonds | 12,681,075 | - | - | - | 12,681,075 |
| | <u>\$ 97,273,604</u> | <u>\$ 1,445,673</u> | <u>\$ 27,510,887</u> | <u>\$ 52,658,847</u> | <u>\$ 15,658,197</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Interest Rate Risk: (Continued)

| <u>2020</u> | Fair <u>Value</u> | <u>Maturities</u> | | | |
|------------------------|-----------------------|-----------------------------|----------------------|-----------------------|----------------------------------|
| | | <u>Less than 1 Year</u> | <u>1-5 Years</u> | <u>6-10 Years</u> | <u>Greater than 10 years</u> |
| <u>Investment Type</u> | | | | | |
| Corporate Bonds | \$ 128,207,325 | \$ 8,915,523 | \$ 35,515,975 | \$ 64,024,243 | \$ 19,751,584 |
| U.S. Government Bonds | 27,781,230 | 332,934 | 16,556,656 | 4,110,272 | 6,781,368 |
| Foreign Bonds | 26,525,247 | - | 9,959,361 | 11,024,787 | 5,541,099 |
| Other Bonds | 42,765,758 | 25,520 | 9,914,509 | 5,610,850 | 27,214,879 |
| | <u>\$ 225,279,560</u> | <u>\$ 9,273,977</u> | <u>\$ 71,946,501</u> | <u>\$ 84,770,152</u> | <u>\$ 59,288,930</u> |

The System's interest rate policy dictates that the overall average duration of each domestic fixed-income manager's portfolio (with the exception of full discretion and core plus) shall not differ from that of the manager's passive benchmark by more than two years, unless written permission has been obtained from the System's Board of Trustees.

The maturities of the underlying fixed income investments of the emerging markets debt fund range from years 2022 to 2050. There is little to no interest rate risk for the bank loan fund since the bank loans have floating rates which adjust with short term interest rates. The information for maturities of the underlying fixed income investments of the domestic index bond fund was not available.

The average duration of the multi sector fixed income fund is 4.33 years for the year ending June 30, 2021.

The System may invest in collateralized mortgage obligations. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates.

Foreign Currency Risk:

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment.

The System's exposure for foreign currency risk consisted of its investment in foreign equities at June 30, 2021 and 2020 as follows:

| | <u>2021</u> | <u>2020</u> |
|------------------|---------------|--------------|
| Australia/Dollar | \$ 10,097,370 | \$ 8,966,421 |
| Austria/Euro | 681,343 | 328,893 |
| Belgium/Euro | 1,849,970 | 1,807,318 |
| Canada/Dollar | 5,327,871 | 5,205,011 |
| Denmark/Kroner | 15,165,779 | 14,850,812 |
| Finland/Euro | 3,122,573 | 3,079,900 |
| France/Euro | 39,234,133 | 24,569,835 |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

| | <u>2021</u> | <u>2020</u> |
|----------------------------------|-----------------------|-----------------------|
| Germany/Euro | \$ 21,871,589 | \$ 15,153,587 |
| Hong Kong/Dollar | 7,760,205 | 5,285,007 |
| Ireland/Euro | 1,925,641 | 2,496,394 |
| Italy/Euro | 4,035,021 | 4,384,994 |
| Japan/Yen | 49,175,940 | 45,311,370 |
| Netherlands/Euro | 12,951,353 | 7,912,114 |
| Norway/Kroner | 3,038,900 | 1,061,491 |
| Portugal/Euro | 447,484 | - |
| Singapore/Dollar | 1,446,974 | 1,233,821 |
| Spain/Euro | 9,423,388 | 7,020,007 |
| Sweden/Kroner | 23,795,594 | 13,180,349 |
| Switzerland/Swiss Franc | 29,225,292 | 23,028,280 |
| United Kingdom/Euro | 1,925,514 | 376,344 |
| United Kingdom/Pounds | 45,202,524 | 34,276,538 |
| Various/Emerging Markets Funds | 319,518,377 | 220,770,512 |
| Various/International Index Fund | 152,299,098 | 114,656,354 |
| Total foreign equities | <u>\$ 759,521,933</u> | <u>\$ 554,955,352</u> |

The System also invested in foreign equities denominated in United States Dollars totaling \$10,992,191 and \$6,861,126 as of June 30, 2021 and 2020, respectively.

The System's exposure to foreign currency risk also consists of its investment in cash within trust accounts as of June 30, 2021 and 2020 as follows:

| <u>Country/Currency</u> | <u>2021</u> <u>Fair Value</u> | <u>2020</u> <u>Fair Value</u> |
|-------------------------|----------------------------------|----------------------------------|
| Argentina/Peso | \$ - | \$ 241 |
| Australia/ Dollar | 18,687 | 12,419 |
| Canada/Dollar | 156,525 | 139,699 |
| Denmark/Krone | 195,852 | 196,131 |
| Euro | 1,142,087 | 1,054,759 |
| Japan/Yen | 495,164 | 303,000 |
| Norway/Kroner | 4,905 | 4,861 |
| Poland/Polish Zloty | 2,220 | 2,137 |
| Singapore/Dollar | - | 7,831 |
| Sweden/Krone | 82,096 | 190,310 |
| Switzerland/Swiss Franc | 481,149 | 462,898 |
| United Kingdom/Pound | 32,386 | 58,705 |
| Total foreign cash | <u>\$ 2,611,071</u> | <u>\$ 2,432,991</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

6. DEPOSITS, CASH EQUIVALENTS, AND INVESTMENTS: (Continued)

Foreign Currency Risk: (Continued)

The System's investment policy has a target of 25.5% of total investments in foreign equities, but cannot exceed 35.5%. At June 30, 2021 and 2020, the System's position was 27.30% and 25.19%, respectively, of the total investments.

The System's exposure to foreign currency risk also consisted of its investment in long-term debt securities. At June 30, 2021 and 2020, the System's investment in foreign corporate bonds was \$0- and \$907,725, respectively. The breakdown per country at June 30, 2021 and 2020 was as follows:

| <u>Country/Currency</u> | <u>2021</u> <u>Fair Value</u> | <u>2020</u> <u>Fair Value</u> |
|------------------------------|----------------------------------|----------------------------------|
| Argentina/Peso | \$ - | \$ 187,820 |
| Canada/Dollar | - | 719,905 |
| Total foreign long-term debt | \$ - | \$ 907,725 |

The System also invested in foreign long-term debt securities denominated in United States dollars totaling \$8,572,037 and \$25,617,522 as of June 30, 2021 and 2020, respectively.

Money-Weighted Rate of Return:

For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 25.90% and 2.20%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

7. INVESTMENTS IN REAL ESTATE:

During the years ended June 30, 2021 and 2020, the System invested in real estate as follows:

The System invested Siguler Guff DREOF II Co-Investment Fund, L.P. The Fund is focusing on various types of real property interests, including equity interests in commercial property, commercial mortgages, commercial-backed securities, bank loans, and the debt and equity securities of real estate operating companies or real estate investment trusts in the United States and Europe. As of June 30, 2021 and 2020, the market value of the Fund was \$17,056,370 and \$18,385,421, respectively.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

7. INVESTMENTS IN REAL ESTATE: (Continued)

The System invested in Principal Financial Group U.S. Property Separate Account Fund (Fund). The Fund is a diversified real estate equity account consisting primarily of high quality, well-leased real estate properties in the multifamily, industrial, office, retail, and hotel sectors. As of June 30, 2021 and 2020, the market value of the Fund was \$159,888,679 and \$155,518,077, respectively.

The System invested in land and an office building for rent. As of June 30, 2021 and 2020, the market value of the land and office building is \$773,438.

8. ALTERNATIVE INVESTMENTS:

The System committed and funded \$40 million to a private equity fund, Summit Partners Credit Fund Partnership. The partner's principal purpose is the achievement of long-term capital appreciation through investing primarily in private loans and mezzanine debt sourced through the Summit proprietary deal sourcing platform and the syndicated bank loan, high yield bond and other corporate credit markets including "stressed" and "distressed" opportunities. The System has received a return of capital of all monies funded. As of June 30, 2021 and 2020, the fair market value of the partnership was \$844,607 and \$1,048,787, respectively.

The System's commitment to private equity Collier International Partners VII, L.P. is \$15,000,000 of which \$10,412,872 has been funded. The partner's principal purpose is the achievement of long-term capital appreciation through investing primarily, either directly or indirectly through other entities, in privately negotiated investments acquired in the secondary market. As of June 30, 2021 and 2020, the fair market value of the partnership was \$11,458,093 and \$12,107,695, respectively.

The System's commitment to private equity Collier International Partners VIII, L.P. is \$25,000,000 of which \$4,541,487 has been funded. The partner's principal purpose is the achievement of long-term capital appreciation through investing primarily, either directly or indirectly through other entities, in privately negotiated investments acquired in the secondary market. As of June 30, 2021 and 2020, the fair market value of the partnership was \$7,548,124 and \$2,631,861, respectively.

The System's commitment to private equity Warburg Pincus Private Equity XII is \$12,900,000 of which \$12,725,850 has been funded. The partner's principal purpose is the achievement of long-term capital appreciation through purchasing interests in portfolio companies. As of June 30, 2021 and 2020, the fair market value of the partnership was \$19,127,215 and \$13,901,656, respectively.

The System's commitment to private equity Carval Investors Credit Value Fund A V L.P. is \$25,000,000 of which \$3,750,000 has been funded. The partner's principal purpose is to achieve attractive and sustainable risk adjusted returns over a medium and long-term horizon. As of June 30, 2021 and 2020, the fair market value of the partnership was \$4,138,349 and \$-0- respectively.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

8. ALTERNATIVE INVESTMENTS: (Continued)

The System's commitment to private equity Warburg Pincus Global Growth is \$20,000,000 of which \$13,540,000 has been funded. The partner's principal purpose is growth of principal. As of June 30, 2021 and 2020, the fair market value of the partnership was \$16,085,875 and \$4,234,855, respectively.

The System's commitment to private equity J. F. Lehman & Company is \$12,500,000 of which \$11,977,955 has been funded. The partner's objective is to seek long-term capital appreciation by investing in companies involved in or concerned with defense, aerospace, marine, or engineering industries or other specialized service or manufacturing industries. As of June 30, 2021 and 2020, the fair market value of the partnership was \$17,891,749 and \$14,345,899, respectively.

The System's commitment to private equity HarbourVest Partners Co-Investment Fund IV L.P. is \$12,500,000 of which \$10,111,520 has been funded. The purpose of the partnership is to make investments with a primary emphasis on equity-oriented investments in management buy-in, management buy-out, leveraged buy-out, recapitalization, growth equity, special situation, and mezzanine transactions involving companies having trailing 12-month revenues greater than \$7.5 million. As of June 30, 2021 and 2020, the fair market value of the partnership was \$16,229,245 and \$11,410,660, respectively.

The System's commitment to private equity HarbourVest Partners Co-Investment Fund V L.P. is \$20,000,000 of which \$14,000,000 has been funded. The purpose of the partnership is growth of principal. As of June 30, 2021 and 2020, the fair market value of the partnership was \$24,617,920 and \$8,153,585, respectively.

The System's commitment to private equity HarbourVest Partners Dover Street X L.P. is \$25,000,000 of which \$7,500,000 has been funded. The purpose of the partnership is to invest in entities which have been in existence for at least twelve months and obtain growth of principal. As of June 30, 2021 and 2020, the fair market value of the partnership was \$10,581,048 and \$-0-, respectively.

The System's commitment to private equity Gold Point Partners Co-Investment VI, L.P. is \$15,000,000 of which \$12,625,177 has been funded. The partner's purpose is to provide investors the opportunity to invest in private equity investments with the objective of obtaining long-term growth of capital through direct investment opportunities and investments in other private equity vehicles. As of June 30, 2021 and 2020, the fair market value of the partnership was \$18,718,945 and \$9,637,576, respectively.

The System's commitment to private equity Levine Leichtman Capital Partners VI, L.P. is \$15,000,000 of which \$7,808,886 has been funded. The partner's purpose is to provide investors the opportunity to invest in private equity and private debt investments with the objective of obtaining long-term growth of capital through direct investment opportunities. As of June 30, 2021 and 2020, the fair market value of the partnership was \$9,812,268 and \$4,897,255, respectively.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

8. ALTERNATIVE INVESTMENTS: (Continued)

As of June 30, 2021 and 2020, the System had subscription agreements with two limited partnerships and offshore funds, to enhance diversification and provide reductions in overall portfolio volatility. At June 30, 2021 and 2020, the market value of the hedge funds was \$16,031,217 and \$80,322,151, respectively. These funds are subject to the market factors depending on the fund strategy. The value assigned to these investments is based upon available information and does not necessarily represent the amounts that might ultimately be realized, since such investments depend on future circumstances and cannot be determined until the individual investments are actually liquidated.

9. FORWARD CURRENCY CONTRACTS:

The System is a party to various forward currency contracts to protect against the foreign currency exchange rates. The forward currency contracts are considered investments and not hedges for accounting purposes, as discussed below. At June 30, 2021, the System had the following forward currency contracts outstanding:

| <u>Investment Derivative:</u> | <u>Notional Amount</u> | <u>Fair Value</u> | | <u>Unrealized Gain/(Loss)</u> |
|---|------------------------|------------------------------|---------------------------|-------------------------------|
| | | <u>Investment Receivable</u> | <u>Investment Payable</u> | |
| Foreign forward currency contract – JPY | \$ 178,509 | \$ 178,509 | \$ 177,981 | \$ 528 |
| Foreign forward currency contract – GBP | 205,324 | 205,324 | 205,541 | (217) |
| Foreign forward currency contract – DKK | 609,754 | 609,754 | 610,260 | (506) |
| Foreign forward currency contract – CHF | <u>433,122</u> | <u>433,122</u> | <u>433,708</u> | <u>(586)</u> |
| Total | <u>\$ 1,426,709</u> | <u>\$ 1,426,709</u> | <u>\$ 1,427,490</u> | <u>\$ (781)</u> |

At June 30, 2020, the System had the following derivative instruments outstanding:

| <u>Investment Derivative:</u> | <u>Notional Amount</u> | <u>Fair Value</u> | | <u>Unrealized Gain/(Loss)</u> |
|--|------------------------|------------------------------|---------------------------|-------------------------------|
| | | <u>Investment Receivable</u> | <u>Investment Payable</u> | |
| Foreign forward currency contract – CAD | \$ 608,819 | \$ 608,819 | \$ 598,471 | \$ 10,348 |
| Foreign forward currency contract – EURO | 750 | 750 | 752 | (2) |
| Foreign forward currency contract – KR | <u>2,612</u> | <u>2,612</u> | <u>2,628</u> | <u>(16)</u> |
| Total | <u>\$ 612,181</u> | <u>\$ 612,181</u> | <u>\$ 601,851</u> | <u>\$ 10,330</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

9. FORWARD CURRENCY CONTRACTS: (Continued)

When entering into a forward foreign currency contract, the System agrees to receive or deliver a fixed quantity of foreign currency for an agreed-upon price on an agreed future date. These contracts are valued daily and the System's net equity therein, representing unrealized gain or loss on the contracts are measured by the difference between the forward foreign exchange rates at the dates of entry into the contract and the forward rates at the reporting date. Realized and unrealized gains and losses are included in the statement of changes in fiduciary position. The fair values of the forward foreign currency contracts were estimated based on the present value of their estimated future cash flows. The System is exposed to foreign currency risk on its foreign currency forward contracts because they are denominated in Euros, Japanese Yen, British Pounds, Danish Krone, Swedish Krona, and Swiss Francs. At June 30, 2021 and 2020, the fair value of the foreign currency contracts receivable was \$1,426,709 and \$612,181, respectively. At June 30, 2021 and 2020, the fair value of the foreign currency contracts payable was \$1,427,490 and \$601,851, respectively.

10. SECURITY LENDING AGREEMENTS:

State statutes and Board of Trustee policies authorize the System to invest under the Prudent-Man Rule. Under the Prudent-Man Rule, the System is allowed to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The System has entered into a contract with its custodial bank, which acts as their third-party securities lending agent. The lending agent has access to the System's lendable portfolio or available assets. The agent lends the available assets such as U.S. and non-U.S. equities, corporate bonds, and U.S. and non-U.S. government securities. The lending agent has flexibility to use any of the pre-approved borrowers. The System approves all borrowers. The lending agent continually reviews credit worthiness of potential borrowers through adequate analysis of all material provided to them. All loans are fully collateralized with cash, government securities, or irrevocable letters of credit.

Collateralization of loans will be 102% of the market value of the loaned securities plus accrued interest for stocks and U.S. Treasury obligations. Collateralization of loans will be 102% of the market value for domestic securities and 105% for non-U.S. securities of the market value of the loaned securities plus accrued income. As a result of the required collateralization percentage, the System has no credit risk. The lending agent and the System enter into contracts with all approved borrowers. In the case of any loans collateralized by cash, the lending agent will invest the cash collateral (in the name of MPERS) in approved investments outlined in the contract between the agent and MPERS such as commercial paper, selected money market mutual funds, certificates of deposit, and repurchase agreements including third-party. For third-party repurchase agreements, party to such agreements must be an approved borrower. Acceptable collateral from approved borrowers for third-party repurchase agreements is all direct U.S. Treasury obligations, mortgage, and asset-backed securities rated AAA or higher, commercial paper, and other investments stipulated in lender agent contract.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

10. SECURITY LENDING AGREEMENTS: (Continued)

The System has the following securities on loan:

| | 2021 | 2020 |
|----------------------------------|----------------------|----------------------|
| | <u>Market Value</u> | <u>Market Value</u> |
| Marketable Securities - Domestic | \$ 22,194,317 | \$ 18,228,226 |
| Marketable Securities - Foreign | 15,310,208 | 10,925,491 |
| Corporate Bonds - Domestic | <u>2,575,356</u> | <u>4,293,827</u> |
| Total | <u>\$ 40,079,880</u> | <u>\$ 33,447,544</u> |

Securities on loan at June 30, 2021 and 2020 are collateralized by cash collateral in the amount of \$8,745,814 and \$4,187,009, and noncash collateral in the amount of \$33,464,119 and \$30,962,128, for total amount of collateral held in the amount of \$42,209,933 and \$35,149,137, respectively.

Loans may be terminated on demand; therefore, the term to maturity of the securities on loan is matched with the term to maturity of the investment of the cash collateral at June 30, 2021 and 2020.

11. OPERATING BUDGET:

The budget is under the control of the Board of Trustees and is not an appropriated budget but is considered a budgetary execution for management purposes.

12. TAX QUALIFICATION:

The System is a tax qualified plan under IRS Code Section 401(a).

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

13. CAPITAL ASSETS:

The following is a summary of equipment and fixtures at June 30, 2021 and 2020:

| | <u>06/30/20</u> | <u>Additions</u> | <u>Deletions</u> | <u>06/30/21</u> |
|---------------------------------|---------------------|---------------------|-----------------------|---------------------|
| Land | \$ 614,919 | \$ - | \$ - | \$ 614,919 |
| Assets being depreciated | | | | |
| Office building | 2,121,646 | - | - | 2,121,646 |
| Improvements | 34,552 | - | - | 34,552 |
| Furniture | 107,484 | - | (30,805) | 76,679 |
| Office equipment | 358,021 | - | (197,960) | 160,061 |
| Computer equipment and software | 309,313 | 2,767,626 | (139,782) | 2,937,157 |
| Construction in progress | - | 440,233 | - | 440,233 |
| Software in progress | 1,660,144 | 1,107,482 | (2,767,626) | - |
| | <u>5,206,079</u> | <u>4,315,341</u> | <u>(3,136,173)</u> | <u>6,385,247</u> |
| Less accumulated depreciation | (1,705,659) | (167,271) | 368,467 | (1,504,463) |
| Capital Assets, Net | <u>\$ 3,500,420</u> | <u>\$ 4,148,070</u> | <u>\$ (2,767,706)</u> | <u>\$ 4,880,784</u> |

Depreciation expense charged to pension operations was \$167,271 and \$71,565 for the years ended June 30, 2021 and 2020, respectively.

14. OTHER POSTEMPLOYMENT BENEFITS:

Substantially all System employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the System. These benefits for retirees and similar benefits for active employees are provided through an agent multi-employer OPEB Plan whose premiums are paid jointly by the employee and the System. At June 30, 2021, five retirees were receiving postemployment benefits. At June 30, 2020, four retirees were receiving postemployment benefits.

Plan Description:

The System's employees may participate in the State of Louisiana's Other Postemployment Benefit Plan (OPEB Plan), an agent multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. The State administers the plan through the Office of Group Benefits (OGB). Louisiana Revised Statute 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board Statement No. 75 to pay related benefits. The Office of Group Benefits does not issue a publicly available financial report of the OPEB Plan; however, it is included in the State of Louisiana Annual Comprehensive Financial Report (ACFR). You may obtain a copy of the ACFR on the Office of Statewide Reporting and Accounting Policy's website at www.doa.la.gov/osrap.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

14. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Benefits Provided:

The OPEB Plan provides benefits such as death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan, as well as healthcare benefits paid in the period after employment. The OPEB plan does not provide termination benefits or termination payments for sick leave.

Contributions:

The contribution requirements of plan members and the System are established and may be amended by LRS 42:801-883. The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and System contributions. Employees do not contribute to their postemployment benefits cost until they become retirees and begin receiving postemployment benefits. The retirees contribute to the cost of their postemployment benefits based on a service schedule. Contribution amounts vary depending on what healthcare provider is selected from the plan and if the member has Medicare coverage. Employee premiums for these benefits totaled \$-0- for each of the years ended June 30, 2021 and 2020. Employer contributions to the OPEB Plan from the System were \$61,156 and \$62,574 for the years ended June 30, 2021 and 2020, respectively.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoined the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

| <u>OGB Participation</u> | <u>Retiree Share</u> | <u>State Share</u> |
|--------------------------|----------------------|--------------------|
| Under 10 years | 81% | 19% |
| 10-14 years | 62% | 38% |
| 15-19 years | 44% | 56% |
| 20+ years | 25% | 75% |

The System pays 100% of health care premiums for all retirees.

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance is available for the individual retiree and spouses of retirees, subject to maximum values. The retiree pays \$.54 monthly for each \$1,000 of life insurance. The retiree pays \$.98 monthly for each \$1,000 of spouse life insurance. The employer pays the remaining amount.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

14. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

At June 30, 2021 and 2020, the System reported a total OPEB liability of \$1,849,074 and \$1,904,608, respectively. The total OPEB liability was measured as of July 1, 2020 and July 1, 2019, respectively, and was determined by actuarial valuations as of these dates.

For the years ended June 30, 2021 and 2020, the System recognized OPEB expense of \$52,344 and \$85,317, respectively. As of June 30, 2021 and 2020, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources, respectively:

| <u>June 30, 2021</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Changes in assumptions | \$ 54,612 | \$ 214,012 |
| Differences between expected and actual experience | 146,234 | 128,958 |
| Employer contributions subsequent to the measurement date | <u>61,156</u> | <u>-</u> |
| Total | <u>\$ 262,002</u> | <u>\$ 342,970</u> |
| | | |
| <u>June 30, 2020</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Changes in assumptions | \$ - | \$ 308,474 |
| Differences between expected and actual experience | 211,654 | - |
| Employer contributions subsequent to the measurement date | <u>62,574</u> | <u>-</u> |
| Total | <u>\$ 274,228</u> | <u>\$ 308,474</u> |

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of \$61,156 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (benefit) as follows:

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

14. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: (Continued)

| Year Ended June 30 | Amount |
|-----------------------|--------------|
| 2022 | \$ (48,605) |
| 2023 | (38,623) |
| 2024 | (39,243) |
| 2025 | (15,653) |
| | \$ (142,124) |

Actuarial Methods and Assumptions:

The total OPEB liability in the July 1, 2020 and July 1, 2019 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------------|--|
| Inflation | 2.8% as of July 1, 2020 and 2019 |
| Salary Increases | Consistent with the pension valuation assumptions |
| Investment Rate of Return | 2.66% and 2.79%, based on the S&P Municipal Bond 20-Year High Grade Rate Index, as of July 1, 2020 and July 1, 2019, respectively. |
| Healthcare Cost Trend | 7% - 4.5% as of July 1, 2020 and 2019 |
| July 1, 2020 Mortality Rates | For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. |
| July 1, 2019 Mortality Rates | For healthy lives the RP-2014 Combined Healthy Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. For existing disabled lives, the RP-2014 Disabled Retiree Mortality Table, projected on a fully generational basis by Mortality Improvement Scale MP-2018. |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

14. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Actuarial Methods and Assumptions: (Continued)

The actuarial assumptions used in July 1, 2020 valuation were based on the results of an actuarial experience study performed for the Statewide Retirement Systems. As a result of the 2020 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2020 actuarial valuation to more closely reflect actual experience. The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study performed for the Statewide Retirement Systems. As a result of the 2019 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2019 actuarial valuation to more closely reflect actual experience.

Discount Rate:

The discount rate used to measure the total OPEB liability was 2.66% and 2.79% for the years ending June 30, 2021 and 2020, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at contractually required rates. Based on this assumption and as the OPEB Plan is unfunded, the OPEB plan's fiduciary net position was not projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was determined using a discount rate that reflects the 20-year tax-exempt municipal bond yield or index rate.

The discount rate used to measure the total OPEB liability was decreased to 2.66% in the July 1, 2020 valuation from 2.79% as of July 1, 2019. The discount rate used to measure the total OPEB liability was decreased to 2.79% in the July 1, 2019 valuation from 2.98% as of July 1, 2018.

Sensitivity of the System's OPEB Liability to Changes in the Discount Rate:

The following presents the System's total OPEB liability, as well as what the System's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate for the years ended June 30, 2021 and 2020, respectively:

| <u>Total OPEB Liability</u> | <u>1% Decrease</u> | <u>Current Discount Rate</u> | <u>1% Increase</u> |
|-----------------------------|------------------------|----------------------------------|------------------------|
| June 30, 2021 | <u>\$ 2,250,124</u> | <u>\$ 1,849,074</u> | <u>\$ 1,541,319</u> |
| June 30, 2020 | <u>\$ 2,309,416</u> | <u>\$ 1,904,608</u> | <u>\$ 1,593,373</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

14. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Sensitivity of the System's OPEB Liability to Changes in the Healthcare Cost Trend Rates:

The following presents the System's total OPEB liability, as well as what the System's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare trend rates for the years ended June 30, 2021 and 2020, respectively:

| <u>Total OPEB Liability</u> | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rate</u> | <u>1% Increase</u> |
|-----------------------------|------------------------|---------------------------------------|------------------------|
| June 30, 2021 | <u>\$ 1,527,062</u> | <u>\$ 1,849,074</u> | <u>\$ 2,273,771</u> |
| June 30, 2020 | <u>\$ 1,580,034</u> | <u>\$ 1,904,608</u> | <u>\$ 2,331,765</u> |

Payables to the OPEB Plan:

As of June 30, 2021 and 2020, the System reported no payables for outstanding contributions to the OPEB plan required for the years ended June 30, 2021 and 2020.

15. DEFINED BENEFIT PENSION PLAN:

Plan Description:

All full-time System employees who do not participate in the System participate in the Louisiana State Employees' Retirement System (LASERS). LASERS is a cost-sharing, multiple-employer defined benefit plan administered by the Louisiana State Employees' Retirement System. Section 401 of Title 11 of the Louisiana Revised Statutes (LA. R.S. 11:401) grants, to LASERS Board of Trustees and the Louisiana Legislature, the authority to review administration, benefit terms, investments, and funding of the plan.

LASERS provides retirement, deferred retirement option (DROP), disability, and survivor's benefits. The following is a brief description of the plan and its benefits. Participants should refer to the appropriate statutes for more complete information.

Retirement Benefits:

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. The substantial majority of members may retire with full benefits at any age upon completing 30 years of creditable service and at age 60 upon completing 10 years of creditable service. Additionally, members may choose to retire with 20 years of service at any

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. DEFINED BENEFIT PENSION PLAN: (Continued)

Retirement Benefits: (Continued)

age, with an actuarially reduced benefit. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement benefits under any one of six different options providing for reduced retirement benefits payable throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after 5 years of creditable service and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.3% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House Clerk, Sergeants-at-Arms, or Senate secretary employed after January 1, 2011 was eliminated by Act 992. Specialty plan and regular members hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service, and may also retire at any age, with a reduced benefit, after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. DEFINED BENEFIT PENSION PLAN: (Continued)

Retirement Benefits: (Continued)

the regular plan will receive a 2.5% accrual rate, and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit, provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification but generally is 10 years of service.

Deferred Retirement Benefits:

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of 0.5% less than LASERS' realized return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member *must* choose among available alternatives for the distribution of benefits that have accumulated in the DROP account.

Members who enter DROP on or after January 1, 2004 are required to participate in LASERS' Self-Directed Plan (SDP), which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Initial Benefit Options:

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such an amount may be withdrawn or remain in the IBO account earning interest at a rate of 0.5% less than LASERS' realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004 are required to enter the SDP as described above.

Disability Benefits:

All members with 10 or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. DEFINED BENEFIT PENSION PLAN: (Continued)

Disability Benefits: (Continued)

Upon reaching age 60, the disability retirement recipient may receive a regular retirement benefit by making an application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation.

Survivor's Benefits:

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of 20 years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23 if the child remains a full-time student. The aforementioned minimum service credit requirement is 10 years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

Contributions:

Contribution requirements of active employees are governed by Section 401 of Title 11 of the Louisiana Revised Statutes (LA. R.S. 11:401) and may be amended by the Louisiana Legislature. Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 and 8.0% of their annual covered salaries if hired after July 1, 2006. The System is required to make employer contributions based on the actuarially determined rate. The employer contribution rate for the fiscal years ended June 30, 2021 and 2020 was 40.1% and 40.7% of annual covered payroll, respectively. The System's contributions to LASERS for the fiscal years ended June 30, 2021 and 2020 were \$98,920 and \$97,235, respectively.

Significant Accounting Policies:

For purposes of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Louisiana State Employees' Retirement System (LASERS) and changes in LASERS' fiduciary net position have been determined on the same basis as they are reported by LASERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. DEFINED BENEFIT PENSION PLAN: (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions:

As of June 30, 2021 and 2020, the System reported a liability of \$971,638 and \$606,109, respectively, for its proportionate share of LASERS' net pension liability. The net pension liability was measured as of June 30, 2020 and June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of these dates. The System's proportion of the net pension liability was based on a projection of the System's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2020, the System's proportion was 0.01175%, which is an increase of 0.00338% from its proportion measured as of June 30, 2019, which was 0.00837%.

For the fiscal year ended June 30, 2021, the System recognized pension expense of \$255,901. For the fiscal year ended June 30, 2020, the System recognized pension expense of \$259,175. At June 30, 2021 and 2020, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <u>June 30, 2021</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 9,331 |
| Net difference between projected and actual earnings on pension plan investments | 142,035 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 116,476 | 1,301 |
| Changes in assumptions | 3,109 | - |
| Employer contributions subsequent to the measurement date | 98,920 | - |
| Total | <u>\$ 360,540</u> | <u>\$ 10,632</u> |
| | | |
| <u>June 30, 2020</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Differences between expected and actual experience | \$ 3,722 | \$ 1,259 |
| Net difference between projected and actual earnings on pension plan investments | 20,940 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 24,697 | 9,169 |
| Changes in assumptions | 5,194 | - |
| Employer contributions subsequent to the measurement date | 97,235 | - |
| Total | <u>\$ 151,788</u> | <u>\$ 10,428</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. DEFINED BENEFIT PENSION PLAN: (Continued)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions: (Continued)

Deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date of \$98,920, will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other 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 June 30: | |
|---------------------|------------|
| 2022 | \$ 133,267 |
| 2023 | 40,960 |
| 2024 | 43,892 |
| 2025 | 32,869 |
| | \$ 250,988 |

Actuarial Assumptions:

The total pension liability in the June 30, 2020 and June 30, 2019 actuarial valuations was determined using the following actuarial assumptions and applied to all periods included in the measurement. The significant methods and assumptions used in calculating the actuarially determined contributions are as follows:

| | |
|----------------------------------|---|
| Valuation date | June 30, 2020 and 2019 |
| Actuarial cost method | Entry age normal |
| Amortization approach | Closed |
| Expected remaining service lives | 2 years and 2 years, respectively |
| Investment rate of return | 7.55% and 7.60% net of investment expenses, respectively |
| Inflation rate | 2.3% and 2.50%, respectively |
| Projected salary increases | Varies depending on duration of service: 3.00% - 13.8% June 2021; 2.8% - 14.6% June 2020 |
| Cost-of-living adjustments | None, since they are not deemed to be automatic |
| Mortality | Non-disabled members – Mortality rates were based on the RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale for 2019, and the RP-2000 Combined Health Mortality Table with mortality improvement projected to 2015 for 2018. Disabled members – Mortality rates based on the RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement. |
| Termination and disability | Termination, disability, and retirement assumptions were based on a five-year (2014-2018) experience study of the System's members for 2020 and 2019. |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. DEFINED BENEFIT PENSION PLAN: (Continued)

Actuarial Assumptions: (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates 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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.30% for 2020 and 2.50% for 2019 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 8.25% for 2020 and 9.00% for 2019. The target allocation and best estimates of geometrical real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 and June 30, 2019 are summarized in the following tables:

| <u>Asset Class</u> | <u>2020 Target Allocations</u> | <u>2020 Long-Term Expected Real Rate of Return</u> |
|----------------------------|------------------------------------|--|
| Cash | 0% | -0.59% |
| Domestic equity | 23% | 4.79% |
| International equity | 32% | 5.83% |
| Domestic fixed income | 6% | 1.76% |
| International fixed income | 10% | 3.98% |
| Alternatives investments | 22% | 6.69% |
| Risk parity | 7% | 4.20% |
| TOTAL FUND | <u>100%</u> | |

| <u>Asset Class</u> | <u>2019 Target Allocations</u> | <u>2019 Long-Term Expected Real Rate of Return</u> |
|----------------------------|------------------------------------|--|
| Cash | 0% | 0.24% |
| Domestic equity | 23% | 4.83% |
| International equity | 32% | 5.83% |
| Domestic fixed income | 6% | 2.79% |
| International fixed income | 10% | 4.49% |
| Alternatives investments | 22% | 8.32% |
| Risk parity | 7% | 5.06% |
| TOTAL FUND | <u>100%</u> | |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

15. DEFINED BENEFIT PENSION PLAN: (Continued)

Actuarial Assumptions: (Continued)

The discount rate used to measure the total pension liability at June 30, 2020 and June 2019 was 7.55% and 7.60%, respectively. 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. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments to 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.

Sensitivity of the System's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following presents the System's proportionate share of the net pension liability using the discount rate, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower, or one percentage-point higher, than the current rate:

| | 1% Decrease <u>6.55%</u> | Current Discount Rate <u>7.55%</u> | 1% Increase <u>8.55%</u> |
|-----------------------|--------------------------------|--|--------------------------------|
| Net Pension Liability | | | |
| June 30, 2020 | <u>\$ 1,193,992</u> | <u>\$ 971,638</u> | <u>\$ 782,946</u> |
| | | | |
| | 1% Decrease <u>6.60%</u> | Current Discount Rate <u>7.60%</u> | 1% Increase <u>8.60%</u> |
| Net Pension Liability | | | |
| June 30, 2019 | <u>\$ 764,987</u> | <u>\$ 606,109</u> | <u>\$ 471,911</u> |

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued Louisiana State Employees' Retirement System 2020 Annual Comprehensive Financial Report at www.lasersonline.org.

Payables to the Pension Plan:

As of June 30, 2021 and 2020, the System reported a payable of \$1,516 and \$1,516, respectively, for the outstanding amount of contributions to LASERS.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

16. USE OF ESTIMATES:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses and disclosures at the date of the financial statements. Actuarial valuations are used to determine the net pension liability and total OPEB liability. Actual results could differ from those estimates. The System utilizes various investment instruments, which by nature are exposed to a variety of risk levels and risk types, such as interest rate risk, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes could materially affect the amounts reported in the Statements of Fiduciary Net Position.

17. UNCERTAINTY:

As a result of COVID-19 coronavirus, economic uncertainties have arisen which could have a significant impact on the market values of the System's investments and the number of members in the System. The extent of the financial impact cannot be reasonably estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY
 FOR THE EIGHT YEARS ENDED JUNE 30, 2021

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Total Pension Liability: | | | | |
| Service cost | \$ 58,204,002 | \$ 57,890,624 | \$ 55,682,425 | \$ 54,455,139 |
| Interest | 219,076,341 | 221,341,661 | 214,556,499 | 211,934,847 |
| Changes of benefit terms | - | - | - | - |
| Differences between expected and actual experience | (1,771,420) | (29,781,524) | (788,461) | (54,697,789) |
| Changes of assumptions | 70,518,842 | (30,411,618) | 24,575,373 | 38,696,875 |
| Benefit payments (including DROP and IBO withdrawals) | (170,688,991) | (164,986,083) | (159,186,593) | (153,120,060) |
| Refunds | (4,511,520) | (3,885,219) | (4,195,787) | (4,396,691) |
| Other | (1,772,891) | (1,643,264) | (5,375,320) | (3,755,615) |
| Net change in total pension liability | <u>169,054,363</u> | <u>48,524,577</u> | <u>125,268,136</u> | <u>89,116,706</u> |
| Total pension liability - beginning | <u>3,180,974,031</u> | <u>3,132,449,454</u> | <u>3,007,181,318</u> | <u>2,918,064,612</u> |
| Total pension liability - ending (a) | <u>\$ 3,350,028,394</u> | <u>\$ 3,180,974,031</u> | <u>\$ 3,132,449,454</u> | <u>\$ 3,007,181,318</u> |
| Plan Fiduciary Net Position: | | | | |
| Contributions - employer | \$ 103,209,408 | \$ 100,615,513 | \$ 100,818,492 | \$ 90,835,597 |
| Contributions - member | 29,597,518 | 30,264,864 | 30,427,910 | 28,746,906 |
| Contributions - non-employer contributing entity | 22,347,331 | 21,797,215 | 20,587,174 | 19,733,532 |
| Net investment income (loss) | 584,755,070 | 52,492,225 | 81,329,838 | 141,544,619 |
| Benefit payments (including DROP and IBO withdrawals) | (170,688,991) | (164,986,083) | (159,186,593) | (153,120,060) |
| Refunds | (4,511,520) | (3,885,219) | (4,195,787) | (4,396,691) |
| Administrative expenses | (2,470,601) | (2,196,255) | (1,898,939) | (2,814,163) * |
| Other | (2,005,465) | (1,643,264) ** | (5,375,320) | (3,776,843) |
| Net change in plan fiduciary net position | <u>560,232,750</u> | <u>32,458,996</u> | <u>62,506,775</u> | <u>116,752,897</u> |
| Plan fiduciary net position - beginning | <u>2,256,740,977</u> | <u>2,224,281,981</u> | <u>2,161,775,206</u> | <u>2,045,022,309</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 2,816,973,727</u> | <u>\$ 2,256,740,977</u> | <u>\$ 2,224,281,981</u> | <u>\$ 2,161,775,206</u> |
| Net pension liability - ending (a) - (b) | <u>\$ 533,054,667</u> | <u>\$ 924,233,054</u> | <u>\$ 908,167,473</u> | <u>\$ 845,406,112</u> |
| Plan fiduciary net position as a percentage of total pension liability | 84.09% | 70.94% | 71.01% | 71.89% |
| Covered payroll | \$ 305,116,545 | \$ 309,586,194 | \$ 312,615,479 | \$ 295,400,315 |
| Net pension liability as a percentage of covered payroll | 174.71% | 298.54% | 290.51% | 286.19% |

* 2018 Administrative expenses include \$1,090,517 in prior period adjustment for implementation of GASB 75.

** 2020 Other expenses include \$302,809 in prior period adjustment for the recognition of the System's participation in LASERS.

Continued

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

| | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|
| Total Pension Liability: | | | | |
| Service cost | \$ 50,897,473 | \$ 48,835,622 | \$ 43,010,879 | \$ 44,231,463 |
| Interest | 205,008,038 | 198,685,578 | 186,254,517 | 178,359,489 |
| Changes of benefit terms | - | - | - | 38,929,984 |
| Differences between expected and actual experience | 7,622,189 | (8,714,512) | (9,412,440) | (14,670,717) |
| Changes of assumptions | 52,448,263 | - | 91,142,323 | (225,724) |
| Benefit payments (including DROP and IBO withdrawals) | (151,553,474) | (148,169,159) | (140,940,357) | (127,348,774) |
| Refunds | (4,217,420) | (4,142,582) | (4,257,860) | (4,503,123) |
| Other | (2,280,589) | (2,827,581) | (1,951,961) | (1,520,753) |
| Net change in total pension liability | <u>157,924,480</u> | <u>83,667,366</u> | <u>163,845,101</u> | <u>113,251,845</u> |
| Total pension liability - beginning | <u>2,760,140,132</u> | <u>2,676,472,766</u> | <u>2,512,627,665</u> | <u>2,399,375,820</u> |
| Total pension liability - ending (a) | <u>\$ 2,918,064,612</u> | <u>\$ 2,760,140,132</u> | <u>\$ 2,676,472,766</u> | <u>\$ 2,512,627,665</u> |
| Plan Fiduciary Net Position: | | | | |
| Contributions - employer | \$ 94,847,073 | \$ 82,720,635 | \$ 84,324,128 | \$ 82,259,694 |
| Contributions - member | 29,175,452 | 27,278,823 | 26,117,636 | 25,922,508 |
| Contributions - non-employer contributing entity | 19,090,190 | 18,605,064 | 17,704,000 | 16,628,926 |
| Net investment income (loss) | 238,535,243 | (42,215,916) | 26,639,525 | 296,576,890 |
| Benefit payments (including DROP and IBO withdrawals) | (151,553,474) | (148,169,159) | (140,940,357) | (127,348,774) |
| Refunds | (4,217,420) | (4,142,582) | (4,257,860) | (4,503,123) |
| Administrative expenses | (1,432,563) | (1,468,182) | (1,577,279) | (1,529,139) |
| Other | (2,280,589) | (2,827,581) | (1,951,961) | (1,520,298) |
| Net change in plan fiduciary net position | <u>222,163,912</u> | <u>(70,218,898)</u> | <u>6,057,832</u> | <u>286,486,684</u> |
| Plan fiduciary net position - beginning | <u>1,822,858,397</u> | <u>1,893,077,295</u> | <u>1,887,019,463</u> | <u>1,600,532,779</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 2,045,022,309</u> | <u>\$ 1,822,858,397</u> | <u>\$ 1,893,077,295</u> | <u>\$ 1,887,019,463</u> |
| Net pension liability - ending (a) - (b) | <u>\$ 873,042,303</u> | <u>\$ 937,281,735</u> | <u>\$ 783,395,471</u> | <u>\$ 625,608,202</u> |
| Plan fiduciary net position as a percentage of total pension liability | 70.08% | 66.04% | 70.73% | 75.10% |
| Covered payroll | \$ 298,448,940 | \$ 280,124,060 | \$ 267,525,787 | \$ 265,182,766 |
| Net pension liability as a percentage of covered payroll | 292.53% | 334.60% | 292.83% | 235.92% |

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

| <u>Fiscal Year</u> | <u>Total Pension Liability</u> | <u>Plan Fiduciary Net Position</u> | <u>Employers' Net Pension Liability</u> | Plan Fiduciary Net Position as a Percentage of Total Pension Liability | <u>Covered Payroll</u> | Employers' Net Pension Liability as a Percentage of Covered Payroll |
|--------------------|--------------------------------|------------------------------------|---|--|------------------------|---|
| 2021 | \$ 3,350,028,394 | \$ 2,816,973,727 | \$ 533,054,667 | 84.09% | \$ 305,116,545 | 174.71% |
| 2020 | 3,180,974,031 | 2,256,740,977 | 924,233,054 | 70.94% | 309,586,194 | 298.54% |
| 2019 | 3,132,449,454 | 2,224,281,981 | 908,167,473 | 71.01% | 312,615,479 | 290.51% |
| 2018 | 3,007,160,090 | 2,161,775,206 | 845,384,884 | 71.89% | 295,400,315 | 286.18% |
| 2017 | 2,918,064,612 | 2,045,022,309 | 873,042,303 | 70.08% | 298,448,940 | 292.53% |
| 2016 | 2,760,140,132 | 1,822,858,397 | 937,281,735 | 66.04% | 280,124,060 | 334.60% |
| 2015 | 2,676,472,766 | 1,893,077,295 | 783,395,471 | 70.73% | 267,525,787 | 292.83% |
| 2014 | 2,512,627,665 | 1,887,019,463 | 625,608,202 | 75.10% | 265,182,766 | 235.92% |

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITY
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

| Fiscal Year | Actuarially Determined Contribution | Contributions in Relation to the Actuarially Determined Liability | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|----------------|---|---|--|--------------------|---|
| 2021 | \$ 125,556,739 | \$ 125,556,739 | \$ - | \$ 305,116,545 | 41.15% |
| 2020 | 122,412,728 | 122,412,728 | - | 309,586,194 | 39.54% |
| 2019 | 121,405,666 | 121,405,666 | - | 312,615,479 | 38.84% |
| 2018 | 110,569,129 | 110,569,129 | - | 295,400,315 | 37.43% |
| 2017 | 113,937,263 | 113,937,263 | - | 298,448,940 | 38.18% |
| 2016 | 101,325,699 | 101,325,699 | - | 280,124,060 | 36.17% |
| 2015 | 102,028,128 | 102,028,128 | - | 267,525,787 | 38.14% |
| 2014 | 98,888,620 | 98,888,620 | - | 265,182,766 | 37.29% |

Schedule is intended to show information for 10 years. Additional years will be presented as they become available.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
FOR THE EIGHT YEARS ENDED JUNE 30, 2021

| <u>Fiscal Year End</u> | <u>Annual Money-Weighted Rate of Return*</u> |
|----------------------------|--|
| 2021 | 25.90% |
| 2020 | 2.20% |
| 2019 | 3.48% |
| 2018 | 6.70% |
| 2017 | 13.30% |
| 2016 | -2.80% |
| 2015 | 1.10% |
| 2014 | 17.90% |

* Annual money-weighted rates of return are presented net of investment expense

Schedule is intended to show information for 10 years. Additional years will be presented as they become available

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY
FOR THE FOUR YEARS ENDED JUNE 30, 2021

| <u>Fiscal Year*</u> | <u>System's Beginning Total OPEB Liability</u> | <u>Service Costs</u> | <u>Interest</u> | <u>Differences Between Expected and Actual Experience</u> | <u>Changes in Assumptions</u> | <u>Contributions</u> | <u>System's Ending Total OPEB Liability</u> |
|---------------------|--|--------------------------|-----------------|---|-----------------------------------|----------------------|---|
| 2021 | \$ 1,904,608 | \$ 39,117 | \$ 53,479 | \$ (162,894) | \$ 68,984 | \$ (54,220) | \$ 1,849,074 |
| 2020 | 1,958,439 | 47,950 | 59,156 | 136,689 | (254,763) | (42,863) | 1,904,608 |
| 2019 | 1,794,597 | 43,590 | 56,966 | 177,330 | (77,401) | (36,643) | 1,958,439 |
| 2018 | 1,869,400 | 47,795 | 51,463 | - | (137,418) | (36,643) | 1,794,597 |

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

* The amounts presented for each fiscal year were determined as of the prior fiscal year.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SYSTEM'S OPEB CONTRIBUTIONS
FOR THE FOUR YEARS ENDED JUNE 30, 2021

| <u>Fiscal Year</u> | <u>Actuarially Estimated Contributions</u> | <u>System's Actual Contributions</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Payroll</u> | <u>Contributions as a Percentage Of Covered Payroll</u> | <u>Total OPEB Liability as a Percentage of Covered Payroll</u> |
|------------------------|--|--|---|----------------------------|---|--|
| 2021 | \$ 54,220 | \$ 61,156 | \$ (6,936) | \$ 592,259 | 10.33% | 312.21% |
| 2020 | 42,863 | 62,574 | (19,711) | 572,956 | 10.92% | 332.42% |
| 2019 | 36,643 | 50,114 | (13,471) | 597,761 | 8.38% | 327.63% |
| 2018 | 36,643 | 38,341 | (1,698) | 439,450 | 8.72% | 408.37% |

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SYSTEM'S PROPORTIONATE SHARE OF
 THE NET PENSION LIABILITY IN LASERS
FOR THE FOUR YEARS ENDED JUNE 30, 2021

| Fiscal Year* | System's Proportion of the Net Pension <u>Liability</u> | System's Proportionate Share of the Net Pension <u>Liability</u> | System's Covered <u>Payroll</u> | System's Proportionate Share of the Net Pension Liability as a Percentage of its Covered <u>Payroll</u> | Plan Fiduciary Net Position as a Percentage of the Total Pension <u>Liability</u> |
|-----------------|---|--|---------------------------------------|--|---|
| 2021 | 0.01175% | \$ 971,638 | \$ 246,400 | 394.33 | 58.0% |
| 2020 | 0.00837% | 606,109 | 160,000 | 378.82 | 62.9% |
| 2019 | 0.00763% | 520,497 | 160,000 | 325.31 | 64.3% |
| 2018 | 0.00792% | 557,616 | 160,000 | 348.51 | 62.5% |

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

* The amounts presented for each fiscal year were determined as of the prior fiscal year.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE SYSTEM'S CONTRIBUTIONS TO LASERS
FOR THE FOUR YEARS ENDED JUNE 30, 2021

| <u>Fiscal Year</u> | <u>Contractually Required Contributions</u> | <u>Contributions in Relation to Contractually Required Contributions</u> | <u>Contribution Deficiency (Excess)</u> | <u>System's Covered Payroll</u> | <u>Contributions as as a Percentage of Covered Payroll</u> |
|------------------------|---|--|---|---|--|
| 2021 | \$ 98,920 | \$ 98,920 | \$ - | \$ 246,400 | 40.15% |
| 2020 | 97,235 | 97,235 | - | 246,400 | 39.46% |
| 2019 | 62,972 | 62,972 | - | 160,000 | 39.36% |
| 2018 | 50,326 | 50,326 | - | 160,000 | 31.45% |

This schedule is intended to show information for 10 years. Additional years will be presented as they become available.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020

1. SCHEDULE OF CHANGES IN NET PENSION LIABILITY:

The total pension liability contained in this schedule was provided by the System's actuary, G.S. Curran & Company, Ltd. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the fund.

2. SCHEDULE OF EMPLOYERS' NET PENSION LIABILITY:

The schedule of employers' net pension liability shows the percentage of the System's employers' net pension liability as a percentage of covered payroll. The employers' net pension liability is the liability of contributing employers to members for benefits provided through the System. Covered payroll is the payroll on which contributions to the System are based.

3. SCHEDULE OF CONTRIBUTIONS – EMPLOYER AND NON-EMPLOYER CONTRIBUTING ENTITY:

The difference between the actuarially determined contributions for employer and the non-employer contributing entity and the contributions reported from employer and the non-employer contributing entity, and the percentage of contributions reported to cover employee payroll is presented in this schedule. Insurance premium tax revenue is support from a non-employer contributing entity.

4. SCHEDULE OF INVESTMENT RETURNS:

The annual money-weighted rate of return is shown in this schedule. The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. This express investment performance adjusted for the changing amounts actually invested throughout the year, measured using monthly inputs with expenses measured on an accrual basis.

5. ACTUARIAL ASSUMPTIONS:

The assumptions and methods used for the actuarial valuation were recommended by the actuary and adopted by the Board. The actuarial assumptions used in valuation were based on the assumptions used in actuarial funding valuation. The assumptions used in the valuation are based on the results of an actuarial experience study for the period July, 1 2014 – June 30, 2019, unless otherwise noted. Additional information on the assumptions and methods used as of the latest actuarial valuation are disclosed in the notes to the financial statements Note 4, Net Pension Liability of Employers.

6. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY:

This schedule reflects the participation of the System's employees in the State of Louisiana Postemployment Benefits Plan and changes in the total other postemployment liability.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020

6. SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY: (Continued)

No assets are accumulated in a trust that meets the criteria in paragraph 4 of the Governmental Accounting Standards Board Statement No. 75 to pay related benefits.

7. SCHEDULE OF THE SYSTEM'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY IN LASERS:

This schedule reflects the participation of the System employees in LASERS and its proportionate share of the net pension liability, the proportionate share of the net pension liability as a percentage of its covered payroll, and the plan fiduciary net position as a percentage of the total pension liability. The measurement period for the fiscal year ended June 30, 2021 is as of June 30, 2020.

8. SCHEDULE OF THE SYSTEM'S CONTRIBUTIONS TO LASERS:

This schedule represents the employer contributions subsequent to the measurement date and recognized as a reduction of the net pension liability in future years.

9. CHANGES IN ACTUARIAL ASSUMPTIONS:

OPEB PLAN:

Following is a detail of the actuarial assumptions for the State of Louisiana Postemployment Benefit Plan.

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|---|---|--|--|
| Investment rate of return | 2.66% | 2.79% | 2.98% | 3.13% |
| Expected remaining service lives | 2 years | 2 years | 3 years | 3 years |
| Actuarial cost method | Entry Age Normal | Entry Age Normal | Entry Age Normal | Entry Age Normal |
| Inflation rate | 2.30% | 2.50% | 2.75% | 2.75% |
| Mortality rate - non-disabled members | RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis | RP-2014 Healthy Mortality Table with mortality improvement projected using the MP-2018 Mortality Improvement Scale, applied on a fully generational basis | RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 | RP-2000 Combined Healthy Mortality Table with mortality improvement projected to 2015 |
| Mortality rate - disabled members | RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement | RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement | RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement | RP-2000 Disabled Retiree Mortality Table, with no projection for mortality improvement |
| Termination, disability, and retirement | Projected based on a five-year (2014-2018) experience study of the System's members | Projected based on a five-year (2014-2018) experience study of the System's members | Projected based on a five-year (2009-2013) experience study of the System's members | Projected based on a five-year (2009-2013) experience study of the System's members |
| Salary increases, including inflation and merit | Projected based on a 2014-2018 experience study of the System's members. Salary increases range from 2.8% to 14.0% | Projected based on a 2014-2018 experience study of the System's members. Salary increases range from 2.8% to 14.0% | Projected based on a 2009-2013 experience study of the System's members. Salary increases range from 2.8% to 14.3% | Projected based on a 2009-2013 experience study of the System's members. Salary increases range from 2.8% to 14.3% |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020

9. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

System's Net Pension Liability:

Following is a detail description of the actuarial assumptions used for the pension liability:

| Valuation Date | 2021 | 2020 | 2019 | 2018 | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|--|--|--|--|--------|---------|-------|---|------------------|--------------------|-----|--------|---------|-------|---|------------------|--------------------|-----|-------|------|-------|----------|-------|---|------------------|--------------------|-----|-------|------|-------|----------|-------|
| Investment Rate of Return | 6.75% | 6.95% | 7.125% | 7.200% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inflation Rate | 2.50% | 2.50% | 2.50% | 2.60% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mortality Rate - Annuitant and Beneficiary | The Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Restirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used. | The Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Restirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used. | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA set back 1 year for females | RP-2000 Combined Healthy with Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA set back 1 year for females | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mortality Rate - Employees | The Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Restirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used. | The Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Restirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP 2019 scale was used. | RP-2000 Employee table set back 4 years for males and 3 years for females | RP-2000 Employee table set back 4 years for males and 3 years for females | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mortality Rate - Disabled Annuitaints | The Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale was used. | The Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 105% for males and 115% for females, each with full generational projection using the MP 2019 scale was used. | RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females | RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salary increases, including inflation and merit | <table border="1"> <thead> <tr> <th>Years of Service</th> <th>Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td>1-2</td> <td>12.30%</td> </tr> <tr> <td>Above 2</td> <td>4.70%</td> </tr> </tbody> </table> | Years of Service | Salary Growth Rate | 1-2 | 12.30% | Above 2 | 4.70% | <table border="1"> <thead> <tr> <th>Years of Service</th> <th>Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td>1-2</td> <td>12.30%</td> </tr> <tr> <td>Above 2</td> <td>4.70%</td> </tr> </tbody> </table> | Years of Service | Salary Growth Rate | 1-2 | 12.30% | Above 2 | 4.70% | <table border="1"> <thead> <tr> <th>Years of Service</th> <th>Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td>1-2</td> <td>9.75%</td> </tr> <tr> <td>3-23</td> <td>4.75%</td> </tr> <tr> <td>Above 23</td> <td>4.25%</td> </tr> </tbody> </table> | Years of Service | Salary Growth Rate | 1-2 | 9.75% | 3-23 | 4.75% | Above 23 | 4.25% | <table border="1"> <thead> <tr> <th>Years of Service</th> <th>Salary Growth Rate</th> </tr> </thead> <tbody> <tr> <td>1-2</td> <td>9.75%</td> </tr> <tr> <td>3-23</td> <td>4.75%</td> </tr> <tr> <td>Above 23</td> <td>4.25%</td> </tr> </tbody> </table> | Years of Service | Salary Growth Rate | 1-2 | 9.75% | 3-23 | 4.75% | Above 23 | 4.25% |
| Years of Service | Salary Growth Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1-2 | 12.30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Above 2 | 4.70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Years of Service | Salary Growth Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1-2 | 12.30% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Above 2 | 4.70% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Years of Service | Salary Growth Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1-2 | 9.75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3-23 | 4.75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Above 23 | 4.25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Years of Service | Salary Growth Rate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1-2 | 9.75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3-23 | 4.75% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Above 23 | 4.25% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

**MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021 AND 2020**

9. CHANGES IN ACTUARIAL ASSUMPTIONS: (Continued)

System's Net Pension Liability: (Continued)

| | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|
| Investment rate of return | 7.325% | 7.500% | 7.500% | 7.500% |
| Inflation rate | 2.700% | 2.875% | 2.875% | 3.000% |
| Mortality rate - annuitant and beneficiary | RP-2000 Combined Healthy Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA set back 1 year for females | RP-2000 Combined Healthy Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA set back 1 year for females | RP-2000 Combined Healthy Blue Collar Adjustment Sex Distinct Tables projected to 2020 by Scale AA set back 1 year for females | RP-2000 Health Annuitant Mortality Table set back 1 year for males and females |
| Mortality rate - employees | RP-2000 Employee Table set back 4 years for males and 3 years for females | RP-2000 Employee Table set back 4 years for males and 3 years for females | RP-2000 Employee Table set back 4 years for males and 3 years for females | RP-2000 Employee Mortality Table set back 1 year for males and females |
| Mortality rate - disabled annuitants | RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females | RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females | RP-2000 Disabled Lives Mortality Table set back 5 years for males and 3 years for females | RP-2000 Disabled Lives Mortality Table |
| Salary increases, including inflation and merit | Years of Service/Salary Growth Rate 1-2/9.75% 3-23/4.75% Above 23/4.25% | Years of Service/Salary Growth Rate 1-2/9.75% 3-23/4.75% Above 23/4.25% | Years of Service/Salary Growth Rate 1-2/9.75% 3-23/4.75% Above 23/4.25% | Years of Service/Salary Growth Rate 1/10% 2/6% 3-19/4.3% 20-29/5.50% 30 & Over/4.00% |

Louisiana State Employees' Retirement System (LASERS)

| Valuation Date | Investment Rate of Return | Inflation Rate | Expected Remaining Service Lives | Salary Increases | Mortality Rate - Active & Retired Members | Termination, disability, and retirement assumptions |
|----------------|---------------------------|----------------|----------------------------------|------------------|---|---|
| June 30, 2020 | 7.55% | 2.30% | 2 Years | 2.6% - 13.8% | Mortality rates based on the RP-2014 mortality tables for non-disabled members and RP-2000 for disabled members | Projected on a 5 year (2014-2018) experience study |
| June 30, 2019 | 7.60% | 2.50% | 2 Years | 2.8% - 14.0% | Mortality rates based on the RP-2014 mortality tables for non-disabled members and RP-2000 for disabled members | Projected on a 5 year (2014-2018) experience study |

OTHER SUPPLEMENTARY INFORMATION

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PER DIEM PAID TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

The per diem paid to the trustees is an expenditure of the Expense Fund. For fiscal years ended June 30, 2021 and 2020, the trustees received per diem at the rate of \$75.00 for each day of a regularly scheduled meeting of the Board of Trustees that they attended. The per diem paid to the trustees for the years ended June 30, 2021 and 2020 were as follows:

| | <u>2021</u> | <u>2020</u> |
|----------------------|-----------------|-----------------|
| Darrell Basco | \$ 600 | \$ 225 |
| Raymond Burkart, Jr. | 600 | 600 |
| Michael Calloway | - | 225 |
| Greg Cromer | 450 | - |
| Scott Ford | 750 | 675 |
| Michael Glaser | 750 | 525 |
| Willie Joe Greene | - | 150 |
| Chad King | 150 | 600 |
| Gerard Landry | 675 | 675 |
| Dwayne Munch | 300 | 225 |
| Larry Reece | 600 | 675 |
| Donald Villere | 225 | 675 |
| Chris Wilrye | 675 | 600 |
| | <u>\$ 5,775</u> | <u>\$ 5,850</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF ADMINISTRATIVE EXPENSES
ACTUAL AND BUDGET
FOR THE YEAR ENDED JUNE 30, 2021

| | <u>Actual</u> | <u>Budget</u> | Variance Favorable <u>(Unfavorable)</u> |
|---|---------------------|---------------------|---|
| Personal Services: | | | |
| Staff salaries | \$ 639,666 | \$ 662,800 | \$ 23,134 |
| Group insurance | 75,435 | 136,600 | 61,165 |
| Retirement | 115,253 | 215,300 | 100,047 |
| Board member - per diem | 5,775 | 5,850 | 75 |
| Professional Services: | | | |
| Accounting | 108,458 | 108,500 | 42 |
| Actuarial | 106,330 | 106,600 | 270 |
| Computer services | 415,362 | 405,621 | (9,741) |
| Legal | 86,729 | 87,000 | 271 |
| Risk management | 24,044 | 24,044 | - |
| Medical Board | 5,419 | 5,419 | - |
| Death audit | 9,429 | 9,430 | 1 |
| Communications: | | | |
| Postage and printing | 21,290 | 21,295 | 5 |
| Telephone | 16,128 | 16,130 | 2 |
| Education conferences and board education | 38,325 | 47,416 | 9,091 |
| Education staff | 5,902 | 5,905 | 3 |
| Other: | | | |
| Equipment rental and repair | 25,714 | 25,820 | 106 |
| Dues and subscriptions | 8,861 | 8,861 | - |
| Supplies | 25,484 | 25,490 | 6 |
| Election | 20,168 | 20,170 | 2 |
| Advertising | 563 | 565 | 2 |
| Board | 3,860 | 3,864 | 4 |
| Miscellaneous | 103,275 | 101,470 | (1,805) |
| Uniforms | 1,928 | 4,500 | 2,572 |
| Loss on disposal of assets | 80 | - | (80) |
| Medicare and FICA | 11,858 | 16,000 | 4,142 |
| Building: | | | |
| Association dues | 1,600 | 1,600 | - |
| Building maintenance and supplies | 79,106 | 74,155 | (4,951) |
| Security | 228 | 230 | 2 |
| Utilities | 38,815 | 38,815 | - |
| TOTAL ADMINISTRATIVE EXPENSES | <u>\$ 1,995,085</u> | <u>\$ 2,179,450</u> | <u>\$ 184,365</u> |
| CAPITAL OUTLAYS | <u>\$ 1,547,715</u> | <u>\$ 1,528,327</u> | <u>\$ (19,388)</u> |

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PROFESSIONAL FEES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|--|-------------|-------------|
| AUDITING: | | |
| Duplantier, Hrapmann, Hogan and Maher, LLP | \$ 108,458 | \$ 70,224 |
| ACTUARY: | | |
| G.S. Curran and Co. | 106,330 | 109,863 |
| LEGAL FEES: | | |
| Daigle, Fisse & Kessenich | 84,674 | 49,650 |
| Weiler & Rees, LLC | - | 8,772 |
| OTHER PROFESSIONALS: | | |
| CMA Technology | 56,873 | 71,190 |
| ConvergOne, LLC | 18,136 | 9,800 |
| Provaliant Retirement and Consulting | 40,500 | 113,725 |
| Trabeau Consulting | - | 12,228 |
| Abila | 12,292 | - |
| Medical - physicans | 5,802 | 5,406 |
| Tegrit Software Ventures, Inc | 87,000 | 78,000 |

For fees paid to investment professionals see Investment Section

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF INVESTMENT EXPENSES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|------------------|------------------|
| <u>INVESTMENT ACTIVITIES EXPENSES</u> | | |
| Investment Management Expenses: | | |
| Manager fees | \$ 5,901,934 | \$ 7,646,091 |
| Custodial fees | 301,804 | 292,394 |
| Consultant fees | <u>276,667</u> | <u>367,417</u> |
| | <u>6,480,405</u> | <u>8,305,902</u> |
| Securities Lending Expenses: | | |
| Management fees | <u>\$ 36,640</u> | <u>\$ 43,898</u> |

See investment section of annual comprehensive financial report for more detail on investment manager expenses.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULE OF COMPENSATION, BENEFITS, AND OTHER PAYMENTS
TO AGENCY HEAD
FOR THE YEAR ENDED JUNE 30, 2021

Agency Head Name: Ben Huxen, CPA, Executive Director and General Counsel

| | |
|--|-------------------|
| Salary | \$ 166,400 |
| Benefits - insurance | 14,171 |
| Benefits - retirement | 66,726 |
| Continuing professional education fees | 3,462 |
| Dues | 575 |
| Travel | - |
| Total | <u>\$ 251,334</u> |



Duplantier Hrapmann Hogan & Maher, LLP

A.J. Duplantier, Jr., CPA
(1919-1985)

Felix J. Hrapmann, Jr., CPA
(1919-1990)

William R. Hogan, Jr., CPA
(1920-1996)

James Maher, Jr., CPA
(1921-1999)

Lindsay J. Calub, CPA, LLC
Guy L. Duplantier, CPA
Michelle H. Cunningham, CPA
Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

Heather M. Jovanovich, CPA
Terri L. Kitto, CPA

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
Paul M. Novak, CPA, AVB, CVA
Wesley D. Wade, CPA

Michael J. O' Rourke, CPA
David A. Burgard, CPA
Clifford J. Giffin, Jr., CPA
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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 FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 14, 2021

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 financial statements of the Municipal Police Employees' Retirement System as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements, and have issued our report thereon dated December 14, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Municipal Police Employees' Retirement System's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the System's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the 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 financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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 System'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. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Duplantis, Chapman, Hogan and Grady, LLP

New Orleans, Louisiana

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SUMMARY OF SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of the Municipal Police Employees' Retirement System for the year ended June 30, 2021 was unmodified.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE WITH LAWS AND REGULATIONS AND OTHER MATTERS:

2. Internal Control:

| | |
|---------------------------|------------|
| Material weaknesses: | None noted |
| Significant deficiencies: | None noted |

3. Compliance and Other Matters: None noted

MANAGEMENT LETTER COMMENTS:

None noted

SUMMARY OF PRIOR YEAR FINDINGS:

None noted

INVESTMENT SECTION



DAVID BARNES, CFA, CAIA
SENIOR CONSULTANT

August 16, 2021

Board of Trustees

Louisiana Municipal Police Employees' Retirement System (MPERS)

7722 Office Park Blvd. #200

Baton Rouge, LA 70809

Dear Board Members,

As an independent investment advisor to the Louisiana Municipal Employees' Retirement System ("System" or "MPERS") and its Board of Trustees ("Board"), NEPC is pleased to provide a fiscal-year ending overview of the investment policies, investment planning, and implementation, as well as a summary of investment markets during the fiscal year ending June 30, 2021 (FY2021).

INVESTMENT POLICY

The investment policy was updated on July 21, 2021 and includes a summary description of the System and governing statutes and regulations, the roles and responsibilities of those with oversight and management of the investment program, the System's investment objectives, an outline of the strategic asset allocation, and guidelines for managing and monitoring the investment program. The System's investment policy can be accessed online at www.lampers.municipalcodeonline.com.

In NEPC's opinion, the System's assets are managed under a transparent set of investment policies and guidelines. These policies and guidelines appropriately highlight the long-term strategic performance objectives of the System and emphasize the dual importance of maintaining robust risk controls while pursuing long-term return objectives.

INVESTMENT PLANNING AND IMPLEMENTATION

The System's investment program continues to evolve to address a dynamically changing investment market. The MPERS strategic asset allocation during FY2021 targeted a 51.5% allocation to diversified public equities, a 33.5% target to fixed income (globally diversified across US core, US high yield, and emerging markets debt), and a 15% target allocation to other alternative asset classes (including private equity and real estate). NEPC and the System's Board and staff have focused on building an appropriate blend of return-seeking and diversifying sub-asset classes and investment managers in the implementation of the equity, fixed income, and alternatives portfolios.

The MPERS Board approved NEPC's recommended Fiscal Year 2022 (FY2022) strategic, long-term target asset allocation changes which incorporated a higher target allocation to public equities (from 51.5% to 55.5%), a lower target allocation to fixed income (from 33.5% to 30.5%) and a slightly lower target allocation to private real estate (from 8.0% to 7.0%).

Based on the FY2022 target allocations, NEPC forecasts a base-case expected nominal return over the next 10 years of 5.6% (annualized) and a return of 6.6% (annualized) over the next 30 years. FY 2022 target allocations represent an increase over FY 2021 target allocations in the 10-year and 30-year expected return for the portfolio of 0.2% and 0.3%, respectively.

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The current target allocation provides meaningful diversification of the portfolio's sources of risk compared to a traditional 60/40 global stock and bond portfolio. With the goal of balancing upside gains with potential downside risks, NEPC's strategic views and additional risk metrics, such as risk budgeting and economic scenario stress testing, were applied in establishing the Fiscal Year target asset allocation.

FISCAL YEAR 2021 MARKET COMMENTARY

Following FY2020 when volatility roiled investment markets as investors grappled with the potential fallout of the COVID-19 pandemic, capital markets in FY2021 were bolstered by strong corporate earnings, optimism surrounding the development of COVID-19 vaccines in late calendar year 2020 and their eventual distribution in calendar year 2021, as well as by the re-opening of economies and supporting fiscal stimulus.

Major global equity indexes rallied during the twelve months ending June 30, 2021, posting positive returns in domestic, international, and emerging markets. US equity markets (as measured by the S&P 500 Index) ended each of the four quarters during FY2021 with positive returns, with the S&P 500 Index ending the fiscal year with a one-year return of 40.8%. Within the U.S. stock market, small cap stocks (as measured by the Russell 2000 Index) posted the strongest results with a one-year return of 62.0%. Developed international equity markets (as measured by the MSCI EAFE Index) ended FY2021 with a 12-month return of 32.4%. Emerging markets stocks ended the fiscal year with a one-year return of 40.9%. The U.S. Federal Reserve held its benchmark rate to a range of 0.00% - 0.25% throughout the fiscal year and continued its monthly asset purchase program of buying \$120 billion in Treasury and mortgage-backed securities that it had implemented in 2020. Despite contracting credit spreads, which supported gains in U.S. investment grade credit and high yield markets, rising U.S. Treasury rates during the fiscal year were a headwind for the U.S. investment grade bond market. The Bloomberg Barclays US Aggregate Index ended the fiscal year down -0.3%, with the Bloomberg Barclays U.S. Treasury Index down -3.2% for the trailing 12-month period ending June 30, 2021. The U.S. high yield bond market (as measured by the Bloomberg Barclays US High Yield Index) posted a twelve month return of 15.4%. In real assets, commodities rebounded off calendar year 2020 lows with the Bloomberg Commodities Index posting one-year gains of 45.6% and WTI crude oil prices rising 87.1% since June 30, 2020.

Sincerely,



David Barnes, CFA, CAIA
Senior Consultant

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

SUMMARY OF INVESTMENT POLICY

Purpose

The purpose of this Investment Policy Statement (“Policy” or “IPS”) is to assist the Board in effectively supervising, monitoring and evaluating the investment of Plan assets. The objectives, policies, and procedures outlined in this document were created as a general framework and guide for the management of the Plan, and the statements contained in this document are intended to provide sufficient flexibility to the Board in the investment process. Accordingly, this Investment Policy Statement:

1. Makes a clear distinction between the responsibilities of the Board and the service providers hired to help implement the Plan’s Investment Policy—the investment consultant, the investment managers, and the bank custodian/trustee.
2. Describes the Plan’s risk tolerance, as defined by the asset classes that are considered allowable investments and the percentage allocations to each asset class.
3. Sets forth the criteria to be placed on diversification of portfolio investments.
4. Describes the investment practices that apply to the individual portfolios managed by each of the investment managers.
5. Provides rate-of-return objectives and criteria to monitor and evaluate the performance results achieved by the investment managers.
6. Establishes effective communication procedures between the Board and the investment managers, investment consultant, and bank custodian/trustee.
7. Creates a formal review process for reviewing this Investment Policy Statement.

The Board intends that the Plan will comply with all applicable laws, rules, and regulations from various local, state, and federal entities that may have an impact on MPERS assets.

Provisions within this document are intended to be additive to contractual agreements established with the Plan’s service providers (e.g., investment managers, custodians, consultants, etc.). In the event that the Investment Policy Statement is in conflict with the terms of a vendor contract, the terms of the vendor contract will prevail.

This Investment Policy Statement has been arrived at upon careful consideration by the Board of the financial implications of a wide range of policies, and describes the prudent investment process that the Board deems appropriate for achieving the financial objectives of the Plan.

Objectives

Investments will be made for the sole interest of the participants and beneficiaries of the Plan. Accordingly, the assets of the Plan shall be invested in accordance with these objectives:

1. To ensure funds are available to meet current and future obligations of the Plan when due.
2. To earn an investment return equal to or greater than the actuarial return assumption (currently 7.5%, net of investment expenses).
3. To earn a risk-adjusted rate of return that, over a 5 – 7 year market cycle, is equal to or above the median plan of the public pension plan universe.
4. To invest the assets in a cost effective manner.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

SUMMARY OF INVESTMENT POLICY: (Continued)

Time Horizon

For purposes of planning, the time horizon for investments is long-term. Capital values fluctuate over shorter periods, and the Board recognizes that the possibility of capital loss does exist. The Board has adopted a long-term investment horizon in order to carefully weigh the probability and duration of investment loss against the long-term potential for investment gains. Plan assets will be invested in a prudent manner to ensure diversification of investment risks and opportunities.

Risk Tolerance

The Board recognizes that risk must be assumed to achieve the Fund's long-term investment objectives. The Board also understands that the nature of financial instruments and markets in which it invests involves some interim fluctuations in market value and rates of return. The Board's risk tolerance is characterized as Moderate, defined by its desire to preserve capital in volatile investment environments and to improve or maintain its current funding ratio level. The Board will aim to diversify assets across asset classes and investment managers to maintain an appropriate level of risk to meet these objectives.

Account Performance Measurement

In measuring the performance of an account, a total return concept is applied. This means that the returns customarily include the income generated from the assets under management during the measurement period as well as the change in asset value. When securities are bought or sold, the trade date values are used. The income generated by fixed income securities is to be measured on an accrual basis rather than on a cash basis. Performance is usually measured according to the CFA Institute Standard, which utilizes a time-weighted measurement method to minimize the impact that contributions and withdrawals have on portfolio returns.

Asset-Allocation Guidelines

The Board establishes asset-allocation policies to reflect, and be consistent with, the investment objectives expressed in this Investment Policy Statement. These policies, developed after examining the historical relationships of risk and return among asset classes, are designed to provide the greatest probability of meeting or exceeding the Plan's return objectives at the lowest possible risk.

The Board considered the risk, reward and volatility of securities markets in establishing the risk tolerance for the Plan. The Board also reviewed the long-term characteristics of various asset classes, focusing on balancing risk with expected return. On the basis of the Board's time horizon and risk tolerance, the following asset-allocation guidelines have been established:

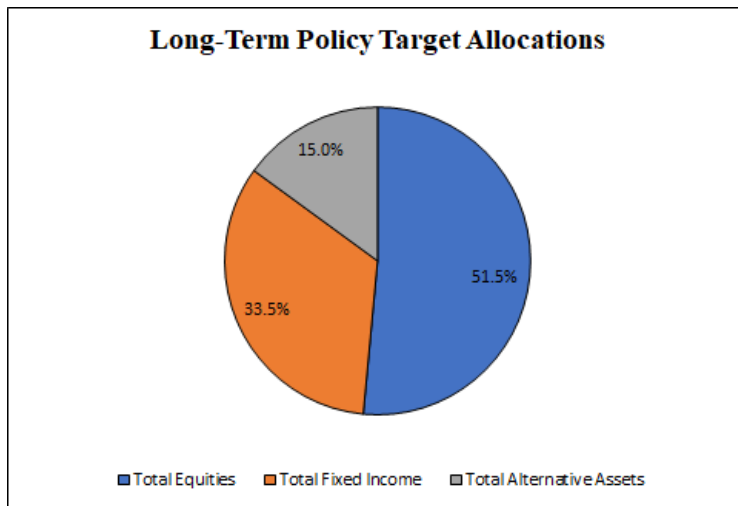
MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

SUMMARY OF INVESTMENT POLICY: (Continued)

Asset Allocation:

| | Target Allocation | Minimum Allocation | Maximum Allocation |
|---------------------------------------|--------------------------|---------------------------|---------------------------|
| Large Cap U.S. Equities | 20.0% | 15.0% | 25.0% |
| Small/Mid Cap U.S Equities | 10.0% | 5.0% | 15.0% |
| Developed International Equities | 16.0% | 11.0% | 21.0% |
| Emerging International Equities | 9.5% | 4.5% | 14.5% |
| Total Equity | 55.5% | 45.5% | 65.0% |
| Core Bonds | 11.5% | 6.5% | 16.5% |
| Diversified Multi-Sector Fixed Income | 11.5% | 6.5% | 16.5% |
| High Yield Bonds | 1.5% | 0.0% | 3.0% |
| Bank Loans | 1.5% | 0.0% | 3.0% |
| EMD (local currency) | 4.5% | 1.5% | 7.5% |
| Total Fixed Income | 30.5% | 20.5% | 40.5% |
| Private Equity | 7.0% | 2.0% | 12.0% |
| Real Estate | 7.0% | 2.0% | 13.0% |
| Total Alternatives | 14.0% | 4.0% | 25.0% |

The targets are to be maintained by allocating cash flows on a long-term basis. When possible, future inflows and spending will be anticipated and considered when rebalancing. When changes in the target mix or market action causes the actual asset mix to deviate from the target mix, assets may be shifted among investment manager accounts as specified by the Board of Trustees (“Board”). A formal asset-liability study should be conducted at least every five years to determine the long-term targets. Annually, the target allocations are to be reviewed for reasonableness in relation to significant economic and market changes or to changes in the Municipal Police Employees’ Retirement System of Louisiana long-term goals and objectives.



MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

SCHEDULE OF INVESTMENTS

Investments are reported at fair market value except for the synthetic guarantee investment contract which is reported at cost.

| | <u>2021</u> | <u>PERCENTAGE OF TOTAL INVESTMENTS</u> |
|--|-------------------------|--|
| CASH AND CASH EQUIVALENTS | <u>\$ 30,948,167</u> | <u>1.11%</u> |
| EQUITIES: | | |
| Domestic | \$ 806,181,608 | 28.98% |
| International | 450,995,747 | 16.21% |
| Emerging Markets | 319,518,377 | 11.49% |
| Total Equities | <u>\$ 1,576,695,732</u> | <u>56.68%</u> |
| FIXED INCOME: | | |
| Foreign Bonds | \$ 8,572,037 | 0.31% |
| Corporate Bonds | 72,106,950 | 2.59% |
| U.S. Government Bonds | 3,913,542 | 0.14% |
| Other Bonds | 12,681,075 | 0.46% |
| Emerging Markets Debt Fund | 117,006,142 | 4.21% |
| Bank Loan Fund | 43,510,185 | 1.56% |
| Multisector Fixed Income Trust | 289,700,961 | 10.41% |
| Domestic Index Bond Fund | 246,538,104 | 8.86% |
| Total Fixed Income Securities | <u>\$ 794,028,996</u> | <u>28.54%</u> |
| REAL ESTATE: | | |
| Partnerships | \$ 17,056,370 | 0.61% |
| Land and Rental | 773,438 | 0.03% |
| Real Estate Funds | 159,888,679 | 5.75% |
| Total Real Estate | <u>\$ 177,718,487</u> | <u>6.39%</u> |
| ALTERNATIVE INVESTMENTS: | | |
| Hedge Funds | \$ 16,031,216 | 0.58% |
| Private Equity | 157,053,439 | 5.65% |
| Total Alternative Investments | <u>\$ 173,084,655</u> | <u>6.22%</u> |
| SYNTHETIC GUARANTEED INVESTMENT CONTRACT | <u>\$ 29,307,321</u> | <u>1.05%</u> |
| TOTAL INVESTMENTS | <u>\$ 2,781,783,358</u> | <u>100%</u> |

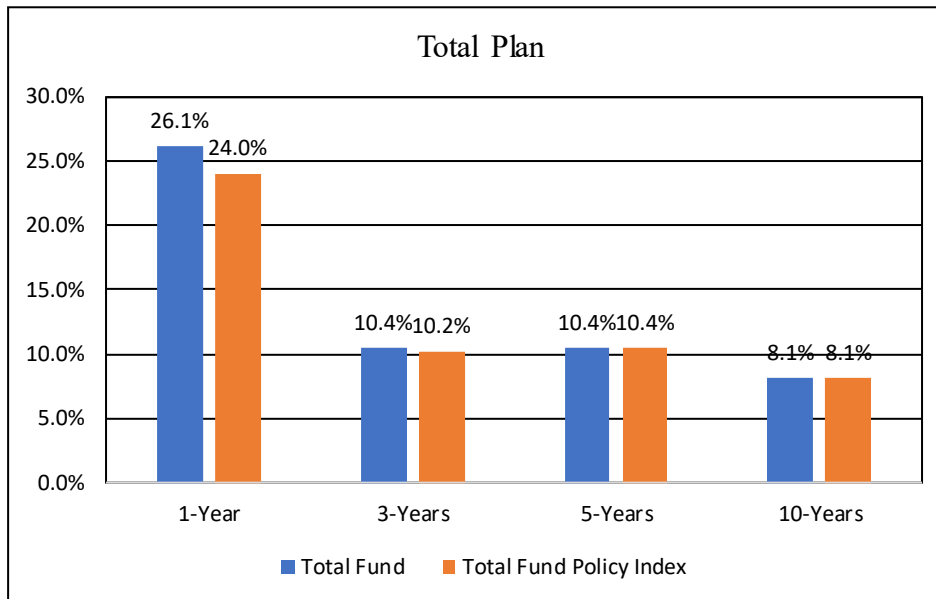
MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

INVESTMENT RESULTS:

| Investment | 1-Year | 3-Years | 5-Years | 10-Years |
|----------------------------------|---------------|----------------|----------------|-----------------|
| Total Fund | 26.1% | 10.4% | 10.4% | 8.1% |
| Total Fund Policy Index | 24.0% | 10.2% | 10.4% | 8.1% |
| Total Equity | 42.6% | 13.8% | 14.5% | 10.2% |
| Equity Index | 39.3% | 14.6% | 14.6% | 9.9% |
| Total Fixed Income** | 3.8% | 5.5% | 4.4% | 4.5% |
| Fixed Income Policy Index | 2.0% | 5.2% | 3.9% | 3.7% |
| Total Hedge Funds | 28.4% | 6.3% | 5.1% | 3.3% |
| HFRI Fund of Funds Index | 18.3% | 6.3% | 6.1% | 3.9% |
| Total Real Estate | 6.2% | 5.5% | 6.9% | 9.2% |
| NCREIF ODCE Index | 7.1% | 4.6% | 5.6% | 8.6% |
| Total Private Equity | 46.7% | 22.1% | 17.5% | -- |
| CA US All PE (1 Qtr Lag) | 47.4% | 17.6% | 17.2% | 14.3% |

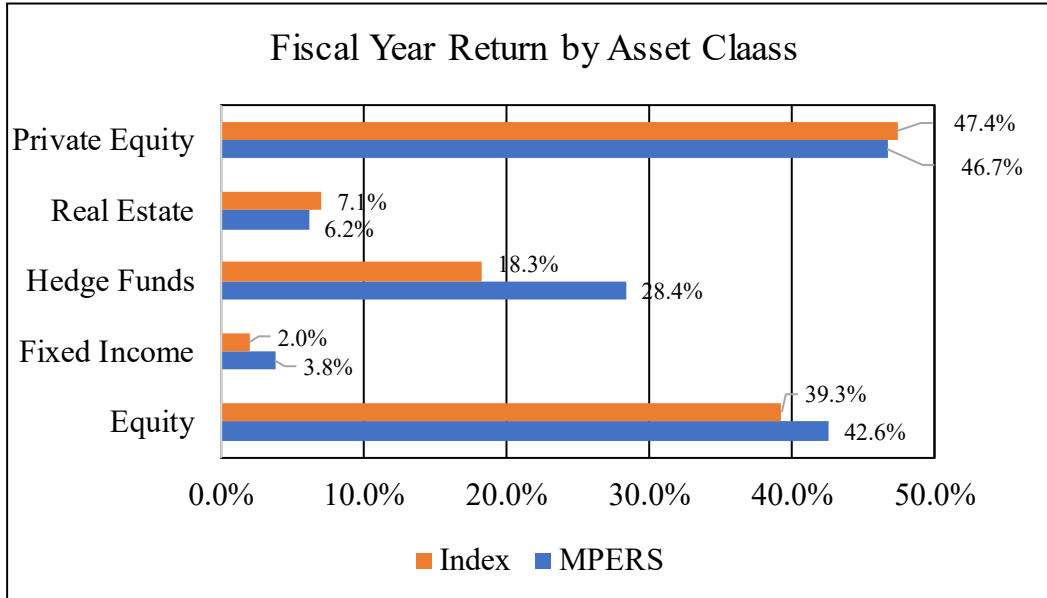
Investment returns were calculated using a time-weighted rate of return. Investment return is as of June 30, 2021

** As of February 29, 2020, the fixed income policy index includes 75% BBgBarc US Aggregate Index, 4.5% BBgBarc High Yield Index, 4.5% Credit Suisse Leveraged Loan Index, and 16% JPM GBI EM Diversified Index.



MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

INVESTMENT RESULTS: (Continued)



LARGEST EQUITY HOLDINGS:

The System's largest equity holdings and the equity holdings as a percentage of total equity as of June 30, 2021 is as follows:

| Number of Shares | Security | Market Value | Percentage of Total Equity Portfolio |
|------------------|---|--------------|--------------------------------------|
| 3,483,731 | William Blair Emerging Markets Growth Fund; Inst. | \$72,566,123 | 4.6% |
| 239,486 | Apple, Inc. | \$32,800,003 | 2.1% |
| 114,649 | Microsoft Corporation | \$31,058,414 | 2.0% |
| 9,086 | Alphabet, Inc. | \$22,472,488 | 1.4% |
| 6,493 | Amazon.Com Inc. | \$22,336,959 | 1.4% |
| 36,449 | Facebook, Inc. | \$12,673,682 | 0.8% |
| 28,936 | Berkshire Hathaway, Inc. | \$8,041,893 | 0.5% |
| 11,500 | Tesla, Inc. | \$7,816,550 | 0.5% |
| 9,460 | Nvidia Corporation | \$7,568,946 | 0.5% |
| 46,216 | JPMorgan Chase & Company | \$7,188,437 | 0.5% |
| 39,919 | Johnson & Johnson | \$6,576,256 | 0.4% |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

LARGEST FIXED INCOME HOLDINGS:

The System's largest fixed income holdings and the fixed income holdings as a percentage of total fixed income as of June 30, 2021 is as follows:

| Security | Market Value June 30, 2021 | Percentage of Total Equity Portfolio |
|--|-------------------------------|--|
| U S Treasury Notes .125 USD 05/31/2023 | \$6,117,176 | 0.8% |
| U S Treasury Notes .125 USD 01/31/2023 | \$5,085,677 | 0.6% |
| U S Treasury Notes .125 USD 02/28/2023 | \$4,858,258 | 0.6% |
| U S Treasury Notes .125 USD 04/30/2022 | \$4,838,733 | 0.6% |
| U S Treasury Notes 1.125 USD 02/28/2025 | \$3,922,857 | 0.5% |
| U S Treasury Notes .125 USD 07/31/2022 | \$3,421,937 | 0.4% |
| Morgan Stanley 4.35% SUB MTN 08/09/26 | \$2,340,795 | 0.3% |
| Federal Home Loan Banks 3.25% SNR 16/11/28 | \$2,281,685 | 0.3% |
| FNMA TBA 30 YR 2 Single Family Mortgage | \$2,195,982 | 0.3% |
| Georgia Power Company 2.65% SNR 15/09/29 | \$2,114,805 | 0.3% |

LARGEST PRIVATE MARKET HOLDINGS:

The System's largest private market holdings and the private market holdings as a percentage of private market investments as of June 30, 2021 is as follows:

| Private Markets | | Market Value | Percentage of Total Alternative Investments Portfolio |
|-----------------|---|---------------|---|
| Category | Investment | | |
| Real Estate | Principal U.S. Property Account, L.P. | \$159,888,679 | 46% |
| Private Equity | HarbourVest Partners Co-Investment Fund V, L.P. | \$24,617,920 | 7% |
| Private Equity | Warburg Pincus Private Equity XII, L.P. | \$19,127,215 | 5% |
| Private Equity | GoldPoint Partners Co-Investment VI, L.P. | \$18,718,945 | 5% |
| Private Equity | JFL Equity Investors IV, L.P. | \$17,891,749 | 5% |
| Real Estate | Siguler Guff DREOF II Co-Investment Fund, L.P. | \$17,056,370 | 5% |
| Private Equity | HarbourVest Co-Investment Fund IV, L.P. | \$16,229,245 | 5% |
| Private Equity | Warburg Pincus Global Growth Partners, L.P. | \$16,085,875 | 5% |
| Private Equity | Coller International Partners VII, L.P. | \$11,458,093 | 3% |
| Private Equity | HarbourVest Partners Dover Street X, L.P. | \$10,581,048 | 3% |

A complete list of all investments is available upon request.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

SUMMARY SCHEDULE OF INVESTMENT FEES AND FAIR VALUE OF INVESTMENTS UNDER MANAGEMENT FOR THE YEAR ENDED JUNE 30, 2021

| Investment Class | Investment Manager Fees | Fair Value June 30, 2021 |
|-------------------------|----------------------------|-----------------------------|
| Equity | \$ 2,752,452 | \$ 1,576,695,732 |
| Fixed Income | 1,507,005 | 794,028,996 |
| Alternative Investments | 1,642,477 | 350,803,142 |
| | \$ 5,901,934 | \$ 2,721,527,870 |
| Other Fees | | |
| Investment consultant | 276,667 | |
| Custodian | 301,804 | |

SUMMARY SCHEDULE OF COMMISSIONS PAID TO BROKERS FOR THE YEAR ENDED JUNE 30, 2021

| Broker | Commissions | Total Shares | Average Commission Per Share |
|--------------------|-------------|-----------------|------------------------------------|
| ABG Sundal Collier | \$218 | 24,875 | \$0.009 |
| Barclays Capital | \$8,208 | 2,891,204 | \$0.003 |
| Bank of America | \$4,192 | 115,868 | \$0.036 |
| Berenberg Bank | \$1,287 | 121,327 | \$0.011 |
| BTIG, LLC | \$776 | 39,486 | \$0.020 |
| Cantor Fitzgerald | \$152 | 7,600 | \$0.020 |
| Cowen & Associates | \$2,742 | 391,779 | \$0.007 |
| Carnegie Inc. | \$1,683 | 86,269 | \$0.020 |
| CIBC | \$482 | 31,847 | \$0.015 |
| Citigroup | \$7,444 | 1,923,199 | \$0.004 |
| CLSA Americas LLC | \$1,195 | 70,819 | \$0.017 |
| Credit Suisse | \$16,288 | 2,040,152 | \$0.008 |
| Daiwa | \$1,221 | 86,400 | \$0.014 |
| Danske Markets | \$427 | 2,610 | \$0.164 |
| Davy Stockbrokers | \$249 | 2,982 | \$0.083 |
| Exane Inc | \$787 | 14,624 | \$0.054 |
| Fidelity | \$246 | 32,852 | \$0.008 |
| Goldman Sachs | \$578 | 12,729 | \$0.045 |
| HSBC Securities | \$578 | 18,525 | \$0.031 |
| Instinet | \$255 | 15,324 | \$0.017 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2021

SUMMARY SCHEDULE OF COMMISSIONS PAID TO BROKERS FOR THE YEAR ENDED
JUNE 30, 2021 (Continued)

| Broker | Commissions | Total Shares | Average Commission Per Share |
|-----------------------|------------------|-------------------|------------------------------------|
| ITG Inc. (POSIT) | \$346 | 21,289 | \$0.016 |
| Jefferies | \$3,969 | 192,417 | \$0.021 |
| JP Morgan | \$4,285 | 239,041 | \$0.018 |
| Kepler/Cheuvreux | \$711 | 19,000 | \$0.037 |
| Liberum | \$797 | 85,848 | \$0.009 |
| Liquidnet | \$5,092 | 290,003 | \$0.018 |
| Mitsubishi UFJ | \$44 | 2,000 | \$0.022 |
| Mizuho Securities | \$392 | 4,900 | \$0.080 |
| Morgan Stanley | \$5,814 | 243,873 | \$0.024 |
| Nomura Securities | \$113 | 3,300 | \$0.034 |
| Numis Security | \$57 | 4,024 | \$0.014 |
| Piper Jaffray | \$98 | 39,300 | \$0.003 |
| RBC Capital Markets | \$257 | 10,839 | \$0.024 |
| Sanford Bernstein | \$11,426 | 3,644,746 | \$0.003 |
| SEB Enskilda | \$990 | 34,022 | \$0.029 |
| SMBC Nikko | \$496 | 14,600 | \$0.034 |
| Societe Generale | \$5,397 | 1,655,203 | \$0.003 |
| Stifel, Nicolaus & Co | \$319 | 365 | \$0.875 |
| Susquehanna | \$121 | 12,098 | \$0.010 |
| TD Securities | \$61 | 4,035 | \$0.015 |
| UBS | \$16,290 | 3,807,176 | \$0.004 |
| TOTAL | <u>\$106,086</u> | <u>18,258,550</u> | <u>\$0.006</u> |

ACTUARIAL SECTION

G. S. CURRAN & COMPANY, LTD.

Actuarial Services

10555 N. Glenstone Place • Baton Rouge, Louisiana 70810 • (225) 769-4825

Gary S. Curran, FCA, MAAA, ASA, EA
Consulting Actuary

Gregory M. Curran, FCA, MAAA, ASA, EA
Consulting Actuary

December 13, 2021

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

Ladies and Gentlemen:

Pursuant to your request, we have provided written materials for inclusion in Municipal Police Employees' Retirement System's (MPERS or System) Annual Comprehensive Financial Report (ACFR). Our preparation of items required within the ACFR's actuarial section is meant to give readers a complete perspective on the System's actuarial status. Our work in support of the System's financial statements is performed in accordance with the reporting requirements of the Governmental Accounting Standards Board (GASB) Statements 67 and 68. The information contained within the System's financial statements are based upon valuations performed according to these GASB statements. In addition, the actuarial section of the ACFR is meant to describe the System's actuarial funding methods and assumptions as well as to provide relevant measures related to the System's funding. These figures are taken from the System's actuarial funding valuation prepared as of June 30, 2021.

MPERS is a cost sharing multiple employer governmental retirement system that undergoes an annual valuation in order to determine the appropriate level of contributions. As the consulting actuary for MPERS, we complete an intensive review of the data provided by the retirement system staff each year in order to compute system liabilities. Although we perform such a review, we must ultimately rely on the System's staff to provide accurate data. We also rely on the System's accounting staff and auditors to provide accurate financial statements for the annual determination of the System's assets, income, and expense.

The actuarial valuation of MPERS is performed in conjunction with the State of Louisiana's Constitutional provisions related to statewide retirement systems and the Louisiana Revised Statutes which are applicable to MPERS. The constitutional provisions related to retirement benefits are found within Article 10 Section 29 of the Louisiana State Constitution which generally states that the legislature shall enact laws for providing for the retirement of officials and employees of the state's political subdivisions. The constitution further states that the retirement system is a contractual relationship between employee and employer and that the System shall be attained and maintained in a way that ensures actuarial soundness. The constitution states that to accomplish this, the legislature shall establish laws that provide for the particular method of actuarial valuation to be employed, which shall specify the required contributions to made by members, contributions to be made by employers, and dedicated taxes required for the sound actuarial maintenance of the System including the elimination of the unfunded accrued liability determined as of the end of fiscal 1989 by fiscal 2029. Relevant statutes can be found in the Revised Statutes 11:1 through 11:323 and in the Revised Statutes 11:2211 through 11:2242.

Based upon the constitutional and legislative provisions relative to MPERS, the System's Board is tasked with collecting an actuarially determined employer contribution each year. This actuarially determined contribution owed by employers is reduced by the contributions required from employees and dedicated Insurance Premium Taxes. The actuarially determined contribution accounts for normal costs, payments on the System's unfunded accrued liability, and payment of administrative expenses required to run the retirement system. The final actuarially determined employer contribution rate is annually reviewed and approved by the Public Retirement Systems' Actuarial Committee, (PRSAC) created by the Louisiana Legislature to review plan assumptions and to select an appropriate actuarial valuation.

In our opinion, the actuarially determined contribution certified within the System's annual actuarial valuation was determined based upon appropriate actuarial techniques and meets all applicable actuarial standards of practice. We believe that the actuarial assumptions and methods used are appropriate for MPERS and that each of these assumptions and methods meets all actuarial standards of practice. We believe that the use of the Individual Entry Age Normal Actuarial Cost method with amortization of gains and losses using level payments over a closed fifteen-year amortization period is appropriate in the development of actuarially required contribution levels.

The actuarial calculations developed for use with the System's financial statements in accordance with GASB Statement 67 have been developed based upon the same actuarial assumptions used in the System's funding valuation. The liabilities for financial reporting were determined with an adjustment that, unlike the model for funding valuations, funds active member liabilities only through DROP entry in accordance with GASB rules. Actuarial assumptions are set based on experience studies performed once every five years. The most recent experience study was performed prior to the completion of the Fiscal 2020 actuarial valuation. A full report on the findings of this report which was dated April 14, 2020 can be obtained from the System. The recommended changes in plan assumptions contained within this experience study were presented to the System's Board of Trustees prior to the completion of the June 30, 2020 actuarial valuation and upon their approval were used to determine plan liabilities beginning with this valuation. These assumptions were contained within the report presented to PRSAC in January 2021 along with a copy of the experience report. PRSAC approved the use of the minimum actuarially determined employer contribution rates contained within the resulting valuation and the assumptions determined in accordance with the experience study.

The June 30, 2021 actuarial valuation was based upon the assumptions used in the June 30, 2020 actuarial valuation with one exception – the valuation interest rate. Prior to the completion of the Fiscal 2021 actuarial valuation, the System's actuary determined a reasonable range for the System's valuation interest rate assumption. A full description of the methodology used to set the reasonable range for this important assumption is contained within the System's experience study. The System's actuary notified the Board of Trustees that given the asset mix within the target asset allocation as of January 2021 and the results of the 2021 G.S. Curran & Company Consultant Average Capital Market Assumptions Review, the 6.95% valuation interest rate used in the Fiscal 2020 valuation remained within the reasonable range. But, given the significant outperformance of the System's investment portfolio during Fiscal 2021, the System's actuary recommended that the Board consider opportunistically lowering the valuation interest rate. The Board voted to allow the actuary to lower the valuation interest rate to a level that would result in a minimum recommended employer contribution rate of no

more than 31.75%. Based upon these instructions, the Fiscal 2021 valuation was run based upon a valuation interest rate of 6.75%.

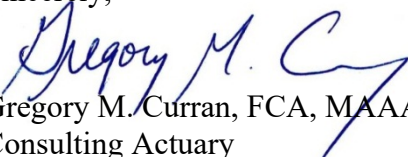
The actuarial valuation is performed based on the specific rules applicable to each relevant group of members. Members whose first employment making them eligible for membership in the System occurred on or after January 1, 2013 fall under one of two sets of provisions that separate benefit levels and eligibility rules for those who meet the definition of Hazardous Duty Subplan members and Nonhazardous Duty Subplan Members. Although the actuarial valuation determines the projected benefits and liabilities according to the appropriate rules for each member, a single employer contribution rate is determined according to statute. This rate is applied to each employer's total covered payroll.

The following supporting documentation is provided to allow readers of this ACFR to better understand the MPERS provisions and the actuarial figures presented.

1. Summary of Actuarial Methods and Assumptions
2. Summary of Principal Plan Provisions
3. Membership Data
4. Historical Membership Data
5. Summary of Actuarial and Unfunded Actuarial Liabilities
6. Reconciliation of Unfunded Actuarial Liabilities
7. Summary of Funded Actuarial Liabilities/Solvency Test

In our opinion, all of the assumptions on which these actuarial valuations are based are reasonable individually and in the aggregate. Both economic and demographic assumptions are based on our expectations for future experience for the fund. These reports have been prepared in accordance with generally accepted actuarial principles and practices, and to the best of our knowledge and belief, fairly reflects the actuarial present values and costs stated therein. The undersigned actuary is a member of the American Academy of Actuaries and has met the qualification standards for the American Academy of Actuaries to render the actuarial opinions incorporated in this report and is available to provide further information or answer any questions with respect to this ACFR.

Sincerely,


Gregory M. Curran, FCA, MAAA, ASA
Consulting Actuary

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

The Municipal Police Employees Retirement System (MPERS or System) is an administrator of a cost sharing multi-employer defined benefit plan. The plan's members include full-time municipal police in Louisiana. MPERS is funded by employee and employer contributions. Employee contributions are established by state statute and are deducted from members' salary and remitted by participating employers. Employer contributions are actuarially determined as required by state law but cannot be less than 9% of the employee's earnable compensation excluding overtime but including state supplemental pay. Additional information regarding the plan's provisions is located in the financial section of the Annual Comprehensive Financial Report.

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS:

ACTUARIAL METHODS

Actuarial Cost Method:

The actuarial cost method for MPERS is stipulated in R.S. 11:22 as the Individual Entry Age Normal method. Actuarial valuations are performed based upon the Individual Entry Age Normal Actuarial Cost Method with allocation of cost based on earnings. Entry and attained ages are calculated on an age near birthday basis.

In accordance with R.S. 11:103(B)(3)(e), actuarial gains and losses (including those for plan liability and asset experience, the payment of cost-of-living increases, as well as changes in actuarial assumptions or the method of valuing assets) are amortized as level dollar amounts over a period of fifteen years from the fiscal year of occurrence of each such gain or loss. Gains or losses related to changes in actuarial funding methods shall be amortized with level dollar payments over a period of thirty years.

Historically, gains and losses were handled differently. When the State of Louisiana passed constitutional provisions requiring statewide systems to be funded on an actuarial basis, the original unfunded accrued liability was amortized over 40 years with level payments. Beginning with the 1990 actuarial valuation, gains and losses were amortized over a fifteen-year period. In accordance with Act 734 of 1993, all prior bases were liquidated and new bases since that date were amortized over fifteen years. Act 1079 of 2003 changed the amortization period for all gains and losses other than contribution gains and losses to thirty years. Contribution gains and losses were amortized over fifteen years. Act 402 of the 2014 regular session of the Louisiana Legislature again made changes to the System's unfunded accrued liability. All existing outstanding bases through June 30, 2014 were combined and amortized over a twenty year period to provide for level future payments, with all gains and losses (other than those caused by a change in the actuarial funding method) amortized over a fifteen year period. These rules continue to apply.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

ACTUARIAL METHODS (Continued)

Actuarial Asset Valuation Method:

The System utilizes a smoothed asset value in its determination of the employer contribution rate in order to smooth out the changes in the employer contribution rate based on fluctuations in the investment markets. To accomplish this goal, the asset valuation method was set as follows:

All assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year, three-fifths of all earnings above or below the valuation interest rate in the prior year, two-fifths of all earnings above or below the valuation interest rate from two years prior, and one-fifth of all earnings above or below the valuation interest rate from three years prior. The resulting smoothed values are subject to a corridor of 85% to 115% of the market value of assets. If the smoothed value falls outside the corridor, the actuarial value is set equal to the average of the corridor limit and the smoothed value.

ACTUARIAL ASSUMPTIONS

Valuation Interest Rate:

The valuation interest rate (also known as the assumed rate of return or the discount rate) used to determine plan liabilities and to calculate the present value of future plan benefits is 6.75%, net of investment expenses. Therefore, a rate of return on the actuarial value of assets of less than 6.75% will result in a loss that will be amortized over fifteen years. A rate of return on the actuarial value of assets of greater than 6.75% will result in gain that will be amortized over fifteen years.

The System's actuary sets the reasonable range for the valuation interest rate based upon a review of the Board approved target asset allocation and a set of capital market assumptions related to the level of expected long-term returns, standard deviations of return, and correlations of return between asset classes. The review is based upon a consultant average set of capital market assumptions developed by the System's actuary. The reasonable range is set based upon a study of 10,000 stochastic trials of the System's portfolio based upon a determined arithmetic mean portfolio return and standard deviation. The reasonable range is set based upon the 40th percentile and 60th percentile values.

Prior to the 2021 actuarial valuation, the valuation interest rate has changed a number of times as demonstrated in the following chart:

| <u>Date Range</u> | <u>Valuation Interest rate</u> |
|------------------------------|--------------------------------|
| July 1, 1989 – June 30, 2005 | 7.000% |
| July 1, 2005 – June 30, 2017 | 7.500% |
| July 1, 2017 – June 30, 2018 | 7.325% |
| July 1, 2018 – June 30, 2019 | 7.200% |
| July 1, 2019 – June 30, 2020 | 7.125% |
| July 1, 2020 – June 30, 2021 | 6.950% |
| July 1, 2021 – Present | 6.750% |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

ACTUARIAL ASSUMPTIONS (Continued)

Valuation Interest Rate: (Continued)

Beginning with the June 30, 2017 actuarial valuation, the System's current actuary recommended lowering the valuation interest rate from the 7.5% level. The recommendations to lower the valuation interest rate were based in part on reductions in the System's reasonable range and in part based upon a desire by the Board to reduce the risk inherent in this important assumption. At the Board of Trustees meeting on April 21, 2021, the Board of Trustees voted to further reduce the valuation interest rate despite the fact that the actuary found the 6.95% assumed rate of return to be within the reasonable range set based on its 2021 review of the consultant average capital market assumptions. The Board of Trustees set a goal of further lowering the assumed rate of return to 6.75% (representing the 50th percentile assumption) in the coming years. Due to the extremely positive investment experience during fiscal 2021, the Board further authorized the actuary to lower the assumed rate of return as much as possible while maintaining an employer contribution rate no greater than 31.75%. As shown in the Fiscal 2021 actuarial valuation, the minimum actuarially recommended employer contribution rate for Fiscal 2023 was determined to be 31.25% using a 6.75% valuation interest rate.

Annual Salary Increase Rate:

Assumed long-term salary increases include a 2.5% inflation assumption. The gross rates of salary increase including inflation and expected merit increases are as follows:

| <u>Years of Service</u> | <u>Salary Growth Rate</u> |
|-------------------------|---------------------------|
| 1-2 | 12.30% |
| 3 & Over | 4.70% |

Active Member Mortality:

Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Employees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

Annuitant and Beneficiary Mortality:

Pub-2010 Public Retirement Plans Mortality Table for Safety Below-Median Healthy Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

Disabled Mortality:

Pub-2010 Public Retirement Plans Mortality Table for Safety Disabled Retirees multiplied by 115% for males and 125% for females, each with full generational projection using the MP2019 scale.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

ACTUARIAL ASSUMPTIONS (Continued)

Retiree Cost of Living Increases:

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

Withdrawal Rates:

The rates of withdrawal are applied based upon the member's completed years of service as shown below:

| <u>Service Duration ≤</u> | <u>Factor</u> |
|-------------------------------|---------------|
| 1 | 0.17 |
| 2 | 0.14 |
| 3 | 0.13 |
| 4 | 0.12 |
| 5 | 0.11 |
| 6 | 0.09 |
| 7 | 0.08 |
| 8 | 0.07 |
| 9 | 0.05 |
| 10 - 13 | 0.04 |
| 14 - 17 | 0.03 |
| 18 - 23 | 0.02 |
| 24 & Over | 0.01 |

Note: The withdrawal rate for individuals eligible to retire is assumed to be zero.

Retirement Rates:

The table of rates which apply only to those active members eligible to retire are included within the tables shown later in this report.

Retirement Limitations:

Projected retirement benefits are determined without respect to IRS Section 415 limits.

DROP Entry Rates:

The table of rates which apply only to those active members eligible to enter DROP are included within the tables shown later in this report.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 ACTUARIAL SECTION
JUNE 30, 2021

ACTUARIAL ASSUMPTIONS (Continued)

DROP Participation Period:

All DROP participants are assumed to participate in DROP for 3 years and 70% are assumed to retire at the end of this participation period with 30% assumed to remain employed for an additional 2 years post-DROP prior to retiring.

Retirement Rates for Active Former DROP Participants:

The rates of retirement for active former DROP participants which apply only to those employed after completion of DROP participation are included within the tables shown later in this report.

Disability Rates:

Disability rates are set equal to 110% of the disability rates used for the 27th valuation of the Railroad Retirement System for individuals with 10-19 years of service. The table of these rates is included later in this report.

Service-Related Disability:

20% of Total Disabilities are assumed to qualify under service-related disability requirements.

Service-Related Deaths:

20% of Total Deaths are assumed to qualify under service-related death requirements.

Marriage Statistics:

70% of members are assumed to be married; husbands are assumed to be three years older than wives.

Family Statistics:

Assumptions utilized in determining the costs of various survivor benefits as listed below, are derived from the information provided in the 2019 Table F1: Family Households, by Type, Age of Own Children, Age of Family Members, and Age of Householder provided by the U.S. Census Bureau:

| Member's <u>Age</u> | % With <u>Children</u> | Number of <u>Children</u> | Average <u>Age</u> |
|------------------------|---------------------------|------------------------------|-----------------------|
| 25 | 60% | 1.77 | 4 |
| 35 | 82% | 2.11 | 8 |
| 45 | 63% | 1.75 | 11 |
| 55 | 11% | 1.42 | 14 |
| 65 | 2% | 1.50 | 14 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 ACTUARIAL SECTION
JUNE 30, 2021

ACTUARIAL ASSUMPTIONS (Continued)

Vesting Electing Percentage:

70% of vested participants with not more than 20 years of service and 90% of vested participants with more than 20 years of service are assumed to elect deferred benefits in lieu of contribution refunds.

ACTUARIAL TBLES AND RATES

| Age | Disability Rates | Retirement Rates | DROP Entry Rates | Post-DROP Retirement Rates | Remarriage Rates |
|-----|------------------|------------------|------------------|----------------------------|------------------|
| 18 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.06124 |
| 19 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.06124 |
| 20 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.06124 |
| 21 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.05818 |
| 22 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.05524 |
| 23 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.05242 |
| 24 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.04971 |
| 25 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.04566 |
| 26 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.04335 |
| 27 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.04114 |
| 28 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.03902 |
| 29 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.03698 |
| 30 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.03502 |
| 31 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.03314 |
| 32 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.03134 |
| 33 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.02961 |
| 34 | 0.00132 | 0.00000 | 0.00000 | 0.00000 | 0.02795 |
| 35 | 0.00143 | 0.00000 | 0.00000 | 0.00000 | 0.02636 |
| 36 | 0.00143 | 0.00000 | 0.00000 | 0.00000 | 0.02483 |
| 37 | 0.00143 | 0.00000 | 0.00000 | 0.00000 | 0.02336 |
| 38 | 0.00154 | 0.00000 | 0.00000 | 0.00000 | 0.02195 |
| 39 | 0.00165 | 0.00000 | 0.00000 | 0.00000 | 0.02060 |
| 40 | 0.00176 | 0.00000 | 0.00000 | 0.00000 | 0.01930 |
| 41 | 0.00187 | 0.22000 | 0.02000 | 0.00000 | 0.01805 |
| 42 | 0.00198 | 0.22000 | 0.02000 | 0.00000 | 0.01686 |
| 43 | 0.00220 | 0.22000 | 0.02000 | 0.00000 | 0.01571 |
| 44 | 0.00231 | 0.18000 | 0.08000 | 0.32000 | 0.01461 |
| 45 | 0.00264 | 0.14000 | 0.11000 | 0.32000 | 0.01355 |
| 46 | 0.00286 | 0.12000 | 0.13000 | 0.32000 | 0.01253 |
| 47 | 0.00319 | 0.10000 | 0.14000 | 0.32000 | 0.01156 |
| 48 | 0.00363 | 0.09000 | 0.14000 | 0.32000 | 0.01063 |
| 49 | 0.00418 | 0.07000 | 0.14000 | 0.32000 | 0.00973 |
| 50 | 0.00473 | 0.07000 | 0.13000 | 0.31000 | 0.00887 |
| 51 | 0.00539 | 0.06000 | 0.14000 | 0.30000 | 0.00804 |
| 52 | 0.00627 | 0.06000 | 0.14000 | 0.29000 | 0.00725 |
| 53 | 0.00726 | 0.06000 | 0.15000 | 0.27000 | 0.00649 |
| 54 | 0.00847 | 0.06000 | 0.15000 | 0.26000 | 0.00576 |
| 55 | 0.00990 | 0.06000 | 0.15000 | 0.26000 | 0.00000 |
| 56 | 0.01166 | 0.06000 | 0.15000 | 0.25000 | 0.00000 |
| 57 | 0.01375 | 0.06000 | 0.15000 | 0.25000 | 0.00000 |
| 58 | 0.01628 | 0.06000 | 0.15000 | 0.26000 | 0.00000 |
| 59 | 0.01925 | 0.06000 | 0.15000 | 0.26000 | 0.00000 |
| 60 | 0.02629 | 0.07000 | 0.16000 | 0.26000 | 0.00000 |
| 61 | 0.03201 | 0.07000 | 0.16000 | 0.25000 | 0.00000 |
| 62 | 0.03542 | 0.09000 | 0.17000 | 0.24000 | 0.00000 |
| 63 | 0.03718 | 0.10000 | 0.18000 | 0.23000 | 0.00000 |
| 64 | 0.02827 | 0.12000 | 0.18000 | 0.22000 | 0.00000 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 ACTUARIAL SECTION
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ACTUARIAL ASSUMPTIONS (Continued)

ACTUARIAL TBLES AND RATES (Continued)

| Age | Disability Rates | Retirement Rates | DROP Entry Rates | Post-DROP Retirement Rates | Remarriage Rates |
|-----|---------------------|---------------------|---------------------|----------------------------------|---------------------|
| 65 | 0.02277 | 0.14000 | 0.17000 | 0.22000 | 0.00000 |
| 66 | 0.00572 | 0.17000 | 0.15000 | 0.21000 | 0.00000 |
| 67 | 0.00572 | 0.20000 | 0.12000 | 0.21000 | 0.00000 |
| 68 | 0.00572 | 0.23000 | 0.08000 | 0.21000 | 0.00000 |
| 69 | 0.00572 | 0.23000 | 0.08000 | 0.22000 | 0.00000 |
| 70 | 0.00572 | 0.23000 | 0.08000 | 0.22000 | 0.00000 |
| 71 | 0.00572 | 0.23000 | 0.08000 | 0.23000 | 0.00000 |
| 72 | 0.00572 | 0.23000 | 0.08000 | 0.22000 | 0.00000 |
| 73 | 0.00572 | 0.23000 | 0.08000 | 0.22000 | 0.00000 |
| 74 | 0.00572 | 0.23000 | 0.08000 | 0.21000 | 0.00000 |
| 75 | 0.00572 | 1.00000 | 0.00000 | 1.00000 | 0.00000 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS

The Municipal Police Employees' Retirement System (MPERS or System) was established as of July 1, 1973, for the purpose of providing retirement allowances and other benefits as described under R.S. 11:2211 – 11:2235. The following summary of plan provisions is for general informational purposes only and does not constitute a guarantee of benefits. The provisions contained within this section are as of June 30, 2021.

MEMBERSHIP

All full-time police officers empowered to make arrests, all full-time police officers decommissioned due to illness or injury, empowered by a municipality of the state of Louisiana, and engaged in law enforcement, all individuals in a position as defined in the municipal fire and police civil service system who are employed on a full-time basis by a police department of any municipality of this state, and are under the direction of a chief of police, and are paid from the budget of the applicable police department are required to become members of this retirement system, if they earn at least \$375 per month excluding state supplemental pay. All elected chiefs of police, whose salary is at least \$100 per month, all academy recruits who are participating in or awaiting participation in a formal training program, required prior to commission as a municipal police officer, with complete law enforcement office authority, all full-time secretaries to an appointed chief or elected chief of police, and all full-time employees of the System are required to become members of this retirement system. Persons must be under the age of fifty on their date of employment to be eligible for system membership. Certain restrictions to membership apply to those who are receiving disability or regular retirement benefits from another system.

For employees whose first employment making them eligible for membership in the System occurred on or after January 1, 2013, membership will be in the Hazardous Duty Subplan if they are eligible to receive state supplemental pay by virtue of their employment or the Nonhazardous Duty Subplan if they are not eligible for state supplemental pay.

CONTRIBUTION RATES

The System is financed by employee and employer contributions together with funds from dedicated insurance premium taxes as allocated by the Public Retirement Systems' Actuarial Committee in accordance with R.S. 11:62, R.S. 11:103, and R.S. 22:1476A(3). For employees hired prior to January 1, 2013, the employee contribution rate is at least 7.5% but not greater than 10% based on the total contribution expressed as a percentage of payroll after applying all required tax contributions. The employee rate, when such contributions total 25% or less, is set at 7.5%. The employee rate then increases 0.25% for each 0.75% increase in the total rate, and an additional 0.25% when the rate exceeds 28.75%, subject to a maximum rate of 10%. Regardless of the total contribution rate, members whose earnable compensation is less than or equal to the poverty guidelines issued by the U.S. Department of Health and Human Services have an employee contribution rate of 7.5%. Where members qualify for discounted employee contributions due to the

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS (Continued)

CONTRIBUTION RATES (Continued)

poverty guidelines, the employer must make up the difference through an increased employer contribution rate. Net direct employer contributions are nine percent (9.0%) of earnable compensation unless the funds allocated from dedicated taxes are insufficient to provide the actuarially required contributions or the actuarially required contributions are less than 9.0%. Members who accrue 100% of average final compensation prior to July 1, 2021 are not required to contribute to the System once they have enough service to have accrued 100% of average final compensation, but the employer is required to continue to contribute the employer's contribution until the member retires. For members who enter DROP prior to July 1, 2021, no employer contributions are required while the members participate in DROP.

For employees hired on or after January 1, 2013 who are members of the Hazardous Duty Subplan, the employee contribution rate is the same as that for employees hired before January 1, 2013. For employees hired on or after January 1, 2013 who are members of the Nonhazardous Duty Subplan, the employee contribution rate is 8%.

CONTRIBUTION REFUNDS

Upon withdrawal from service, members not entitled to a retirement allowance may receive a refund of accumulated contributions. Refunds are payable thirty days after the effective date of withdrawal from service, if the member's employer has submitted all contributions.

AVERAGE FINAL COMPENSATION

For employees hired prior to January 1, 2013: The average annual earned compensation of an employee for the highest period of thirty-six successive or joined months of service as an employee.

For employees hired on or after January 1, 2013: The average annual earned compensation of an employee for the highest period of sixty successive or joined months of service as an employee.

The twelve month salaries used to compute the average final compensation are subject to a limit in the rate of increase of 15% per year with certain exceptions.

NORMAL RETIREMENT BENEFITS

For employees hired prior to January 1, 2013: Members with twelve years of creditable service may retire at age fifty-five; members with twenty years of service may retire at age fifty; members with twenty-five years of service may retire regardless of age. The retirement allowance is

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS (Continued)

NORMAL RETIREMENT BENEFITS (Continued)

equal to three and one-third percent of the member's average final compensation multiplied by his years of creditable service, not to exceed one hundred percent of his average final compensation.

For employees hired on or after January 1, 2013 who participate in the Hazardous Duty Subplan: Members with twelve years of creditable service may retire at age fifty-five; members with twenty-five years of service may retire at any age. The retirement allowance is equal to three percent of the member's average final compensation multiplied by his years of creditable service, not to exceed one hundred percent of his average final compensation. Members in this subplan who retire with thirty or more years of creditable service receive benefits according to a three and one-third percent retirement allowance.

For employees hired on or after January 1, 2013 who participate in the Nonhazardous Duty Subplan: Members with ten years of creditable service may retire at age sixty; members with twenty-five years of creditable service may retire at age fifty-five; members with thirty years of service may retire at any age. The retirement allowance is equal to two and one-half percent of the member's average final compensation multiplied by his years of creditable service, not to exceed one hundred percent of his average final compensation.

EARLY RETIREMENT

For employees hired prior to January 1, 2013: Members with twenty or more years of creditable service who leave employment before age fifty may elect to receive early retirement benefits equal to an actuarially reduced accrued normal retirement benefit.

For employees hired on or after January 1, 2013: Members with twenty or more years of creditable service may elect to receive early retirement benefits equal to an actuarially reduced accrued normal retirement benefit.

OPTIONAL ALLOWANCES – Members may receive their benefits as a life annuity, or in lieu of such receive a reduced benefit according to the option selected which is the actuarial equivalent of the maximum benefit.

Option 1 – If the member dies before he has received in annuity payments the present value of his member's annuity as it was at the time of retirement the balance is paid to his beneficiary.

Option 2 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will continue to receive the same reduced benefit.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS (Continued)

EARLY RETIREMENT (Continued)

Option 3 – Upon retirement, the member receives a reduced benefit. Upon the member's death, the designated beneficiary will receive one-half of the member's reduced benefit.

Option 4 – Upon retirement, the member elects to receive a Board approved benefit which is actuarially equivalent to the maximum benefit.

A member may also elect to receive an actuarially reduced benefit which provides for an automatic 2 ½% annual compound increase in monthly retirement benefits based on the reduced benefit and commencing on the later of age fifty-five or retirement anniversary; this COLA is in addition to any ad hoc COLAs which are payable.

Initial Benefit Option – This option is available only to regular retirees who have not participated in the Deferred Retirement Option Plan. Under this option members may receive an initial benefit plus a reduced monthly retirement allowance which, when combined, equal the actuarially equivalent amount of the maximum retirement allowance. The initial benefit may not exceed an amount equal to thirty-six payments of the member's maximum retirement allowance. The initial benefit can be paid either as a lump-sum payment or placed in an account called an "initial benefit account" with interest credited thereto and monthly payments made from the account.

DISABILITY BENEFITS

Any member who has been officially certified as totally disabled solely as the result of injuries sustained in the performance of his official duties, or for any cause, provided the member has a least ten years of creditable service and provided that the disability was incurred while the member was an active contributing member, is entitled to disability benefits.

For employees hired prior to January 1, 2013: Disability retirees will receive a benefit equal to three percent of average final compensation multiplied by the number of years of service, subject to a minimum of 40% of final compensation and a maximum of 60% of final compensation. Any disability retiree who is in a coma or paraplegic, who suffers a traumatic physical injury causing damage to the brain or spinal cord, or who is blinded or loses the total use of a limb, solely as a result of injuries sustained in the line of duty will receive a benefit equal to 100% of average final compensation. Disability retirees who retired with a service-connected disability benefit have the option, at normal retirement age, to continue receiving a disability benefit or to convert to receiving their vested retirement benefit. All other disability retirees, at normal retirement age, will receive the greater of their disability retirement benefit or their vested benefit.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS (Continued)

DISABILITY BENEFITS (Continued)

For employees hired on or after January 1, 2013 who participate in the Hazardous Duty Subplan: Disability retirees who are disabled in the line of duty or who have 10 years of service credit will receive a benefit equal to two and three-quarters percent of average final compensation multiplied by the number of years of service, subject to a minimum of 33% of final compensation and a maximum of 55% of final compensation. Any disability retiree who is in a coma or paraplegic, who suffers a traumatic physical injury causing damage to the brain or spinal cord, or who is blinded or loses the total use of a limb, solely as a result of injuries sustained in the line of duty will receive a benefit equal to 100% of average final compensation. Disability retirees who retired with a service-connected disability benefit have the option, at normal retirement age, to continue receiving a disability benefit or to convert to receiving their vested retirement benefit. All other disability retirees, at normal retirement age, will receive the greater of their disability retirement benefit or their vested benefit.

For employees hired on or after January 1, 2013 who participate in the Nonhazardous Duty Subplan: Disability retirees who have at least 10 years of service credit will receive a benefit equal to two and one-quarter percent of average final compensation multiplied by the number of years of service, subject to a minimum of 25% of final compensation and a maximum of 50% of final compensation. Any disability retiree who is in a coma or paraplegic, who suffers a traumatic physical injury causing damage to the brain or spinal cord, or who is blinded or loses the total use of a limb, solely as a result of injuries sustained in the line of duty will receive a benefit equal to 100% of average final compensation. At normal retirement age, disability retirees will receive the greater of their disability retirement benefit or their vested benefit.

SURVIVOR BENEFITS

Benefits are payable to survivors of any active contributing member who dies before retirement, or disability retirees who die after retirement as follows.

For employees hired prior to January 1, 2013: If he leaves a surviving spouse, she will receive an annual benefit equal to 3 1/3% of the deceased member's average final compensation multiplied by his total years of creditable service; however, in no event is the annual benefit less than 40% nor more than 60% of the deceased member's average final compensation. If the surviving spouse remarries, the benefits shall cease unless the remarriage occurs after age fifty-five. If the member dies as a result of injuries sustained in the line of duty, the surviving spouse receives a benefit equal to 100% of average final compensation, which shall not cease due to remarriage, less any benefits payable to surviving children. Unmarried children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10% of average final compensation (not to exceed 100% of average final compensation when combined with the surviving spouse's benefit) until reaching the age of eighteen, or until the age of twenty-three, assuming they remain unmarried, if

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS (Continued)

SURVIVOR BENEFITS (Continued)

enrolled full-time in an institution of higher learning, high school, or vocational-technical school, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive forty percent of the deceased's average final compensation, not to exceed an aggregate of sixty percent of average final compensation, subject to the same age restrictions as in the case of a surviving spouse with minor children. If a member dies after he is eligible for retirement but before actual retirement, his surviving spouse will be paid the greater of the surviving spouse benefits detailed above, or an automatic option 2 benefit. Members who have terminated employment with at least twelve years of service credit are eligible for the benefits detailed in this paragraph.

For employees hired on or after January 1, 2013 who participate in the Hazardous Duty Subplan: The surviving spouse of a deceased active contributing member or disability retiree with at least ten years of creditable service not killed in the line of duty will receive an annual benefit equal to the benefit calculated using the regular retirement formula; however, in no event is the annual benefit less than 33% nor more than 55% of the deceased member's average final compensation. If the surviving spouse remarries, the benefits shall cease unless the remarriage occurs after age sixty. If the member dies as a result of injuries sustained in the line of duty, the surviving spouse receives a benefit equal to 100% of average final compensation, which shall not cease due to remarriage, less any benefits payable to surviving children. Unmarried children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10% of average final compensation (not to exceed 100% of average final compensation when combined with the surviving spouse's benefit) until reaching the age of eighteen, or until the age of twenty-three, assuming they remain unmarried, if enrolled full-time in an institution of higher learning, high school, or vocational-technical school, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive twenty-five percent of the deceased's average final compensation, not to exceed an aggregate of fifty percent of average final compensation, subject to the same age restrictions as in the case of a surviving spouse with minor children. If a member dies after he is eligible for retirement but before actual retirement, his surviving spouse will be paid the greater of the surviving spouse benefits detailed above, or an automatic option 2 benefit. Members who have terminated employment with at least twelve years of service credit are eligible for the benefits detailed in this paragraph.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS (Continued)

SURVIVOR BENEFITS (Continued)

For employees hired on or after January 1, 2013 who participate in the Nonhazardous Duty Subplan: The surviving spouse of a deceased active contributing member or disability retiree with at least ten years of creditable service not killed in the line of duty will receive an annual benefit equal to the benefit calculated using the regular retirement formula; however, in no event is the annual benefit less than 25% nor more than 50% of the deceased member's average final compensation. If the surviving spouse remarries, the benefits shall cease unless the remarriage occurs after age sixty. If the member dies as a result of injuries sustained in the line of duty, the surviving spouse receives a benefit equal to 100% of average final compensation, which shall not cease due to remarriage, less any benefits payable to surviving children. Unmarried children of the deceased member who are under the age of eighteen years are entitled to the greater of \$200 per month or 10% of average final compensation (not to exceed 100% of average final compensation when combined with the surviving spouse's benefit) until reaching the age of eighteen, or until the age of twenty-three, assuming they remain unmarried, if enrolled full-time in an institution of higher learning, high school, or vocational-technical school, unless the surviving child is physically handicapped or mentally retarded in which case the benefit is payable regardless of age. If a deceased member dies leaving no surviving spouse, but at least one minor child, each child is entitled to receive twenty percent (twenty-five percent in the case of one minor child) of the deceased's average final compensation, not to exceed an aggregate of fifty percent of average final compensation, subject to the same age restrictions as in the case of a surviving spouse with minor children. If a member dies after he is eligible for retirement but before actual retirement, his surviving spouse will be paid the greater of the surviving spouse benefits detailed above, or an automatic option 2 benefit. Members who have terminated employment with at least twelve years of service credit are eligible for the benefits detailed in this paragraph.

DEFERRED RETIREMENT OPTION PLAN

In lieu of terminating employment and accepting a service retirement allowance, any member of the System who is eligible to receive a regular retirement allowance may elect to participate in the Deferred Retirement Option Plan for up to thirty-six months and defer the receipt of benefits. Upon commencement of participation in the plan, membership in the System terminates and neither the employee nor employer contributions are payable. Compensation and creditable service will remain as they existed on the effective date of commencement of participation in the plan. The monthly retirement benefits that would have been payable, had the member elected to cease employment and receive a service retirement allowance, are paid into the deferred retirement option plan account. Upon termination of employment at the end of the specified period of participation, a participant in the program may receive, at his option, a lump sum payment from the account equal to the payments to the account, or a true annuity based upon his account, or he may elect any other method of payment if approved by the Board of Trustees.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

SUMMARY OF MPERS' PRINCIPAL PLAN PROVISIONS (Continued)

DEFERRED RETIREMENT OPTION PLAN (Continued)

The monthly benefits that were being paid into the fund during the period of participation will begin to be paid to the retiree. If employment is not terminated at the end of the thirty-six months, payments into the account cease and the member resumes active contributing membership in the System. Such members may accumulate an additional benefit for service rendered after completion of the Deferred Retirement Option Plan. If the participant dies during the period of participation in the program, a lump sum payment equal to his account balance is paid to his named beneficiary or, if none, to his estate; in addition, normal survivor benefits are payable to survivors of retirees.

COST OF LIVING INCREASES

Pursuant to R.S. 11:2225, the Board of Trustees is authorized to use interest earnings in excess of the normal requirements to grant annual cost of living increases of 3% of each retiree's original or current benefit. R.S. 11:246 provides cost of living increases to retirees and beneficiaries over the age of 65 equal to 2% of the benefit in payment on October 1, 1977, or the date the benefit was originally received if retirement commenced after that date. In lieu of the prior provisions, R.S. 11:241 provides for cost of living benefits payable based on a formula equal to up to \$1 times the total of the number of years of credited service accrued at retirement or at death of the member or retiree plus the number of years since retirement or since death of the member or retiree to the System's fiscal year end preceding the payment of the benefit increase.

All of the above provisions require that the System earn sufficient excess interest earnings to fund the increases and to meet certain other criteria detailed in the statutes related to funding status.

R. S. 11:2225(A)(7)(c) and (d) provide that the Board of Trustees is authorized to provide a one-time cost of living adjustment of 3% of each retiree's normal monthly benefit (not to be less than \$20 per month) from excess interest earnings without regard to the provisions of R.S. 11:242 (which describes the target ratio).

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

MEMBERSHIP DATA:

Data Regarding the membership of the System for the actuarial valuation was furnished by the System as follows:

| | 2021 | 2020 |
|-----------------------------------|---------------|----------------|
| Active Members | 5,414 | 5,644 |
| Retired Members and Survivors | 4,938 | 4,837 |
| DROP Participants | 257 | 212 |
| Terminated Due a Deferred Benefit | 236 | 221 |
| Terminated Due a Refund | 2,040 | 1,842 |
| Total Membership | 12,885 | 12,756 |
| Payroll (excluding DROP accruals) | \$293,949,856 | \$ 302,984,686 |

HISTORICAL MEMBERSHIP DATA:

| <u>Active Members:</u> | | | | | | | |
|------------------------|---------------|---------|---------|------------|----------------|----------|------------|
| Year | Number of | | | Percentage | Active | Average | Percentage |
| | Participating | Active | DROP | | | | |
| Ending | Employers | Members | Members | Membership | Payroll | Salary | Average |
| | | | | | | | Salary |
| 2021 | 144 | 5,414 | 257 | -3.2% | \$ 293,949,856 | \$54,294 | 1.14% |
| 2020 | 142 | 5,644 | 212 | -1.3% | 302,984,686 | 53,683 | 0.69% |
| 2019 | 140 | 5,729 | 203 | 1.1% | 305,445,379 | 53,316 | 2.75% |
| 2018 | 139 | 5,685 | 180 | 0.2% | 294,988,865 | 51,889 | 0.02% |
| 2017 | 140 | 5,663 | 193 | 0.0% | 293,792,282 | 51,879 | 4.41% |
| 2016 | 142 | 5,666 | 191 | 1.6% | 281,546,022 | 49,690 | 3.75% |
| 2015 | 138 | 5,535 | 228 | 0.4% | 265,089,428 | 47,893 | 0.88% |
| 2014 | 136 | 5,468 | 271 | -3.0% | 259,594,435 | 47,475 | 0.47% |
| 2013 | 135 | 5,602 | 314 | -2.4% | 264,711,491 | 47,253 | 0.17% |
| 2012 | 143 | 5,779 | 284 | -1.6% | 272,606,934 | 47,172 | 2.39% |

Covered employee payroll for financial reporting is determined by dividing the total employer contributions by the employer rate for members above the poverty level. The active payroll for the funding valuation is the annualized salaries for all members who are active at the end of the year, excluding DROP participants.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

HISTORICAL MEMBERSHIP DATA: (Continued)

| Retiree and Survivor Members: | | | | | | | | |
|--------------------------------------|------------------|--------------------|-------------------------|-------------------|--------------------------|----------------|-----------|---|
| Year Ending | Number of | | | Dollar Amount | | Annual Benefit | | Percentage Change in Average Benefit |
| | Members Added | Members Deleted | Retirees & Survivors | Added to Rolls | Subtracted from Rolls | Total | Average | |
| 2021 | 275 | 174 | 4,938 | \$ 10,604,687 | \$ 2,792,995 | \$ 162,774,931 | \$ 32,964 | 2.89% |
| 2020 | 216 | 149 | 4,837 | 8,356,611 | 2,365,443 | 154,963,239 | 32,037 | 2.58% |
| 2019 | 200 | 166 | 4,770 | 7,453,088 | 2,643,344 | 148,972,071 | 31,231 | 2.60% |
| 2018 | 203 | 158 | 4,736 | 7,230,443 | 2,850,368 | 144,162,327 | 30,440 | 2.15% |
| 2017 | 208 | 154 | 4,691 | 7,456,747 | 2,542,565 | 139,782,252 | 29,798 | 2.45% |
| 2016 | 237 | 138 | 4,637 | 8,965,172 | 2,147,111 | 134,868,070 | 29,085 | 3.08% |
| 2015 | 216 | 122 | 4,538 | 11,928,478 * | 2,400,746 | 128,050,009 | 28,217 | 5.80% |
| 2014 | 219 | 115 | 4,444 | 9,520,119 | 1,733,076 | 118,522,277 | 26,670 | 4.53% |
| 2013 | 232 | 122 | 4,340 | 7,334,977 | 1,598,246 | 110,735,234 | 25,515 | 2.79% |
| 2012 | 207 | 142 | 4,230 | 7,033,636 | 1,898,680 | 104,998,503 | 24,822 | 3.52% |

* Added to rolls amount includes COLA benefits for all eligible retirees and survivors

SUMMARY OF ACTUARIAL AND UNFUNDED ACTUARIAL LIABILITIES:

| Valuation Date | Actuarial Accrued Liabilities (AAL) | Actuarial Valuation Assets | Ratio of Assets to AAL | Unfunded AAL (UAAL) | Covered Payroll | UAAL As A Percentage of Active Payroll |
|-------------------|--|----------------------------------|------------------------------|---------------------------|--------------------|---|
| 2021 | \$3,301,558,629 | \$ 2,568,079,189 | 77.78% | \$ 733,479,440 | \$ 305,116,545 | 240.39% |
| 2020 | 3,135,811,188 | 2,367,621,208 | 75.50% | 768,189,980 | 309,586,194 | 248.13% |
| 2019 | 3,132,449,454 | 2,283,284,109 | 72.89% | 849,165,345 | 312,615,479 | 271.63% |
| 2018 | 3,007,181,318 | 2,202,302,093 | 73.23% | 804,879,225 | 295,400,315 | 272.47% |
| 2017 | 2,918,064,612 | 2,083,240,809 | 71.39% | 834,823,803 | 298,448,940 | 279.72% |
| 2016 | 2,760,140,132 | 1,949,755,816 | 70.64% | 810,384,316 | 280,124,060 | 289.29% |
| 2015 | 2,676,472,766 | 1,871,160,542 | 69.91% | 805,312,224 | 267,525,787 | 301.02% |
| 2014 | 2,512,627,665 | 1,711,268,285 | 68.11% | 801,359,380 | 265,182,766 | 302.19% |
| 2013 | 2,399,375,820 | 1,539,218,085 | 64.15% | 860,157,735 | 269,791,474 | 318.82% |
| 2012 | 2,313,751,839 | 1,382,503,860 | 59.75% | 931,247,979 | 276,297,204 | 337.05% |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2021

RECONCILIATION OF UNFUNDED ACTUARIAL LIABILITES:

| | Fiscal Year Ending | | | |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2021 | 2020 | 2019 | 2018 |
| Unfunded Actuarial Liability at Beginning of Fiscal Year (7/1) | \$ 768,189,980 | \$ 849,165,345 | \$ 804,879,225 | \$ 834,823,803 |
| Interest on Unfunded Accrued Liability | 53,389,203 | 60,503,031 | 57,951,304 | 61,150,844 |
| Investment Loss | - | 57,612,260 | 58,094,818 | 7,852,432 |
| Liability Experience Loss | 1,258,411 | - | - | - |
| Liability Assumption Loss | 67,936,761 | - | 24,575,373 | 38,696,875 |
| Contribution Shortfall with Accrued Interest | - | 1,457,071 | - | 5,491,975 |
| Investment Gain | (61,268,465) | - | - | - |
| Liability Assumption Gain | - | (75,574,461) | - | - |
| Liability Experience Gain | - | (29,781,524) | (788,461) | (54,697,789) |
| Contribution Excess with Accrued Interest | (6,876,395) | - | (8,114,574) | - |
| Interest Adjusted Amortization Payments | (89,150,055) | (95,191,742) | (87,432,340) | (88,438,915) |
| Unfunded Actuarial Liability at End of Fiscal Year (6/30) | <u>\$ 733,479,440</u> | <u>\$ 768,189,980</u> | <u>\$ 849,165,345</u> | <u>\$ 804,879,225</u> |

SUMMARY OF FUNDED ACTUARIAL LIABILITIES/SOLVENCY TEST:

| Valuation Date | Actuarial Value of Assets | (1) | (2) | (3) | Portion of Actuarial Accrued Liabilities Covered by Asset | | |
|----------------|---------------------------|--|------------------------------|---|---|------|-----|
| | | Active and Terminated Employee Contributions | Retiree and Survivor Benefit | Active and Terminated Benefits Financed by Employer | (1) | (2) | (3) |
| 2021 | \$ 2,568,079,189 | \$ 294,974,732 | \$1,842,829,290 | \$1,163,754,607 | 100% | 100% | 37% |
| 2020 | 2,367,621,208 | 284,904,586 | 1,723,665,706 | 1,127,240,896 | 100% | 100% | 32% |
| 2019 | 2,283,284,109 | 272,982,402 | 1,669,214,674 | 1,190,252,378 | 100% | 100% | 29% |
| 2018 | 2,202,302,093 | 259,616,577 | 1,610,281,425 | 1,137,283,316 | 100% | 100% | 29% |
| 2017 | 2,083,240,809 | 248,745,974 | 1,550,785,289 | 1,118,533,349 | 100% | 100% | 25% |
| 2016 | 1,949,755,816 | 236,690,734 | 1,482,566,045 | 1,040,883,353 | 100% | 100% | 22% |
| 2015 | 1,871,160,542 | 226,845,078 | 1,424,967,970 | 1,024,659,718 | 100% | 100% | 21% |
| 2014 | 1,711,268,285 | 216,674,633 | 1,327,712,818 | 968,240,214 | 100% | 100% | 17% |
| 2013 | 1,539,218,085 | 209,894,136 | 1,194,437,922 | 995,043,762 | 100% | 100% | 14% |
| 2012 | 1,382,503,860 | 205,144,318 | 1,131,552,057 | 977,055,464 | 100% | 100% | 5% |

A ten year schedule of actuarially required contributions and actual contributions is included in the financial section of the ACFR as required supplementary information.

STATISTICAL SECTION

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
STATISTICAL SECTION
JUNE 30, 2021

The objective of the Statistical Section is to provide financial statement users with historical perspective, context and detail to assist in using the information in the financial statements and the notes to the financial statements to better understand and assess MPERS economic condition. All non-accounting data is taken from MPERS internal sources except for that information which is derived from actuarial valuations.

Financial Trends:

The schedules listed below provide financial trend information that assists users in understanding and assessing how MPERS financial position has changed over time:

- Changes in Fiduciary Net Position
- Additions by Source
- Deductions by Type
- Employee Contribution Rates
- Employer Contribution Rates

Operational Information:

The System's membership includes full time municipal police throughout the state of Louisiana. Member benefits include:

- Service retirement benefit – regular, early, or converted to regular from disability
- Disability benefit – in the line of duty, not in the line of duty, merger
- Survivor benefits – beneficiary, minor children, eligible children 18-23, eligible ex-spouses

The schedules listed below are intended to provide contextual information about MPERS operations to assist in assessing the System's economic conditions:

- MPERS Membership – Active, Terminated Vested and Non vested
- MPERS Benefit Membership – Retirees, Survivors and DROP
- Benefit Expenses by Type
- Average Monthly Benefits by Years of Service Credit
- Average Annual Benefit and Membership by Completed Years Since Retirement - Service Retiree, Disability, Survivors

Demographic Information:

This information is intended to assist readers in understanding the environment in which MPERS operates. The demographic information includes:

- Top Ten Contributing Employers by Member Count

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
STATISTICAL SECTION
JUNE 30, 2021

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE TEN YEARS ENDING 2021

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------------------|-------------------------|-----------------------|-----------------------|-----------------------|
| ADDITIONS: | | | | | |
| CONTRIBUTIONS: | | | | | |
| Member contributions | \$ 29,597,518 | \$ 30,264,864 | \$ 30,429,790 | \$ 28,746,906 | \$ 29,175,452 |
| Employer contributions | 103,209,408 | 100,615,513 | 100,818,492 | 90,835,597 | 95,075,175 |
| Insurance premium tax | 22,347,331 | 21,797,215 | 20,587,174 | 19,733,532 | 19,090,190 |
| Total contributions | 155,154,257 | 152,677,592 | 151,835,456 | 139,316,035 | 143,340,817 |
| INVESTMENT INCOME: | | | | | |
| Net appreciation (depreciation) in fair value of investments | 562,015,474 | 32,690,027 | 55,703,875 | 120,257,951 | 216,612,630 |
| Interest, dividend, and other investment income | 29,108,636 | 27,971,022 | 34,887,121 | 29,212,694 | 27,885,241 |
| Securities lending income | 111,365 | 137,078 | 195,778 | 295,483 | 149,929 |
| Total investment income | 591,235,475 | 60,798,127 | 90,786,774 | 149,766,128 | 244,647,800 |
| Less investment expenses: | | | | | |
| Investment consultant fees | 276,667 | 367,417 | 323,361 | 314,721 | 282,410 |
| Investment manager fees | 5,901,934 | 7,646,091 | 8,840,618 | 7,597,759 | 5,309,736 |
| Custodian fees | 301,804 | 292,394 | 292,957 | 291,787 | - |
| Real estate investment expense | - | - | - | - | 361,682 |
| Miscellaneous | - | - | - | 17,242 | 158,729 |
| Total investment expenses | 6,480,405 | 8,305,902 | 9,456,936 | 8,221,509 | 6,112,557 |
| Net investment income (loss) | 584,755,070 | 52,492,225 | 81,329,838 | 141,544,619 | 238,535,243 |
| OTHER ADDITIONS: | | | | | |
| Rental income | 1,564 | - | - | - | - |
| Merger interest income | - | - | - | - | - |
| Interest on refund paybacks | - | - | 46,812 | - | - |
| Military purchase | 96,987 | 90,553 | 72,656 | 17,499 | 75,554 |
| Total other additions | 98,551 | 90,553 | 119,468 | 17,499 | 75,554 |
| Total additions | 740,007,878 | 205,260,370 | 233,284,762 | 280,878,153 | 381,951,614 |
| DEDUCTIONS: | | | | | |
| Retirement benefits | 157,448,046 | 151,252,790 | 146,175,074 | 141,134,204 | 136,804,153 |
| DROP/IBO withdrawals | 13,240,945 | 13,733,293 | 13,011,519 | 11,955,612 | 14,749,321 |
| Refund of contributions | 4,511,520 | 3,885,219 | 4,195,787 | 4,396,691 | 4,217,420 |
| Net transfers to/from other systems | 2,104,016 | 1,431,008 | 5,496,668 | 3,794,342 | 2,584,245 |
| Administrative expenses | 1,995,085 | 1,780,198 | 1,775,215 | 1,649,952 | 1,297,319 |
| Pension expense | 255,901 | 259,175 | - | - | - |
| Other postemployment benefit expense | 52,344 | 85,317 | 53,111 | 30,244 | 63,045 |
| Depreciation | 167,271 | 71,565 | 70,613 | 73,694 | 72,199 |
| Total deductions | 179,775,128 | 172,498,565 | 170,777,987 | 163,034,739 | 159,787,702 |
| NET INCREASE (DECREASE) | 560,232,750 | 32,761,805 | 62,506,775 | 117,843,414 | 222,163,912 |
| NET POSITION - RESTRICTED FOR PENSION BENEFITS: | | | | | |
| BEGINNING OF YEAR | 2,256,740,977 | 2,223,979,172 | 722,070,137 | 604,226,723 | 382,062,811 |
| Net effect of change in accounting principle | - | - | - | (1,090,517) | - |
| END OF YEAR | \$ 2,816,973,727 | \$ 2,256,740,977 | \$ 784,576,912 | \$ 722,070,137 | \$ 604,226,723 |

Continued

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
STATISTICAL SECTION
JUNE 30, 2021

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE TEN YEARS ENDING 2021

| | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|
| ADDITIONS: | | | | | |
| CONTRIBUTIONS: | | | | | |
| Member contributions | \$ 27,278,823 | \$ 26,117,636 | \$ 25,922,508 | \$ 26,428,188 | \$ 27,034,278 |
| Employer contributions | 82,720,635 | 84,324,128 | 82,259,694 | 83,635,357 | 73,218,759 |
| Insurance premium tax | 18,605,064 | 17,704,000 | 16,628,926 | 15,794,377 | 15,628,206 |
| Total contributions | 128,604,522 | 128,145,764 | 124,811,128 | 125,857,922 | 115,881,243 |
| INVESTMENT INCOME: | | | | | |
| Net appreciation (depreciation) in fair value of investments | (69,839,931) | (1,788,092) | 266,260,150 | 161,858,537 | (56,207,135) |
| Interest, dividend, and other investment income | 33,297,682 | 34,198,851 | 38,216,946 | 36,260,060 | 31,197,281 |
| Securities lending income | 225,474 | 706,739 | 525,281 | 802,386 | 603,292 |
| Total investment income | (36,316,775) | 33,117,498 | 305,002,377 | 198,920,983 | (24,406,562) |
| Less investment expenses: | | | | | |
| Investment consultant fees | 347,887 | 207,048 | 275,165 | 92,431 | 270,000 |
| Investment manager fees | 5,264,374 | 6,078,908 | 7,624,771 | 5,666,757 | 3,929,681 |
| Custodian fees | - | 192,017 | 123,962 | 106,185 | 106,648 |
| Real estate investment expense | 286,880 | - | 92,116 | 737,856 | 1,235,206 |
| Miscellaneous | - | - | 309,473 | 142,734 | 222,461 |
| Total investment expenses | 5,899,141 | 6,477,973 | 8,425,487 | 6,745,963 | 5,763,996 |
| Net investment income (loss) | (42,215,916) | 26,639,525 | 296,576,890 | 192,175,020 | (30,170,558) |
| OTHER ADDITIONS: | | | | | |
| Rental income | - | - | - | - | - |
| Merger interest income | - | - | 453 | 13,733 | 26,112 |
| Interest on refund paybacks | 21,202 | - | - | - | - |
| Military purchase | - | 6,614 | - | - | - |
| Total other additions | 21,202 | 6,614 | 453 | 13,733 | 26,112 |
| Total additions | 86,409,808 | 154,791,903 | 421,388,471 | 318,046,675 | 85,736,797 |
| DEDUCTIONS: | | | | | |
| Retirement benefits | 131,341,723 | 123,759,640 | 114,361,996 | 107,887,718 | 102,554,434 |
| DROP/IBO withdrawals | 16,827,436 | 17,180,717 | 12,986,778 | 10,843,924 | 12,138,814 |
| Refund of contributions | 4,142,582 | 4,257,860 | 4,503,123 | 3,849,552 | 3,713,577 |
| Net transfers to/from other systems | 2,848,783 | 1,958,575 | 1,520,751 | 243,384 | 242,978 |
| Administrative expenses | 1,313,174 | 1,420,583 | 1,381,703 | 1,222,084 | 1,096,096 |
| Pension expense | - | - | - | - | - |
| Other postemployment benefit expense | 83,154 | 79,802 | 65,843 | 47,733 | 39,531 |
| Depreciation | 71,854 | 76,894 | 81,593 | 81,504 | 84,950 |
| Total deductions | 156,628,706 | 148,734,071 | 134,901,787 | 124,175,899 | 119,870,380 |
| NET INCREASE (DECREASE) | (70,218,898) | 6,057,832 | 286,486,684 | 193,870,776 | (34,133,583) |
| NET POSITION - RESTRICTED FOR PENSION BENEFITS: | | | | | |
| BEGINNING OF YEAR | 452,281,709 | 446,223,877 | 159,737,193 | (34,133,583) | - |
| Net effect of change in accounting principle | - | - | - | - | - |
| END OF YEAR | \$ 382,062,811 | \$ 452,281,709 | \$ 446,223,877 | \$ 159,737,193 | \$ (34,133,583) |

Source: Audited annual comprehensive financial statements

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

ADDITIONS BY SOURCE
FOR THE TEN YEARS ENDED JUNE 30, 2021

| <u>ADDITIONS</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Member contributions | \$ 29,597,518 | \$ 30,264,864 | \$ 30,429,790 | \$ 28,746,906 | \$ 29,175,452 |
| Employer contributions | 103,209,408 | 100,615,513 | 100,818,492 | 90,835,597 | 95,075,175 |
| Insurance premium tax | 22,347,331 | 21,797,215 | 20,587,174 | 19,733,532 | 19,090,190 |
| Net investment income (loss) | 584,755,070 | 52,492,225 | 81,329,838 | 141,544,619 | 238,535,243 |
| Rental income | 1,564 | - | - | - | - |
| Merger interest income | - | - | - | - | - |
| Military purchases | 96,987 | 90,553 | 72,656 | 17,499 | 75,554 |
| TOTAL ADDITIONS | \$ 740,007,878 | \$ 205,260,370 | \$ 233,237,950 | \$ 280,878,153 | \$ 381,951,614 |

DEDUCTIONS BY TYPE
FOR THE TEN YEARS ENDED JUNE 30, 2021

| <u>DEDUCTIONS:</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|---------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Retirement benefits | \$ 157,448,046 | \$ 151,252,790 | \$ 146,175,074 | \$ 141,134,204 | \$ 136,804,153 |
| DROP/IBO withdrawals | 13,240,945 | 13,733,293 | 13,011,519 | 11,955,612 | 14,749,321 |
| Refunds of contributions | 4,511,520 | 3,885,219 | 4,195,787 | 4,396,691 | 4,217,420 |
| Net transfers to other systems | 2,104,016 | 1,431,008 | 5,496,668 | 3,794,342 | 2,584,245 |
| Administrative expenses | 1,995,085 | 1,780,198 | 1,775,215 | 1,649,952 | 1,297,319 |
| Pension expense | 255,901 | 259,175 | - | - | - |
| Other post-employment benefit expense | 52,344 | 85,317 | 53,111 | 30,244 | 63,045 |
| Depreciation | 167,271 | 71,565 | 70,613 | 73,694 | 72,199 |
| TOTAL DEDUCTIONS | \$ 179,775,128 | \$ 172,498,565 | \$ 170,777,987 | \$ 163,034,739 | \$ 159,787,702 |

Continued

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

ADDITIONS BY SOURCE
FOR THE TEN YEARS ENDED JUNE 30, 2021

| <u>ADDITIONS</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|------------------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|
| Member contributions | \$ 27,278,823 | \$ 26,117,636 | \$ 25,922,508 | \$ 26,428,188 | \$ 27,034,278 |
| Employer contributions | 82,720,635 | 84,324,128 | 82,259,694 | 83,635,357 | 73,218,759 |
| Insurance premium tax | 18,605,064 | 17,704,000 | 16,628,926 | 15,794,377 | 15,628,206 |
| Net investment income (loss) | (42,215,916) | 26,639,525 | 296,576,890 | 192,175,020 | (30,170,558) |
| Rental income | - | - | - | - | - |
| Merger interest income | - | - | 453 | 13,733 | 26,112 |
| Military purchases | - | 6,614 | - | - | - |
| TOTAL ADDITIONS | \$ 86,388,606 | \$ 154,791,903 | \$ 421,388,471 | \$ 318,046,675 | \$ 85,736,797 |

DEDUCTIONS BY TYPE
FOR THE TEN YEARS ENDED JUNE 30, 2021

| <u>DEDUCTIONS:</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Retirement benefits | \$ 131,341,723 | \$ 123,759,640 | \$ 114,361,996 | \$ 107,887,718 | \$ 102,554,434 |
| DROP/IBO withdrawals | 16,827,436 | 17,180,717 | 12,986,778 | 10,843,924 | 12,138,814 |
| Refunds of contributions | 4,142,582 | 4,257,860 | 4,503,123 | 3,849,552 | 3,713,577 |
| Net transfers to other systems | 2,848,783 | 1,958,575 | 1,520,751 | 243,384 | 242,978 |
| Administrative expenses | 1,313,174 | 1,420,583 | 1,381,703 | 1,222,084 | 1,096,096 |
| Pension expense | - | - | - | - | - |
| Other post-employment benefi | 83,154 | 79,802 | 65,843 | 47,733 | 39,531 |
| Depreciation | 71,854 | 76,894 | 81,593 | 81,504 | 84,950 |
| TOTAL DEDUCTIONS | \$ 156,628,706 | \$ 148,734,071 | \$ 134,901,787 | \$ 124,175,899 | \$ 119,870,380 |

Source: Audited annual comprehensive financial statements

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

EMPLOYEE CONTRIBUTION RATES

| Fiscal Year | Hazardous | Non |
|--------------------|------------------|------------------|
| Ended | Hazardous | Hazardous |
| 2021 | 10.0% | 8% |
| 2019 | 10.0% | 8% |
| 2018 | 10.0% | 8% |
| 2017 | 10.0% | 8% |
| 2016 | 10.0% | 8% |
| 2015 | 10.0% | 8% |
| 2014 | 10.0% | N/A |
| 2013 | 10.0% | N/A |
| 2012 | 10.0% | N/A |
| 2011 | 7.5% | N/A |

EMPLOYER CONTRIBUTION RATES

| Fiscal Year | Hazardous | Non |
|--------------------|------------------|------------------|
| Ended | Hazardous | Hazardous |
| 2021 | 33.75% | 33.75% |
| 2019 | 32.50% | 32.50% |
| 2018 | 32.25% | 32.25% |
| 2017 | 30.75% | 30.75% |
| 2016 | 31.75% | 33.75% |
| 2015 | 29.50% | 31.50% |
| 2014 | 31.50% | 33.50% |
| 2013 | 31.00% | N/A |
| 2012 | 31.00% | N/A |
| 2011 | 25.00% | N/A |

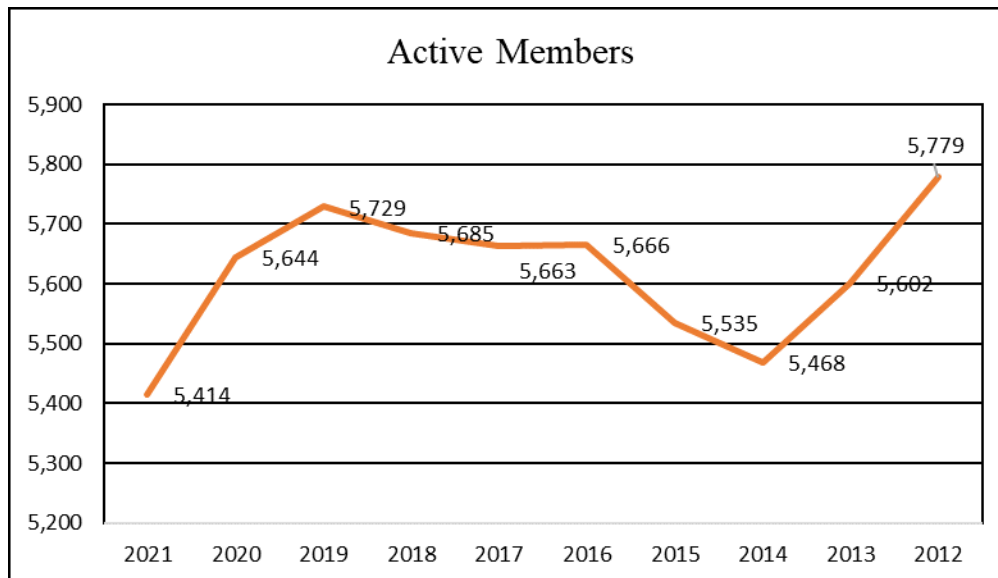
Beginning fiscal year ended June 30, 2014, members' contribution rate was 2.5% lower and employer contribution rate was 2.5% higher for members with earnings below than the Department of HHS poverty guidelines.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

ACTIVE, TERMINATED VESTED AND NON VESTED MEMBERS:

Generally, any person who becomes an employee as defined in R.S. 11:2213(11) on or after September 9, 1977, shall become a member as a condition of employment, provided he or she is under age 50 on the date of employment. Employees of municipalities described in R.S. 11:157(A)(1) have the ability to opt out.

| Fiscal Year Ended | Active | Terminated Vested | Terminated Due Refund | Member Percentage Change Each Year | Active Lives Payroll |
|-------------------|--------|-------------------|-----------------------|------------------------------------|----------------------|
| 2021 | 5,414 | 236 | 2,040 | -0.22% | \$ 293,949,856 |
| 2020 | 5,644 | 221 | 1,842 | 1.41% | \$ 302,984,686 |
| 2019 | 5,729 | 201 | 1,670 | 2.22% | \$ 305,445,379 |
| 2018 | 5,685 | 187 | 1,563 | 2.03% | \$ 294,988,865 |
| 2017 | 5,663 | 181 | 1,443 | 1.70% | \$ 293,792,282 |
| 2016 | 5,666 | 175 | 1,324 | 2.07% | \$ 281,546,022 |
| 2015 | 5,535 | 165 | 1,320 | 1.75% | \$ 265,089,428 |
| 2014 | 5,468 | 159 | 1,272 | -1.43% | \$ 259,594,435 |
| 2013 | 5,602 | 145 | 1,252 | -1.21% | \$ 264,711,491 |
| 2012 | 5,779 | 130 | 1,176 | -1.49% | \$ 272,606,934 |



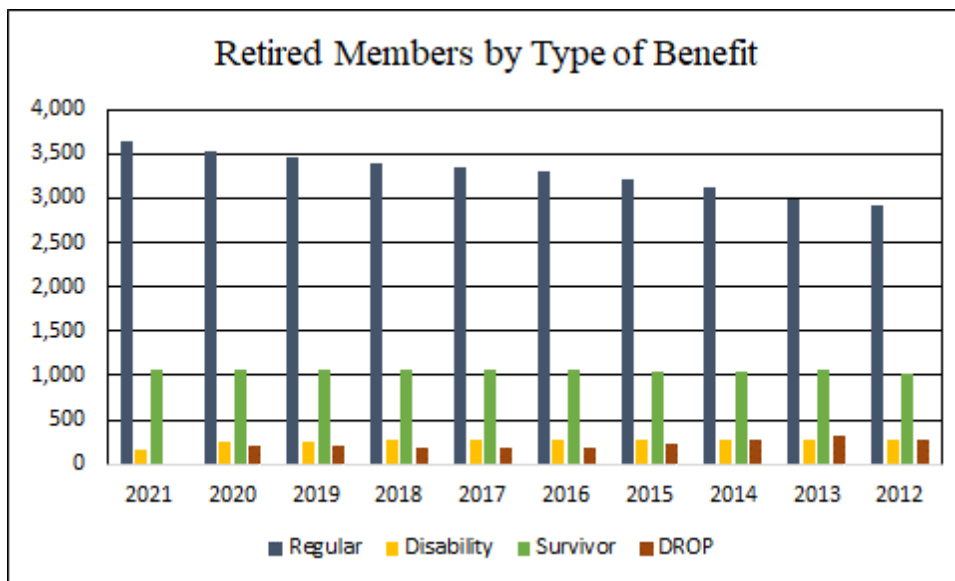
MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

RETIREES, SURVIVORS AND DROP MEMBERS:

The System provides regular, disability and survivor benefits. Member eligibility for regular retirement, early retirement, disability, and survivor benefits are based on Hazardous Duty and Non Hazardous Duty sub plans. Upon death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. If deceased member had less than 10 years of service, the beneficiary will receive a refund of employee contributions only. Refer to the System’s plan document for more detailed information on benefits provided.

Following is a ten year schedule of participants by benefit type.

| Fiscal Year Ended | Regular | Disability | Survivor | DROP |
|----------------------|---------|------------|----------|------|
| 2021 | 3,596 | 240 | 1,102 | 257 |
| 2020 | 3,520 | 254 | 1,063 | 212 |
| 2019 | 3,452 | 258 | 1,060 | 203 |
| 2018 | 3,401 | 267 | 1,068 | 180 |
| 2017 | 3,355 | 282 | 1,054 | 193 |
| 2016 | 3,295 | 284 | 1,058 | 191 |
| 2015 | 3,204 | 285 | 1,050 | 228 |
| 2014 | 3,118 | 285 | 1,041 | 271 |
| 2013 | 2,991 | 285 | 1,064 | 314 |
| 2012 | 2,919 | 281 | 1,030 | 284 |



MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

SCHEDULE OF BENEFIT EXPENSES BY TYPE:

| Fiscal Year | | Regular | Survivors | Disability | DROP | IBO |
|-------------|----|-------------|---------------|--------------|---------------|------------|
| Ended | | | | | | |
| 2021 | \$ | 134,999,011 | \$ 19,713,134 | \$ 2,735,901 | \$ 12,308,013 | \$ 932,932 |
| 2020 | \$ | 129,744,770 | \$ 18,712,773 | \$ 2,795,247 | \$ 13,191,401 | \$ 541,892 |
| 2019 | \$ | 125,503,517 | \$ 17,803,242 | \$ 2,868,315 | \$ 12,218,184 | \$ 793,335 |
| 2018 | \$ | 120,776,850 | \$ 17,390,660 | \$ 2,966,694 | \$ 11,567,351 | \$ 388,261 |
| 2017 | \$ | 117,103,858 | \$ 16,642,015 | \$ 3,058,280 | \$ 14,318,152 | \$ 431,169 |
| 2016 | \$ | 111,942,808 | \$ 16,419,745 | \$ 2,979,170 | \$ 16,356,882 | \$ 470,554 |
| 2015 | \$ | 104,755,500 | \$ 16,013,115 | \$ 2,991,025 | \$ 16,562,990 | \$ 617,727 |

Benefit expense by type was unavailable prior to fiscal year ended June 30, 2015. Additional years will be added as they become available.

AVERAGE ANNUAL BENEFIT BY TYPE AND AVERAGE FINAL SALARY:

| Fiscal Year | Average Benefit By Type | | | Average Final Salary | |
|-------------|-------------------------|---------|------------|----------------------|----------|
| | End | Regular | Disability | | Survivor |
| 2021 | | 38,860 | 17,740 | 17,039 | 54,294 |
| 2020 | | 37,795 | 17,431 | 16,461 | 53,583 |
| 2019 | | 37,022 | 17,368 | 15,747 | 53,316 |
| 2018 | | 36,269 | 17,217 | 15,184 | 51,889 |
| 2017 | | 35,589 | 17,364 | 14,691 | 51,879 |
| 2016 | | 34,831 | 17,093 | 14,408 | 49,690 |
| 2015 | | 33,774 | 16,823 | 14,344 | 47,893 |
| 2014 | | 31,983 | 16,193 | 13,625 | 47,475 |
| 2013 | | 30,747 | 15,918 | 13,379 | 47,253 |
| 2012 | | 29,816 | 15,746 | 13,136 | 47,172 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

AVERAGE MONTHLY BENEFIT AND AVERAGE MONTHLY AVERAGE FINAL COMPENSATION (AFC) BY YEARS OF SERVICE:

| Fiscal Year Ended | | Years of Service | | | | | | |
|-------------------|-------------------------|------------------|----------|----------|----------|----------|----------|----------|
| | | 0-5 | 5-10 | 10-15 | 15-20 | 20-25 | 25-30 | >30 |
| 2021 | Number of Retirees | 0 | 0 | 9 | 26 | 57 | 74 | 29 |
| | Average Monthly Benefit | NA | NA | \$ 1,518 | \$ 2,307 | \$ 3,524 | \$ 5,031 | \$ 6,055 |
| | Average Monthly AFC | NA | NA | \$ 3,795 | \$ 4,192 | \$ 5,111 | \$ 5,969 | \$ 6,944 |
| 2020 | Number of Retirees | 1 | 0 | 8 | 18 | 38 | 78 | 20 |
| | Average Monthly Benefit | \$ 816 | NA | \$ 1,373 | \$ 2,160 | \$ 3,409 | \$ 4,778 | \$ 5,147 |
| | Average Monthly AFC | \$ 5,313 | NA | \$ 3,556 | \$ 3,814 | \$ 4,840 | \$ 5,762 | \$ 5,882 |
| 2019 | Number of Retirees | 0 | 0 | 13 | 18 | 30 | 53 | 22 |
| | Average Monthly Benefit | NA | NA | \$ 1,644 | \$ 2,112 | \$ 3,520 | \$ 4,713 | \$ 5,432 |
| | Average Monthly AFC | NA | NA | \$ 4,046 | \$ 4,095 | \$ 5,225 | \$ 5,740 | \$ 6,032 |
| 2018 | Number of Retirees | 0 | 1 | 4 | 15 | 43 | 44 | 24 |
| | Average Monthly Benefit | NA | \$ 638 | \$ 1,618 | \$ 2,123 | \$ 3,255 | \$ 4,893 | \$ 5,735 |
| | Average Monthly AFC | NA | \$ 3,804 | \$ 3,912 | \$ 4,043 | \$ 4,671 | \$ 5,925 | \$ 6,176 |
| 2017 | Number of Retirees | 0 | 0 | 9 | 15 | 37 | 63 | 16 |
| | Average Monthly Benefit | NA | NA | \$ 1,323 | \$ 2,314 | \$ 3,479 | \$ 4,652 | \$ 4,694 |
| | Average Monthly AFC | NA | NA | \$ 3,327 | \$ 4,099 | \$ 4,852 | \$ 5,571 | \$ 5,330 |
| 2016 | Number of Retirees | 0 | 0 | 6 | 18 | 48 | 68 | 25 |
| | Average Monthly Benefit | NA | NA | \$ 1,190 | \$ 2,311 | \$ 3,257 | \$ 4,823 | \$ 5,010 |
| | Average Monthly AFC | NA | NA | \$ 3,007 | \$ 4,191 | \$ 4,654 | \$ 5,699 | \$ 5,644 |
| 2015 | Number of Retirees | 0 | 0 | 11 | 10 | 38 | 65 | 26 |
| | Average Monthly Benefit | NA | NA | \$ 1,454 | \$ 2,409 | \$ 3,359 | \$ 4,549 | \$ 4,837 |
| | Average Monthly AFC | NA | NA | \$ 3,694 | \$ 4,185 | \$ 4,845 | \$ 5,603 | \$ 5,358 |
| 2014 | Number of Retirees | 0 | 0 | 8 | 11 | 32 | 95 | 35 |
| | Average Monthly Benefit | NA | NA | \$ 1,298 | \$ 2,238 | \$ 3,030 | \$ 4,503 | \$ 5,223 |
| | Average Monthly AFC | NA | NA | \$ 3,212 | \$ 4,244 | \$ 4,399 | \$ 5,345 | \$ 5,729 |
| 2013 | Number of Retirees | 0 | 1 | 6 | 15 | 28 | 71 | 23 |
| | Average Monthly Benefit | NA | \$ 432 | \$ 1,126 | \$ 1,836 | \$ 3,196 | \$ 4,319 | \$ 4,666 |
| | Average Monthly AFC | NA | \$ 2,833 | \$ 2,937 | \$ 3,383 | \$ 4,409 | \$ 5,061 | \$ 5,135 |
| 2012 | Number of Retirees | 0 | 0 | 11 | 10 | 39 | 55 | 24 |
| | Average Monthly Benefit | NA | NA | \$ 1,106 | \$ 1,796 | \$ 2,946 | \$ 4,450 | \$ 4,491 |
| | Average Monthly AFC | NA | NA | \$ 2,643 | \$ 3,341 | \$ 4,094 | \$ 5,215 | \$ 4,950 |

Note: Schedule includes only service retirees

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

AVERAGE ANNUAL BENEFIT BY COMPLETED YEARS SINCE RETIREMENT:

Service Retiree:

| Fiscal Year Ended | | Completed Years Since Retirement | | | | | | | | | | | Average Benefit |
|-------------------|--------------------|----------------------------------|----------|----------|----------|----------|------------|--------------|--------------|--------------|--------------|----------------------|-----------------|
| | | <u>0</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30 & Over</u> | |
| 2021 | Avg Benefit | \$ 50,612 | \$48,496 | \$47,286 | \$49,831 | \$46,639 | \$48,073 | \$38,790 | \$33,391 | \$27,244 | \$28,805 | \$ 21,838 | \$ 38,860 |
| | Number of Retirees | 195 | 160 | 135 | 138 | 132 | 745 | 625 | 566 | 410 | 268 | 222 | 3,596 |
| 2020 | Avg Benefit | \$ 48,284 | \$47,201 | \$49,784 | \$46,716 | \$47,955 | \$ 4,647 | \$37,239 | \$31,796 | \$26,325 | \$28,825 | \$ 20,574 | \$ 37,795 |
| | Number of Retirees | 163 | 136 | 138 | 136 | 163 | 770 | 591 | 579 | 385 | 234 | 225 | 3520 |
| 2019 | Avg Benefit | \$ 47,142 | \$49,501 | \$46,365 | \$48,060 | \$47,012 | \$45,351 | \$35,805 | \$30,491 | \$26,959 | \$28,507 | \$ 20,117 | \$ 37,022 |
| | Number of Retirees | 136 | 139 | 141 | 164 | 148 | 734 | 642 | 522 | 405 | 185 | 236 | 3,452 |
| 2018 | Avg Benefit | \$ 48,721 | \$46,061 | \$48,114 | \$47,200 | \$49,999 | \$42,884 | \$34,975 | \$28,991 | \$27,353 | \$ 2,835 | \$ 19,308 | \$ 36,269 |
| | Number of Retirees | 131 | 143 | 166 | 150 | 181 | 675 | 635 | 516 | 403 | 153 | 248 | 3,401 |
| 2017 | Avg Benefit | \$ 46,586 | \$47,774 | \$47,044 | \$50,241 | \$46,835 | \$41,143 | \$33,920 | \$27,688 | \$27,298 | \$29,774 | \$ 18,372 | \$ 35,589 |
| | Number of Retirees | 140 | 169 | 153 | 187 | 141 | 648 | 656 | 476 | 392 | 140 | 253 | 3,355 |
| 2016 | Avg Benefit | \$ 47,873 | \$47,160 | \$50,170 | \$46,751 | \$45,126 | \$38,638 | \$32,659 | \$26,926 | \$28,182 | \$29,109 | \$ 17,141 | \$ 34,831 |
| | Number of Retirees | 165 | 154 | 188 | 142 | 141 | 667 | 631 | 476 | 345 | 137 | 249 | 3,295 |
| 2015 | Avg Benefit | \$ 47,134 | \$49,949 | \$46,521 | \$44,831 | \$41,880 | \$ 7,107 | \$31,114 | \$26,087 | \$28,071 | \$28,329 | \$ 16,888 | \$ 33,774 |
| | Number of Retirees | 150 | 188 | 142 | 144 | 179 | 632 | 638 | 444 | 303 | 115 | 269 | 3,204 |
| 2014 | Avg Benefit | \$ 49,229 | \$45,008 | \$43,541 | \$40,782 | \$39,464 | \$34,494 | \$29,072 | \$25,744 | \$26,841 | \$27,492 | \$ 16,292 | \$ 31,983 |
| | Number of Retirees | 181 | 145 | 144 | 181 | 105 | 689 | 572 | 481 | 235 | 102 | 283 | 3,118 |
| 2013 | Avg Benefit | \$ 44,865 | \$43,072 | \$40,786 | \$39,374 | \$36,974 | \$33,616 | \$27,723 | \$26,052 | \$26,721 | \$27,378 | \$ 15,657 | \$ 30,747 |
| | Number of Retirees | 143 | 147 | 182 | 105 | 129 | 678 | 564 | 472 | 193 | 93 | 285 | 2,991 |
| 2012 | Avg Benefit | \$ 42,953 | \$40,645 | \$39,554 | \$36,974 | \$36,335 | \$32,462 | \$26,520 | \$26,031 | \$27,967 | \$24,189 | \$ 15,872 | \$ 29,816 |
| | Number of Retirees | 139 | 182 | 105 | 129 | 120 | 700 | 520 | 456 | 180 | 97 | 291 | 2,919 |
| 2011 | Avg Benefit | \$ 40,290 | \$39,491 | \$36,806 | \$36,224 | \$33,231 | \$31,279 | \$25,649 | \$27,036 | \$27,469 | \$20,948 | \$ 15,034 | \$ 28,880 |
| | Number of Retirees | 176 | 106 | 131 | 121 | 151 | 672 | 525 | 409 | 171 | 122 | 265 | 2,849 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

AVERAGE ANNUAL BENEFIT BY COMPLETED YEARS SINCE RETIREMENT: (Continued)

Disability:

| Fiscal Year Ended | | Completed Years Since Retirement | | | | | | | | | | | Average Benefit |
|----------------------|----------------------|----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|--------------------|
| | | 0 | 1 | 2 | 3 | 4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30 & Over | |
| 2021 | Avg Benefit | \$ 21,942 | \$19,729 | \$25,154 | \$25,797 | \$22,907 | \$22,775 | \$21,821 | \$16,241 | \$13,987 | \$16,325 | \$ 12,685 | \$ 17,740 |
| | Number of Disability | 2 | 3 | 6 | 4 | 12 | 32 | 37 | 31 | 36 | 29 | 48 | 240 |
| 2020 | Avg Benefit | \$ 17,247 | \$25,154 | \$25,797 | \$25,257 | \$24,754 | \$19,956 | \$21,780 | \$16,431 | \$14,314 | \$16,647 | \$ 12,931 | \$ 17,431 |
| | Number of Disability | 2 | 6 | 4 | 11 | 6 | 31 | 33 | 37 | 43 | 34 | 47 | 254 |
| 2019 | Avg Benefit | \$ 25,911 | \$25,797 | \$23,257 | \$24,754 | \$20,382 | \$20,292 | \$20,678 | \$15,570 | \$14,850 | \$15,587 | \$ 13,112 | \$ 17,368 |
| | Number of Disability | 4 | 11 | 6 | 3 | 6 | 37 | 36 | 47 | 43 | 39 | 35 | 267 |
| 2018 | Avg Benefit | \$ 24,446 | \$23,010 | \$24,754 | \$21,722 | \$24,870 | \$20,750 | \$18,443 | \$15,857 | \$15,574 | \$13,966 | \$ 14,047 | \$ 17,217 |
| | Number of Disability | 5 | 4 | 11 | 6 | 2 | 37 | 34 | 42 | 40 | 37 | 40 | 258 |
| 2017 | Avg Benefit | \$ 23,214 | \$24,754 | \$23,049 | \$24,870 | \$20,212 | \$21,980 | \$18,902 | \$14,993 | \$14,865 | \$14,486 | \$ 13,946 | \$ 17,364 |
| | Number of Disability | 11 | 6 | 5 | 6 | 10 | 37 | 43 | 51 | 40 | 42 | 31 | 282 |
| 2016 | Avg Benefit | \$ 24,465 | \$20,941 | \$22,480 | \$20,212 | \$23,989 | \$21,116 | \$17,774 | \$14,414 | \$16,579 | \$12,715 | \$ 13,953 | \$ 17,093 |
| | Number of Disability | 6 | 7 | 7 | 10 | 6 | 45 | 48 | 48 | 42 | 33 | 32 | 284 |
| 2015 | Avg Benefit | \$ 17,492 | \$22,475 | \$20,212 | \$23,989 | \$20,093 | \$22,724 | \$16,580 | \$14,319 | \$16,119 | \$12,397 | \$ 13,910 | \$ 16,823 |
| | Number of Disability | 6 | 7 | 10 | 6 | 15 | 38 | 49 | 53 | 39 | 29 | 32 | 284 |
| 2014 | Avg Benefit | \$ 21,811 | \$19,125 | \$22,176 | \$18,882 | \$21,687 | \$21,108 | \$14,978 | \$14,223 | \$14,799 | \$11,848 | \$ 13,716 | \$ 16,193 |
| | Number of Disability | 7 | 11 | 7 | 21 | 11 | 33 | 53 | 45 | 42 | 24 | 31 | 285 |
| 2013 | Avg Benefit | \$ 19,082 | \$21,609 | \$18,538 | \$21,687 | \$24,957 | \$18,653 | \$15,000 | \$14,831 | \$13,509 | \$11,983 | \$ 13,542 | \$ 15,918 |
| | Number of Disability | 10 | 7 | 21 | 11 | 6 | 39 | 50 | 45 | 46 | 17 | 33 | 285 |
| 2012 | Avg Benefit | \$ 20,777 | \$18,943 | \$23,655 | \$23,453 | \$21,124 | \$18,307 | \$14,219 | \$13,839 | \$14,007 | \$12,106 | \$ 12,948 | \$ 15,746 |
| | Number of Disability | 6 | 21 | 12 | 6 | 7 | 43 | 50 | 41 | 45 | 16 | 34 | 281 |
| 2011 | Avg Benefit | \$ 19,054 | \$23,346 | \$23,543 | \$20,498 | \$17,603 | \$17,224 | \$13,544 | \$15,502 | \$12,463 | \$12,879 | \$ 12,871 | \$ 15,537 |
| | Number of Disability | 17 | 13 | 6 | 8 | 9 | 48 | 50 | 44 | 37 | 20 | 30 | 282 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

AVERAGE ANNUAL BENEFIT BY COMPLETED YEARS SINCE RETIREMENT: (Continued)

Survivors:

| Fiscal Year Ended | | Completed Years Since Retirement | | | | | | | | | | | Average Benefit |
|----------------------|---------------------|----------------------------------|----------|----------|----------|----------|------------|--------------|--------------|--------------|--------------|----------------------|--------------------|
| | | <u>0</u> | <u>1</u> | <u>2</u> | <u>3</u> | <u>4</u> | <u>5-9</u> | <u>10-14</u> | <u>15-19</u> | <u>20-24</u> | <u>25-29</u> | <u>30 & Over</u> | |
| 2021 | Avg Benefit | \$ 21,653 | \$28,864 | \$25,964 | \$19,571 | \$19,759 | \$24,140 | \$23,224 | \$19,116 | \$17,604 | \$17,142 | \$ 11,949 | \$ 17,039 |
| | Number of Survivors | 69 | 11 | 12 | 21 | 21 | 70 | 106 | 98 | 134 | 145 | 415 | 1,102 |
| 2020 | Avg Benefit | \$ 25,100 | \$25,960 | \$19,531 | \$19,134 | \$26,076 | \$21,059 | \$23,295 | \$19,320 | \$17,318 | \$17,311 | \$ 11,578 | \$ 16,461 |
| | Number of Survivors | 11 | 12 | 21 | 22 | 25 | 58 | 99 | 113 | 139 | 138 | 425 | 1,063 |
| 2019 | Avg Benefit | \$ 25,960 | \$21,818 | \$17,553 | \$23,739 | \$20,133 | \$21,188 | \$22,020 | \$18,044 | \$16,550 | \$16,679 | \$ 11,158 | \$ 15,747 |
| | Number of Survivors | 12 | 18 | 20 | 25 | 18 | 59 | 96 | 110 | 153 | 122 | 427 | 1060 |
| 2018 | Avg Benefit | \$ 21,165 | \$16,804 | \$20,629 | \$16,828 | \$30,245 | \$20,108 | \$21,776 | \$16,105 | \$17,075 | \$16,056 | \$ 10,706 | \$ 15,184 |
| | Number of Survivors | 27 | 20 | 24 | 16 | 6 | 68 | 99 | 113 | 153 | 113 | 429 | 1,068 |
| 2017 | Avg Benefit | \$ 18,013 | \$19,762 | \$13,463 | \$30,245 | \$12,248 | \$20,255 | \$19,965 | \$15,198 | \$16,458 | \$17,309 | \$ 10,465 | \$ 14,691 |
| | Number of Survivors | 18 | 22 | 13 | 6 | 7 | 83 | 102 | 105 | 151 | 111 | 436 | 1,054 |
| 2016 | Avg Benefit | \$ 15,646 | \$11,107 | \$26,909 | \$12,248 | \$15,886 | \$20,200 | \$18,332 | \$15,926 | \$16,917 | \$17,548 | \$ 10,170 | \$ 14,408 |
| | Number of Survivors | 21 | 14 | 7 | 7 | 13 | 100 | 87 | 129 | 133 | 108 | 439 | 1,058 |
| 2015 | Avg Benefit | \$ 11,914 | \$24,863 | \$11,350 | \$11,154 | \$14,554 | \$21,115 | \$18,156 | \$15,885 | \$16,212 | \$17,802 | \$ 10,202 | \$ 14,344 |
| | Number of Survivors | 19 | 8 | 10 | 12 | 16 | 92 | 93 | 129 | 136 | 107 | 428 | 1,050 |
| 2014 | Avg Benefit | \$ 21,303 | \$11,310 | \$10,816 | \$12,766 | \$23,194 | \$18,752 | \$16,663 | \$14,736 | \$15,508 | \$18,166 | \$ 9,660 | \$ 13,625 |
| | Number of Survivors | 6 | 9 | 12 | 15 | 21 | 86 | 91 | 152 | 121 | 94 | 434 | 1,041 |
| 2013 | Avg Benefit | \$ 12,597 | \$ 9,019 | \$13,234 | \$22,870 | \$22,228 | \$18,548 | \$14,722 | \$14,717 | \$16,149 | \$17,120 | \$ 9,438 | \$ 13,379 |
| | Number of Survivors | 9 | 15 | 16 | 22 | 8 | 94 | 99 | 153 | 115 | 98 | 435 | 1,064 |
| 2012 | Avg Benefit | \$ 8,097 | \$12,410 | \$21,651 | \$22,228 | \$15,348 | \$17,644 | \$14,193 | \$14,331 | \$16,987 | \$15,457 | \$ 9,405 | \$ 13,136 |
| | Number of Survivors | 10 | 14 | 19 | 8 | 25 | 84 | 99 | 149 | 108 | 101 | 413 | 1,030 |
| 2011 | Avg Benefit | \$ 11,336 | \$20,388 | \$23,811 | \$16,129 | \$17,753 | \$15,774 | \$13,112 | \$14,053 | \$17,346 | \$12,452 | \$ 9,323 | \$ 12,768 |
| | Number of Survivors | 12 | 18 | 7 | 27 | 23 | 75 | 121 | 134 | 114 | 118 | 385 | 1,034 |

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2021

TOP 10 CONTRIBUTING EMPLOYERS BY MEMBER COUNT:

| Year | Municipality | Member Count | Percentage of Total Members | Year | Municipality | Member Count | Percentage of Total Members |
|-------------|--------------|--------------|-----------------------------|-------------|--------------|--------------|-----------------------------|
| 2021 | New Orleans | 1,123 | 19.80% | 2020 | New Orleans | 1147 | 19.58% |
| | Baton Rouge | 670 | 11.81% | | Baton Rouge | 741 | 12.65% |
| | Shreveport | 555 | 9.79% | | Shreveport | 606 | 10.34% |
| | Lafayette | 305 | 5.38% | | Lafayette | 297 | 5.07% |
| | Bossier City | 188 | 3.32% | | Bossier City | 190 | 3.24% |
| | Lake Charles | 178 | 3.14% | | Alexandria | 183 | 3.12% |
| | Monroe | 145 | 2.56% | | Monroe | 183 | 3.12% |
| | Alexandria | 143 | 2.52% | | Lake Charles | 179 | 3.06% |
| | Kenner | 136 | 2.40% | | Kenner | 167 | 2.85% |
| | Hammond | 107 | 1.89% | | Hammond | 104 | 1.78% |
| 2020 | New Orleans | 1189 | 20.30% | 2019 | New Orleans | 1124 | 19.50% |
| | Baton Rouge | 707 | 12.07% | | Baton Rouge | 749 | 13.00% |
| | Shreveport | 590 | 10.08% | | Shreveport | 604 | 10.48% |
| | Lafayette | 319 | 5.45% | | Lafayette | 289 | 5.01% |
| | Bossier City | 187 | 3.19% | | Bossier City | 188 | 3.26% |
| | Lake Charles | 179 | 3.06% | | Alexandria | 185 | 3.21% |
| | Alexandria | 168 | 2.87% | | Lake Charles | 183 | 3.18% |
| | Monroe | 156 | 2.66% | | Monroe | 181 | 3.14% |
| | Kenner | 149 | 2.54% | | Kenner | 168 | 2.92% |
| | Hammond | 105 | 1.79% | | Gretna | 109 | 1.89% |
| 2019 | New Orleans | 1217 | 20.52% | 2018 | New Orleans | 1124 | 19.59% |
| | Baton Rouge | 706 | 11.90% | | Baton Rouge | 714 | 12.44% |
| | Shreveport | 611 | 10.30% | | Shreveport | 613 | 10.68% |
| | Lafayette | 322 | 5.43% | | Lafayette | 279 | 4.86% |
| | Bossier City | 190 | 3.20% | | Alexandria | 185 | 3.22% |
| | Lake Charles | 183 | 3.08% | | Monroe | 183 | 3.19% |
| | Alexandria | 171 | 2.88% | | Bossier City | 183 | 3.19% |
| | Monroe | 161 | 2.71% | | Lake Charles | 181 | 3.15% |
| | Kenner | 160 | 2.70% | | Kenner | 166 | 2.89% |
| | Gretna | 101 | 1.70% | | Gretna | 107 | 1.86% |
| 2018 | New Orleans | 1185 | 20.20% | 2017 | New Orleans | 1221 | 20.64% |
| | Baton Rouge | 729 | 12.43% | | Baton Rouge | 743 | 12.56% |
| | Shreveport | 611 | 10.42% | | Shreveport | 623 | 10.53% |
| | Lafayette | 309 | 5.27% | | Lafayette | 271 | 4.58% |
| | Bossier City | 183 | 3.12% | | Monroe | 195 | 3.30% |
| | Lake Charles | 177 | 3.02% | | Bossier City | 186 | 3.14% |
| | Alexandria | 175 | 2.98% | | Alexandria | 185 | 3.13% |
| | Kenner | 161 | 2.75% | | Lake Charles | 184 | 3.11% |
| | Monroe | 155 | 2.64% | | Kenner | 171 | 2.89% |
| | Hammond | 107 | 1.82% | | Gretna | 99 | 1.67% |
| 2017 | New Orleans | 1148 | 19.60% | 2016 | New Orleans | 1304 | 21.51% |
| | Baton Rouge | 731 | 12.48% | | Baton Rouge | 702 | 11.58% |
| | Shreveport | 601 | 10.26% | | Shreveport | 624 | 10.29% |
| | Lafayette | 302 | 5.16% | | Lafayette | 282 | 4.65% |
| | Bossier City | 196 | 3.35% | | Monroe | 210 | 3.46% |
| | Alexandria | 182 | 3.11% | | Bossier City | 190 | 3.13% |
| | Lake Charles | 181 | 3.09% | | Alexandria | 185 | 3.05% |
| | Monroe | 172 | 2.94% | | Lake Charles | 176 | 2.90% |
| | Kenner | 166 | 2.83% | | Kenner | 169 | 2.79% |
| | Gretna | 108 | 1.84% | | Slidell | 104 | 1.72% |