

ANNUAL COMPREHENSIVE FINANCIAL REPORT

MUNICIPAL POLICE EMPLOYEES'
RETIREMENT SYSTEM
STATE OF LOUISIANA

FOR THE FISCAL YEARS ENDED JUNE 30, 2022 AND 2021

*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, 2022

Dear Board Members:

We are pleased to present to you the Annual Comprehensive Financial Report (Annual Report) for the Municipal Police Employees' Retirement System (MPERS or the System) for fiscal year ended June 30, 2022.

This report contains a wealth of information regarding the activities of MPERS during the past fiscal year. We hope that you will find this report both helpful and informative as to your understanding of the System.

Management 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, and *Government Auditing Standards* 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 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 -10.4%. The System earned 5.1% for the five-year period, 6.9% for the ten-year period, and 6.0% 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 33.25% for the fiscal year ending June 30, 2024.

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 decreased to 77.14%, with an unfunded liability increasing from \$733,479,440 to \$788,517,441. The increase 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 2022. The System experienced a number of losses, including a significant loss on investments, a significant loss related to the granting of a cost-of-living increase to retirees and survivors that was not prefunded, a loss on plan liability experience during the year, and a contribution loss. The System's valuation interest rate remains at 6.75%. This value was found to be within the actuary's 2022 reasonable range. Additional information regarding the financial condition of the fund 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.

COLAs and Legislation

Act 360 of the 2022 Regular Legislative Session established a Funding Deposit Account and authorizes the Board of Trustees to require a net direct contribution rate in excess of the rate determined in accordance with R.S. 11:103 under limited circumstances. First, in a year in which the employer rate determined in accordance with R.S. 11:103 is equal to or greater than the rate determined in the previous year, the Board may set the employer rate up to 0.85% above the minimum and add funds to the Funding Deposit Account to fund future cost-of-living adjustments (COLAs). Alternatively, for a year in which the minimum employer rate is lower than the previous year, the employer rate may be to a level up to the minimum employer rate plus 0.85% plus one-half of the difference between the rates determined for the two years. In any year where the employer rate is set at a higher level based upon up to one-half of the difference between the rates determined for the two years, the additional contributions shall reduce the outstanding balance of the oldest positive amortization base.

The act repealed statutes previously applicable to MPERS with respect to the payment of COLAs, requires all future COLAs or one-time payments to be prefunded through the Funding Deposit Account, and changed the parameters that define the potential structure of future COLAs or one-time payments.

On June 22, 2022, the Board voted to grant a 3% COLA, effective July 1, 2022. It will be the last COLA under the repealed statutes. All future COLAs will be prefunded and paid solely out of the Funding Deposit Account.

Act 200 of the Regular Legislative Session decreased the suspension period for rehired retirees from twenty-four months from the effective date of retirement to twelve months. It also created certain exceptions for those working a police officer for not more than fifty hours per month or as an elected official other than a chief of police.

Technology Improvements

We continue to update our pension administration system, Pension Administration Technology for Retiring Our Law Enforcers (PATROLE) for further efficiencies

Building Improvements

We are proud to report that all the MPERS building office space that is not used by MPERS is fully occupied and generating revenue for the System.

Awards and Recognition

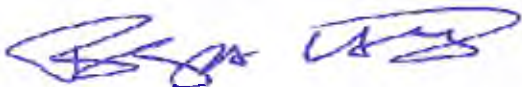
We are honored to have been recognized for the first time *the Certificate of Achievement for Excellence in Financial Reporting* for the MPERS 2021 Annual Comprehensive Financial Report. We are honored to have received such a prestigious award from the Government Finance Officers Association (GFOA). This award and acknowledgement recognize state and local governments that exceed the minimum requirements of generally accepted accounting principles to prepare financial reports that embody the principles to prepare financial reports that embody the principals of transparency and full disclosure.

MPERS also received the *Public Pension Standards Award for Funding and Administration* from the Public Pension Coordinating Council (PPCC), a coalition of three national associations that represents more than 500 of the largest U.S. pension plans. Public Pension Standards are a benchmark to measure public defined benefit plans in the areas of retirement system management, administration, and funding.

Acknowledgements

We would like to thank the Board for its prudent oversight and management of the System and its full support of the MPERS staff. We also extend an additional appreciation to the staff, actuaries, auditors, and investment consultant for their time, effort, and research to ensure the timely and accurate presentation of the System's financial information in this report.

Respectfully Submitted,



Ben Huxen, CPA
Executive Director & General Counsel



Taylor Camp, CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
Achievement for
Excellence in
Financial Reporting

Presented to

**Municipal Police Employees' Retirement System
Louisiana**

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2021

Christopher P. Morill

Executive Director/CEO



Public Pension Coordinating Council

***Public Pension Standards Award For
Funding and Administration 2021***

Presented to

**Louisiana Municipal Police Employees'
Retirement System**

In recognition of meeting professional standards for plan funding and
administration as
set forth in the Public Pension Standards.

Presented by the Public Pension Coordinating Council, a confederation of

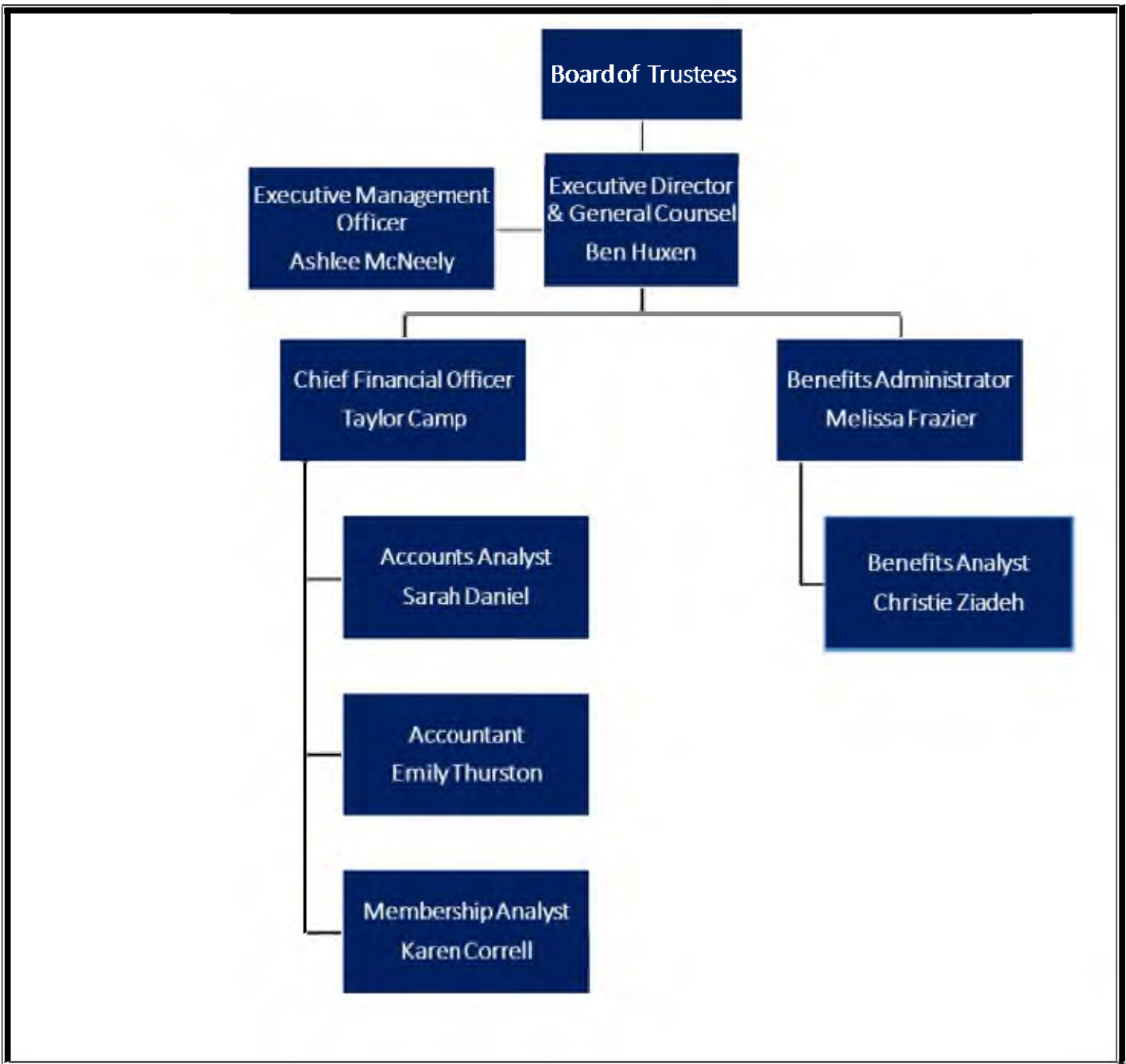
National Association of State Retirement Administrators (NASRA) National
Conference on Public Employee Retirement Systems (NCPERS) National Council on
Teacher Retirement (NCTR)

A handwritten signature in cursive script that reads "Alan H. Winkle".

Alan H. Winkle Program Administrator

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
INTRODUCTORY SECTION
JUNE 30, 2022

ADMINISTRATIVE ORGANIZATION



MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
INTRODUCTORY SECTION
JUNE 30, 2022

**BOARD OF TRUSTEES
AS OF JUNE 30, 2022**

<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: 01/01/2018-06/30/2022
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 Hensgens Legislative Appointee
Honorable John M. Schroder State Treasurer	Commissioner Jay Darden Division of Administration

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
INTRODUCTORY SECTION
JUNE 30, 2022

PROFESSIONAL CONSULTANTS

Actuary:

G.S. Curran & Company, Ltd

Auditor:

Duplantier, Hrapmann, Hogan and Maher, LLP

**Custodian Bank and Securities Lending
Vendor:¹**

BNY Mellon Asset Servicing

Other Consultants:

Abila
Allied Security Systems
CMA Technology
ConvergeOne
Provaliant Retirement, LLC
Tegrit Software Ventures, Inc.
Security Pursuit
Fire Quest

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.
Gerlad Calegan, M.D.
Leone F. Elliot, M.D.

Investment Consultant:¹

NEPC, LLC

Investment Advisors:¹

Acadian Asset Management
Alliance Bernstein, L.P.
The BNY Mellon Company
CarVal Investors
Coller International Partners
Entrust
Frenchmen Tranche
GoldPoint Partners
HarbourVest
Hotchkis & Wiley
Intech Investments
J.F. Lehman & Company
KBI Global Investors
Legacy Frenchmen Tranche
Levine Leichtman Capital Partners LLC
Loomis, Sayles & Company
LSV Asset Management
Mellon Capital Management
Orleans Capital Management Corporation
Pacific Asset Management
Pinnacle Associates, LTD
Principal Global Advisors
Sigular Guff & Company
State Street Global Advisor
Summit Partners Credit Fund LP
William Blair

¹Schedule of Brokerage Commissions Paid and Investment Fees are located in the "Investment Section" of this report on page 91.

FINANCIAL SECTION



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)

INDEPENDENT AUDITOR'S REPORT

Lindsay J. Calub, CPA, LLC
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Dennis W. Dillon, CPA
Grady C. Lloyd, III CPA

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Terri L. Kitto, CPA

Robynn P. Beck, CPA
John P. Butler, CPA
Jason C. Montegut, CPA
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December 19, 2022

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

Opinions

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, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

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, 2022 and 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Municipal Police Employees' Retirement System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

www.dhmcpa.com

Members
American Institute of
Certified Public Accountants
Society of LA CPAs

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipal Police Employees' Retirement System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Municipal Police Employees' Retirement System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Municipal Police Employees' Retirement System's ability to continue as a going concern for a reasonable period of time.

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

Emphasis of Matter

As disclosed in Note 4 to the financial statements, the total pension liability for the Municipal Police Employees' Retirement System was \$3,500,495,219 and \$3,350,028,394 at June 30, 2022 and 2021, 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, 2022 and 2021 could be understated or overstated.

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.

Supplementary 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 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such 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. The 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 by us and other auditors. In our opinion, based on our audit, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial, and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2022 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.

Duplantis, Chapman, Hogan and Parker, LLP

New Orleans, Louisiana

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022. Please read this document in conjunction with the financial statements, which begin on page 19.

FINANCIAL HIGHLIGHTS

- * The Municipal Police Employees' Retirement System ended the 2022 fiscal year with \$2.5 billion in net position restricted for pension benefits. This is a decrease of \$338.7 million or 12.0% from the 2021 fiscal year, primarily due to income returns on the System's investments.
- * Contributions to the System by members and employers totaled \$121.9 million, a decrease of \$10.8 million or 8.2% over the prior year, primarily due to a decrease in the employer contribution rate.
- * Funds apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premiums tax totaled \$22.2 million, a decrease of \$102 thousand or 0.5% over the prior year.
- * The System experienced net investment loss in the amount of \$290.1 million during the 2022 fiscal year. This is a 149.6% decrease from net investment income of \$584.8 million during the 2021 fiscal year. The decrease was due primarily to lower market returns due to the current economic climate and a rise of inflation.
- * Pension benefits paid to retirees and beneficiaries increased by \$8.4 million or 5.3%. This increase was due to larger benefits paid to new retirees and an increase in retirees.
- * DROP and IBO withdrawals increased by \$751 thousand or 5.7%.
- * Administrative expenses totaled \$2.3 million, an increase of 12.8%, primarily due to the cost of implementing a new pension reporting system. The cost of administering the System for all plan participants during 2022 was \$173.59 per individual compared to \$154.84 per individual in 2021.

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, 2022 and 2021.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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 21.

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, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash	\$ 20,581,743	\$ 19,528,588	\$ 26,710,670
Receivables	14,585,337	16,234,693	15,494,113
Investments at fair value	2,414,516,290	2,752,665,001	2,187,830,263
Investments at contract value	31,023,900	29,118,357	28,342,803
Securities Lending Collateral Held	6,665,222	8,745,814	4,187,009
Prepaid expenses	-	852	10,652
Capital Assets	4,719,332	4,880,784	3,500,420
Total Assets	2,492,091,824	2,831,174,089	2,266,075,930
Deferred outflows of resources	603,618	622,542	426,016
Accounts Payable & Other Liabilities	7,327,647	5,723,488	5,255,058
Securities Lending Obligations	6,665,222	8,745,814	4,187,009
Total Liabilities	13,992,869	14,469,302	9,442,067
Deferred inflows of resources	384,879	353,602	318,902
Net Position Restricted for Pension Benefits	\$ 2,478,317,694	\$ 2,816,973,727	\$ 2,256,740,977

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

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, 2022, the fiduciary net position was \$2.5 billion. This reflected a decrease of \$339 million from the previous fiscal year. The decrease can mainly be attributed to a decrease in the investments of \$336 million. For the fiscal year June 30, 2021, the fiduciary net position was \$2.8 billion. This reflected an increase of \$560 million from the previous year. The increase can mainly be attributed to an increase in the amount of 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, 2022, 2021 and 2020

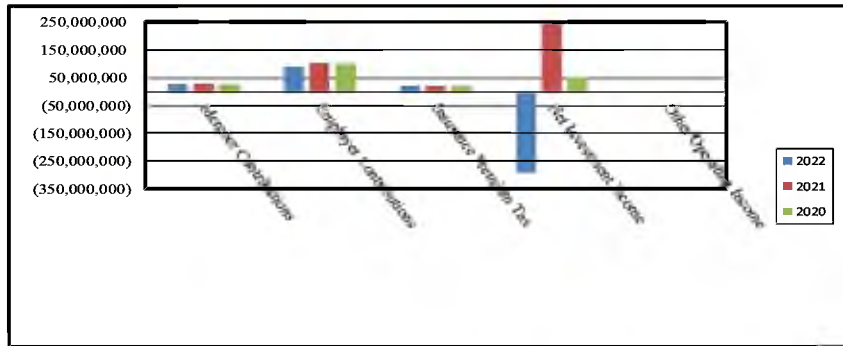
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Additions:			
Employer Contributions	\$ 92,280,403	\$ 103,209,408	\$ 100,615,513
Employee Contributions	29,701,135	29,597,518	30,264,864
Insurance Premium Taxes	22,245,182	22,347,331	21,797,215
Net Investment Income (Loss)	(290,086,100)	584,755,070	52,492,225
Other Income	104,571	98,551	90,553
Total Additions (deductions)	<u>(145,754,809)</u>	<u>740,007,878</u>	<u>205,260,370</u>
Deductions:			
Benefits	179,818,824	170,688,991	164,986,083
Refunds of Contributions	6,717,696	4,511,520	3,885,219
Net Transfers to/from Other Systems	3,467,534	2,104,016	1,431,008
Administrative Expenses	2,251,303	1,995,085	1,780,198
Pension Expense	199,551	255,901	259,175
Other Postemployment Benefits	122,981	52,344	85,317
Depreciation Expense	323,335	167,271	71,565
Total Deductions	<u>192,901,224</u>	<u>179,775,128</u>	<u>172,498,565</u>
Net Increase (Decrease) in Net Position	(338,656,033)	560,232,750	32,761,805
Net Position - Restricted for Benefits:			
Beginning of year	<u>2,816,973,727</u>	<u>2,256,740,977</u>	<u>2,223,979,172</u>
End of year	<u>\$ 2,478,317,694</u>	<u>\$ 2,816,973,727</u>	<u>\$ 2,256,740,977</u>

**MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022**

FINANCIAL ANALYSIS (Continued)

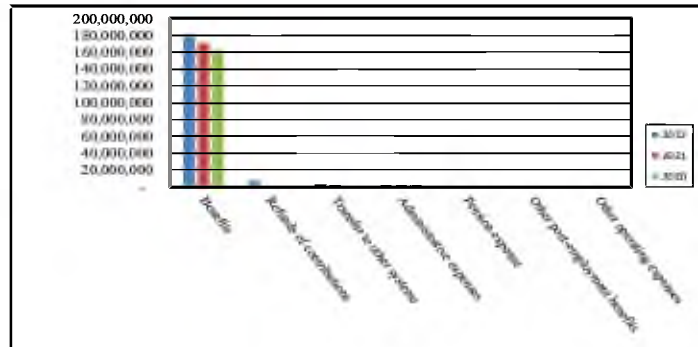
Additions to the System's Fiduciary Net Position (Continued)

Additions to the System's fiduciary net position are derived from member contributions, employer contributions, and investment income. For the fiscal year ended June 30, 2022, member contributions increased \$104 thousand or 0.4% and employer contributions decreased by \$10.9 million or 10.6%. For the fiscal year ended June 30, 2021, 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 loss of \$290.1 million during fiscal year 2022 as compared to a net investment income of \$584.8 million in fiscal year 2021. Net investment income for fiscal year 2020 was 52.5 million. Funds apportioned by the Public Employees' Retirement Systems' Actuarial Committee from available insurance premiums tax decreased by \$102 thousand or 0.5% during fiscal year ending 2022 as compared to fiscal year ending 2021. Insurance premiums tax increased by \$550 thousand, or 2.5% during fiscal year ending 2021 as compared to fiscal year ending 2020.



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 \$193 million in fiscal year 2022. This is an increase of \$13.1 million or 7.3%. Benefits increased by 5.3% from prior year. Deduction from fiduciary net position totaled \$179.8 million in fiscal year 2021. This is an increase of \$7.3 million or 4.2%. Benefits increased by 3.5% from prior year.



MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS OF AND FOR THE YEAR ENDED JUNE 30, 2022

FINANCIAL ANALYSIS (Continued)

Capital Assets

The System's investment in capital assets as of June 30, 2022 was approximately \$4.7 million, net of depreciation, as reflected in the schedule below:

Capital Assets			
<u>June 30, 2022, 2021, and 2020</u>			
(Net of depreciation)			
	<u>2022</u>	<u>2021</u>	<u>2020</u>
Land	\$ 404,000	\$ 614,919	\$ 614,919
Office building	47,623	1,111,224	1,165,625
Improvements	9,029	11,453	13,877
First Floor Leasehold Improvements	952,550	-	-
Furniture	-	746	8,220
Office equipment	1,940	4,597	23,093
Computer equipment and software	2,502,546	2,697,612	14,542
Software in progress	-	-	1,660,144
Construction in progress - office buildout	801,644	440,233	-
Total	<u>\$ 4,719,332</u>	<u>\$ 4,880,784</u>	<u>\$ 3,500,420</u>

The System converted a portion of its office building to rental property and performed office improvements during the year ended 2022. The System implemented a new pension reporting system which was placed in service during the year ended 2021. No other major capital assets were purchased over the past three years. For additional information on capital asset activity, see Note 11 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, 2022 was \$2.4 billion as compared to \$2.8 at June 30, 2021 which is a decrease of 338 million or 12.3%. 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 \$564.8 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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ASSETS:		
Cash:		
Operating cash	\$ 20,581,743	\$ 19,528,588
Total cash	20,581,743	19,528,588
Receivables:		
Member contributions	2,332,657	2,288,389
Employer contributions	7,253,357	7,924,037
Investment receivable	603,591	1,571,029
Accrued interest and dividends	4,395,732	4,451,238
Total receivables	14,585,337	16,234,693
Capital assets, net	4,719,332	4,880,784
Investments, at fair value:		
Cash and cash equivalents	23,942,785	30,948,167
Equities	1,244,852,383	1,576,695,732
Fixed income	703,182,511	794,028,996
Real estate	241,308,723	177,718,487
Alternative investments	200,928,206	173,084,655
Mutual funds	301,682	188,964
Total investments, at fair value	2,414,516,290	2,752,665,001
Investments, at contract value:		
Synthetic guaranteed investment contracts	31,023,900	29,118,357
Total investments, at contract value	31,023,900	29,118,357
Total investments	2,445,540,190	2,781,783,358
Other assets:		
Collateral held under securities lending program	6,665,222	8,745,814
Prepaid expenses	-	852
Total other assets	6,665,222	8,746,666
TOTAL ASSETS	2,492,091,824	2,831,174,089
DEFERRED OUTFLOWS OF RESOURCES	603,618	622,542
LIABILITIES:		
Accounts payable and other liabilities	951,243	1,373,836
Refunds payable	406,018	338,706
Obligations under securities lending program	6,665,222	8,745,814
Other postemployment benefits obligation	2,239,201	1,849,074
Net pension liability	708,747	971,638
Investment payable	3,022,438	1,190,234
TOTAL LIABILITIES	13,992,869	14,469,302
DEFERRED INFLOWS OF RESOURCES	384,879	353,602
NET POSITION - RESTRICTED FOR PENSION BENEFITS	\$ 2,478,317,694	\$ 2,816,973,727

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, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
ADDITIONS:		
CONTRIBUTIONS:		
Member contributions	\$ 29,701,135	29,597,518
Employer contributions	92,280,403	103,209,408
Insurance premium tax	22,245,182	22,347,331
Total contributions	<u>144,226,720</u>	<u>155,154,257</u>
INVESTMENT INCOME:		
Net appreciation (depreciation) in fair value of investments	(314,008,068)	562,015,474
Interest, dividend, and other investment income	31,435,528	29,108,636
Securities lending income	43,396	148,005
Total investment income (loss)	<u>(282,529,144)</u>	<u>591,272,115</u>
Less investment expenses:		
Investment consultant fees	357,000	276,667
Investment manager fees	6,866,613	5,901,934
Custodian fees	305,908	301,804
Securities lending expense	27,435	36,640
Total investment expenses	<u>7,556,956</u>	<u>6,517,045</u>
Net investment income (loss)	<u>(290,086,100)</u>	<u>584,755,070</u>
OTHER ADDITIONS:		
Rental income	40,197	1,564
Military purchase	64,374	96,987
Total other additions	<u>104,571</u>	<u>98,551</u>
Total additions	<u>(145,754,809)</u>	<u>740,007,878</u>
DEDUCTIONS:		
Retirement benefits	165,826,982	157,448,046
DROP/IBO withdrawals	13,991,842	13,240,945
Refund of contributions	6,717,696	4,511,520
Net transfers to/from other systems	3,467,534	2,104,016
Administrative expenses	2,251,303	1,995,085
Pension expense	199,551	255,901
Other postemployment benefit expense	122,981	52,344
Depreciation	323,335	167,271
Total deductions	<u>192,901,224</u>	<u>179,775,128</u>
NET INCREASE (DECREASE)	(338,656,033)	560,232,750
NET POSITION - RESTRICTED FOR PENSION BENEFITS:		
BEGINNING OF YEAR	<u>2,816,973,727</u>	<u>2,256,740,977</u>
END OF YEAR	<u>\$ 2,478,317,694</u>	<u>\$ 2,816,973,727</u>

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

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Basis of Accounting: (Continued)

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

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, 2022 and 2021. 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

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.

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 assets 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 assets 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.

New Accounting Standard:

In June 2017, the Governmental Accounting Standards Board (GASB) issued Statement No. 87, *Leases*, which became effective in the fiscal year ended June 30, 2022. This statement outlines a single model for certain leases based on the foundational principle that leases are financings of the right to use an underlying asset. Other than short term leases, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The System has analyzed the provisions of GASB Statement No. 87, *Leases*, and has concluded that there are no leasing arrangements which qualify for adjustment or disclosure under the new statement. Therefore, no restatement of prior periods or cumulative effect adjustment recorded in the year of adoption, was considered necessary.

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

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Use of Estimates: (Continued)

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.

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, 2022 and 2021, there were 151 and 144 contributing municipalities, respectively. At June 30, 2022 and 2021, statewide retirement membership consisted of:

	<u>2022</u>	<u>2021</u>
Inactive plan members or beneficiaries receiving benefits	5,006	4,938
Inactive plan members entitled to but not yet receiving benefits	2,436	2,276
Active plan members	<u>5,527</u>	<u>5,671</u>
Total Participants as of Valuation Date	<u>12,969</u>	<u>12,885</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.

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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

2. PLAN DESCRIPTION: (Continued)

Membership Prior to January 1, 2013:

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, 2022 AND 2021

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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

2. PLAN DESCRIPTION: (Continued)

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.

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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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.

For the years ended June 30, 2022 and 2021, total employee and employer contribution rates are:

	June 30, 2022 Contributions			June 30, 2021 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%	29.75%	39.75%	10.00%	33.75%	43.75%
Hazardous Duty Members hired after 1/1/2013	10.00%	29.75%	39.75%	10.00%	33.75%	43.75%
Non Hazardous Duty Members hired after 1/1/2013	8.00%	29.75%	37.75%	8.00%	33.75%	41.75%
Members whose earnable compensation is less than the poverty guidelines	7.50%	32.25%	39.75%	7.50%	36.25%	43.75%

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, 2022 and 2021, the state appropriated \$22.2 million and \$22.3 million, respectively, in insurance premium tax.

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

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

3. CONTRIBUTIONS AND RESERVES: (Continued)

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, 2022 and 2021 is \$307,355,683 and \$268,536,382, respectively.

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, 2022 and 2021 is \$194,404,724 and \$670,808,303, 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, 2022 and 2021 is \$1,838,377,447 and \$1,746,533,379, 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, 2022 and 2021 is \$136,325,607 and \$128,549,483, respectively.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

3. CONTRIBUTIONS AND RESERVES: (Continued)

Reserves: (Continued)

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, 2022 and 2021 is \$1,854,233 and \$2,546,180, respectively.

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, 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>
Total Pension Liability	\$ 3,500,495,219	\$ 3,350,028,394
Plan Fiduciary Net Position	<u>2,478,317,694</u>	<u>2,816,973,727</u>
Employers' Net Pension Liability	<u>\$ 1,022,177,525</u>	<u>\$ 533,054,667</u>
 Plan Fiduciary Net Position as a % of the Total Pension Liability	 70.80%	 84.09%

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, 2022 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, 2022 and 2021 is based on actuarial valuations for the same period, updated using generally accepted actuarial procedures.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

Information on the actuarial valuations and assumptions is as follows:

Valuation date	June 30, 2022 and 2021.
Actuarial cost method	Entry Age Normal Cost.
Investment rate of return	6.750% and 6.750% (Net of investment expense) as of June 30, 2022 and 2021, respectively.
Estimated remaining service lives	4 years
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.

	<u>Years of Service</u>	<u>Salary Growth Rate</u>
Salary increases, including inflation and merit	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 8.06% and 7.30% for the years ended June 30, 2022 and 2021, respectively.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

4. NET PENSION LIABILITY OF EMPLOYERS: (Continued)

Best estimates of arithmetic nominal rates of return for each major asset class included in the System's target allocation as of June 30, 2022 and 2021 are summarized in the following table:

<u>Asset Class</u>	June 30, 2022		June 30, 2021	
	Long-Term Expected		Long-Term Expected	
	Target <u>Allocation</u>	Portfolio Real <u>Rate of Return</u>	Target <u>Allocation</u>	Portfolio Real <u>Rate of Return</u>
Equity	55.50%	3.60%	55.50%	3.47%
Fixed Income	30.50%	0.85%	30.50%	0.59%
Alternative	14.00%	0.95%	14.00%	1.01%
Totals	100.00%	5.40%	100.00%	5.08%
Inflation		<u>2.66%</u>		<u>2.22%</u>
Expected Arithmetic		<u>8.06%</u>		<u>7.30%</u>

The discount rate used to measure the total pension liability was 6.75% and 6.75% for the years ending June 30, 2022 and 2021, 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, 2022 and 2021, respectively.

	Changes in Discount Rate		
	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability - 2022	\$ 1,430,852,784	\$ 1,022,177,525	\$ 680,798,381
Net Pension Liability - 2021	\$ 929,030,067	\$ 533,054,667	\$ 202,548,855

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and 2021, respectively:

	6/30/2022	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	\$ 23,942,785	\$ -	\$ -	\$ 23,942,785
Fixed Income Investments:				
U.S. Treasury & Gov't Obligations	\$ 4,480,424	\$ 4,480,424	\$ -	\$ -
Corporate Bonds	60,898,348	-	56,421,498	4,476,850
Other	13,625,179	-	13,625,179	-
International Bonds	7,050,433	-	7,050,433	-
Total Fixed Income	\$ 86,054,384	\$ 4,480,424	\$ 77,097,110	\$ 4,476,850
Equity Securities:				
Large Cap	\$ 329,847,673	\$ 329,847,673	\$ -	\$ -
Mid Cap	93,599	93,599	-	-
Small Cap	118,851,379	118,851,379	-	-
International Equities	199,177,234	199,177,234	-	-
Emerging Markets Equities	19,384,667	19,384,667	-	-
Total Equity Securities	\$ 667,354,552	\$ 667,354,552	\$ -	\$ -
Mutual Funds (DROP Asset)	\$ 301,682	\$ 301,682	\$ -	\$ -
Real Estate Investments	\$ 1,625,524	\$ -	\$ 1,625,524	\$ -
Total Investments at Fair Value Level	\$ 779,278,927	\$ 672,136,658	\$ 78,722,634	\$ 28,419,635
Investments measured at NAV:				
Equities	\$ 577,497,831			
Fixed Income	617,128,127			
Real Estate	239,683,199			
Alternative Investments	200,928,206			
Total Investments at NAV	\$ 1,635,237,363			
Total Investments at Fair Value	\$ 2,414,516,290			
Investment Derivatives:				
Forward currency contract receivables	\$ 12,897	\$ -	\$ 12,897	\$ -
Forward currency contract payables	(12,863)	-	(12,863)	-
Total Investment Derivatives	\$ 34	\$ -	\$ 34	\$ -

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

5. FAIR VALUE DISCLOSURES: (Continued)

	6/30/2021	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	\$ 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	\$ 97,273,604	\$ 3,913,542	\$ 89,601,414	\$ 3,758,648
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	\$ 1,037,300,752	\$ 1,037,300,752	\$ -	\$ -
Mutual Funds (DROP Asset)	\$ 188,964	\$ 188,964	\$ -	\$ -
Real Estate Investments	\$ 773,438	\$ -	\$ 773,438	\$ -
Total Investments at Fair Value Level	\$ 1,166,484,925	\$ 1,041,403,258	\$ 90,374,852	\$ 34,706,815
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	\$ 1,586,180,076			
Total Investments at Fair Value	\$ 2,752,665,001			
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	\$ (781)	\$ -	\$ (781)	\$ -

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 is presented in the following table:

	Fair Value 2022	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Equities	\$ 577,497,831	\$ -	Daily - Monthly	5 - 30 days
Fixed Income	617,128,127	-	Daily - Monthly	2 - 30 days
Real Estate funds	226,500,425	-	Quarterly	90 days
Real Estate partnership	13,182,774	-	N/A	N/A
Alternative Investments - hedge funds	10,676,975	-	Quarterly	90 days
Alternative Investments - private equity	190,251,231	-	N/A	N/A
Total Investments at NAV	<u>\$ 1,635,237,363</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, 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	157,058,312	88,906,253	N/A	N/A
Total Investments at NAV	<u>\$ 1,586,180,076</u>			

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 AND 2021

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, 2022 and 2021:

	<u>2022</u>	<u>2021</u>
Deposits (bank balance)	\$ 20,619,034	\$ 19,909,255
Cash equivalents	23,942,785	30,948,167
Investments - fair value	2,390,573,505	2,721,716,834
Synthetic Guaranteed Investment contract - contract value	31,023,900	29,118,357
	<u>\$ 2,466,159,224</u>	<u>\$ 2,801,692,613</u>

Deposits:

The System's bank deposits were fully insured or secured by perfected liens on the bank's securities as of June 30, 2022 and 2021.

Cash Equivalents:

For the year ended June 30, 2022 and 2021, cash equivalents in the amount of \$23,942,785 and \$30,948,167, 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, 2022 AND 2021

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 \$31,023,900 and \$29,118,357 as of June 30, 2022 and 2021, respectively. Fair value was not available for Synthetic Guaranteed Investment contract as of June 30, 2022 and 2021.

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, 2022 and 2021.

Target Asset Allocation

<u>Asset Class</u>	<u>2022</u>	<u>2021</u>
Equity	51.50%	55.50%
Fixed Income	33.50%	30.50%
Alternative Investments	15.00%	14.00%
	<u>100.00%</u>	<u>100.00%</u>

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 fair value 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 fair 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 fair value unless otherwise authorized by the board. There are no investments greater than 30% in one economic sector at June 30, 2022 and 2021. The System's investment greater than 5% of the total fixed income portfolio is as follows:

	2022	2021
Domestic Index Bond Fund	\$221,110,786	\$246,538,104
Multisector Fixed Income Trust Fund	256,498,582	289,700,961
Emerging Markets Debt Fund	97,105,886	117,006,142
Bank Loan Fund	42,412,873	43,510,185

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, 2022 and 2021.

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, 2022 and 2021.

Below is a schedule of bonds with their applicable ratings as of June 30, 2022:

	Corporate <u>Bonds</u>	Foreign <u>Bonds</u>	U.S. Government <u>Bonds</u>	Other <u>Bonds</u>	<u>Total</u>
AAA	\$ -	\$ -	\$ 4,480,424	\$ 13,625,179	\$ 18,105,603
AA-	2,772,555	-	-	-	2,772,555
A+	1,489,470	-	-	-	1,489,470
A	5,726,187	-	-	-	5,726,187
A-	3,835,098	-	-	-	3,835,098
BBB+	7,935,128	-	-	-	7,935,128
BBB	3,572,802	-	-	-	3,572,802
BBB-	1,893,032	-	-	-	1,893,032
BB+	976,106	254,077	-	-	1,230,183
BB	2,788,058	619,834	-	-	3,407,892
BB-	5,263,229	952,279	-	-	6,215,508
B+	9,988,089	462,145	-	-	10,450,234
B	6,318,548	2,235,191	-	-	8,553,739
B-	4,514,533	903,978	-	-	5,418,511
CCC+	1,724,345	775,153	-	-	2,499,498
CCC	523,227	260,520	-	-	783,747
CCC-	257,108	-	-	-	257,108
Not Rated	1,320,833	587,256	-	-	1,908,089
	\$ 60,898,348	\$ 7,050,433	\$ 4,480,424	\$ 13,625,179	\$ 86,054,384

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

Credit Risk: (Continued)

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

	Corporate	Foreign	U.S. Government	Other	Total
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</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
	<u>\$ 72,106,950</u>	<u>\$ 8,572,037</u>	<u>\$ 3,913,542</u>	<u>\$ 12,681,075</u>	<u>\$ 97,273,604</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, 2022 and 2021, the fair value of the fund was \$221,110,786 and \$246,538,104, respectively. The rating of the bonds in the fund ranged from AAA to below B with 70.27% and 70.27% rated AAA as of June 30, 2022 and 2021 respectively.

The System invested in an emerging markets debt fund. As of June 30, 2022 and 2021, the fair value of the fund is \$97,105,886 and \$117,006,142, respectively. The ratings of the bonds in the fund ranged from AAA to D with 33% rated BBB and 20% rated BB as of June 30, 2022. 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

Credit Risk: (Continued)

The System invested in a bank loan fund. As of June 30, 2022 and 2021, the fair value of the fund is \$42,412,873 and \$43,510,185, respectively. The ratings of the bonds in the fund ranged from BBB to NR with 9% rated CCC and 76% rated B as of June 30, 2022. 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 System invested in a multisector fixed income trust fund. As of June 30, 2022 and 2021, the fair value of the fund is \$256,498,582 and \$289,700,061, respectively. The ratings of the bonds in the fund ranged from AAA to NR with 35% rated BBB and 16% rated BB+ as of June 30, 2022. 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, 2022 and 2021, the System is not exposed to custodial risk for investments in the amount of \$2,408,484,191 and \$2,750,629,367, respectively, since the investments are held in the name of the System.

At June 30, 2022 and 2021, the System has \$37,055,999 and \$31,153,991, 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 \$6,665,222 and \$8,745,814 as of June 30, 2022 and 2021, 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, 2022 and 2021, the System had the following investments in long-term debt securities:

<u>2022</u>	Fair Value	Maturities			
		Less than 1 Year	1-5 Years	6-10 Years	Greater than 10 years
<u>Investment Type</u>					
Corporate Bonds	\$ 60,898,348	\$ 4,720,620	\$ 17,931,387	\$ 37,205,060	\$ 1,041,281
U.S. Government Bonds	4,480,424	-	1,568,624	2,911,800	-
Foreign Bonds	7,050,433	312,435	2,320,417	4,021,494	396,087
Other Bonds	13,625,179	-	-	-	13,625,179
	<u>\$ 86,054,384</u>	<u>\$ 5,033,055</u>	<u>\$ 21,820,428</u>	<u>\$ 44,138,354</u>	<u>\$ 15,062,547</u>

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

Interest Rate Risk: (Continued)

<u>2021</u>	Fair <u>Value</u>	Maturities			
		<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	\$ 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>

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 4.59 years and 4.33 years for the years ending June 30, 2022 and 2021, respectively.

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, 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Australia/Dollar	\$ 10,683,739	\$ 10,097,370
Austria/Euro	1,315,015	681,343
Belgium/Euro	4,079,167	1,849,970
Canada/Dollar	6,287,185	5,327,871
Denmark/Kroner	9,896,770	15,165,779
Finland/Euro	1,049,634	3,122,573
France/Euro	25,432,689	39,234,133

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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

Foreign Currency Risk: (Continued)

	<u>2022</u>	<u>2021</u>
Germany/Euro	\$ 10,027,204	\$ 21,871,589
Hong Kong/Dollar	5,459,209	7,760,205
Ireland/Euro	716,746	1,925,641
Israeli Shekel	247,876	-
Italy/Euro	3,819,998	4,035,021
Japan/Yen	32,859,282	49,175,940
Netherlands/Euro	6,906,300	12,951,353
Norway/Kroner	2,812,665	3,038,900
Portugal/Euro	-	447,484
Singapore/Dollar	2,855,172	1,446,974
Spain/Euro	5,981,237	9,423,388
Sweden/Kroner	8,791,953	23,795,594
Switzerland/Swiss Franc	18,000,383	29,225,292
United Kingdom/Euro	1,791,293	1,925,514
United Kingdom/Pounds	32,589,303	45,202,524
Various/Emerging Markets Funds	232,866,051	319,518,377
Various/International Index Fund	125,823,514	152,299,098
Total foreign equities	<u>\$ 550,292,386</u>	<u>\$ 759,521,933</u>

The System also invested in foreign equities denominated in United States Dollars totaling \$7,574,413 and \$10,992,191 as of June 30, 2022 and 2021, respectively.

The System's exposure to foreign currency risk also consists of its investment in cash within trust accounts as of June 30, 2022 and 2021 as follows:

<u>Country/Currency</u>	<u>2022</u> <u>Fair Value</u>	<u>2021</u> <u>Fair Value</u>
Australia/ Dollar	\$ 28,252	\$ 18,687
Canada/Dollar	159,188	156,525
Denmark/Krone	175,193	195,852
Euro	1,195,494	1,142,087
Hong Kong/Dollar	19,715	-
Japan/Yen	537,564	495,164
Norway/Kroner	2,325	4,905
Poland/Polish Zloty	1,880	2,220
Sweden/Krone	153,459	82,096
Switzerland/Swiss Franc	524,539	481,149
United Kingdom/Pound	33,832	32,386
Total foreign cash	<u>\$ 2,831,441</u>	<u>\$ 2,611,071</u>

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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, 2022 and 2021, the System's position was 22.62% and 27.30%, respectively, of the total investments.

The System also invested in foreign long-term debt securities denominated in United States dollars totaling \$7,050,433 and \$8,572,037 as of June 30, 2022 and 2021, respectively.

Money-Weighted Rate of Return:

For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -14.60% and 25.90%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

7. 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, 2022, 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 – EUR	\$ 12,897	\$ 12,897	\$ 12,863	\$ 34
Total	\$ 12,897	\$ 12,897	\$ 12,863	\$ 34

At June 30, 2021, 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 – 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	433,122	433,122	433,708	(586)
Total	\$ 1,426,709	\$ 1,426,709	\$ 1,427,490	\$ (781)

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

7. 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, 2022 and 2021, the fair value of the foreign currency contracts receivable was \$12,897 and \$1,426,709, respectively. At June 30, 2022 and 2021, the fair value of the foreign currency contracts payable was \$12,863 and \$1,427,490, respectively.

8. 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 fair value of the loaned securities plus accrued interest for stocks and U.S. Treasury obligations. Collateralization of loans will be 102% of the fair value for domestic securities and 105% for non-U.S. securities of the fair 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 fair 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, 2022 AND 2021

8. SECURITY LENDING AGREEMENTS: (Continued)

The System has the following securities on loan:

	2022	2021
	<u>Market Value</u>	<u>Market Value</u>
Marketable Securities - Domestic	\$ 10,256,293	\$ 22,194,317
Marketable Securities - Foreign	7,098,709	15,310,208
Corporate Bonds - Domestic	<u>1,893,589</u>	<u>2,575,355</u>
Total	<u>\$ 19,248,591</u>	<u>\$ 40,079,880</u>

Securities on loan at June 30, 2022 and 2021 are collateralized by cash collateral in the amount of \$6,665,222 and \$8,745,814, and noncash collateral in the amount of \$14,784,924 and \$33,464,119, for total amount of collateral held in the amount of \$21,450,146 and \$42,209,933, 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, 2022 and 2021.

9. 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.

10. TAX QUALIFICATION:

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

11. RECLASSIFICATIONS:

Amounts for the fiscal year ending June 30, 2021 were reclassified to conform to June 30, 2022.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

12. CAPITAL ASSETS:

The following is a summary of equipment and fixtures at June 30, 2022 and 2021:

	<u>06/30/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>06/30/22</u>
Land	\$ 614,919	\$ 193,081	\$ (404,000)	\$ 404,000
Construction in progress	440,223	801,644	(440,223)	\$ 801,644
Assets being depreciated				
Office building	2,121,646	-	(2,027,064)	94,582
Improvements	34,552	1,020,589	-	1,055,141
Furniture	76,679	-	-	76,679
Office equipment	160,061	-	-	160,061
Computer equipment and software	2,937,157	-	-	2,937,157
	<u>6,385,237</u>	<u>2,015,314</u>	<u>(2,871,287)</u>	<u>5,529,264</u>
Less accumulated depreciation	<u>(1,504,463)</u>	<u>(323,335)</u>	<u>1,017,866</u>	<u>(809,932)</u>
Capital Assets, Net	<u>\$ 4,880,774</u>	<u>\$1,691,979</u>	<u>\$(1,853,421)</u>	<u>\$ 4,719,332</u>

Depreciation expense charged to pension operations was \$323,335 and \$167,271 for the years ended June 30, 2022 and 2021, respectively.

13. 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, 2022, five retirees were receiving postemployment benefits. At June 30, 2021, five 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, 2022 AND 2021

13. 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, 2022 and 2021. Employer contributions to the OPEB Plan from the System were \$58,219 and \$61,156 for the years ended June 30, 2022 and 2021, 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

13. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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.

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

At June 30, 2022 and 2021, the System reported a total OPEB liability of \$2,239,201 and \$1,849,074, respectively. The total OPEB liability was measured as of July 1, 2021 and July 1, 2020, respectively, and was determined by actuarial valuations as of these dates.

For the years ended June 30, 2022 and 2021, the System recognized OPEB expense of \$122,981 and \$52,344, respectively. As of June 30, 2022 and 2021, the System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources, respectively:

<u>June 30, 2022</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 197,019	\$ 119,551
Differences between expected and actual experience	203,731	95,021
Employer contributions subsequent to the measurement date	58,219	-
Total	<u>\$ 458,969</u>	<u>\$ 214,572</u>
<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	61,156	-
Total	<u>\$ 262,002</u>	<u>\$ 342,970</u>

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

13. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date of \$58,219 will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2023. 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:

Year Ended June 30	Amount
2023	\$ 34,982
2024	34,362
2025	57,953
2026	58,881
	<u>\$ 186,178</u>

Actuarial Methods and Assumptions:

The total OPEB liability in the July 1, 2021 and July 1, 2020 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

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

13. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

Actuarial Methods and Assumptions: (Continued)

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.
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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.
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The actuarial assumptions used in July 1, 2021 valuation were based on the results of an actuarial experience study performed for the Statewide Retirement Systems. As a result of the 2021 actuarial experience study, the expectation of life after disability was adjusted in the July 1, 2021 actuarial valuation to more closely reflect actual experience. 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.

Discount Rate:

The discount rate used to measure the total OPEB liability was 2.18% and 2.66% for the years ending June 30, 2022 and 2021, 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 2.18% in the July 1, 2021 valuation from 2.66% as of July 1, 2020. 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

13. OTHER POSTEMPLOYMENT BENEFITS: (Continued)

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, 2022 and 2021, respectively:

<u>Total OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
June 30, 2022	<u>\$ 2,708,098</u>	<u>\$ 2,239,201</u>	<u>\$ 1,878,745</u>
June 30, 2021	<u>\$ 2,250,124</u>	<u>\$ 1,849,074</u>	<u>\$ 1,541,319</u>

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, 2022 and 2021, respectively:

<u>Total OPEB Liability</u>	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
June 30, 2022	<u>\$ 1,868,043</u>	<u>\$ 2,239,201</u>	<u>\$ 2,724,644</u>
June 30, 2021	<u>\$ 1,527,062</u>	<u>\$ 1,849,074</u>	<u>\$ 2,273,771</u>

Payables to the OPEB Plan:

As of June 30, 2022 and 2021, the System reported no payables for outstanding contributions to the OPEB plan required for the years ended June 30, 2022 and 2021.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
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14. 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 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

14. DEFINED BENEFIT PENSION PLAN: (Continued)

Retirement Benefits: (Continued)

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 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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

14. DEFINED BENEFIT PENSION PLAN: (Continued)

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.

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.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

14. DEFINED BENEFIT PENSION PLAN: (Continued)

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, 2022 and 2021 was 39.5% and 40.1% of annual covered payroll, respectively. The System's contributions to LASERS for the fiscal years ended June 30, 2022 and 2021 were \$86,876 and \$98,920, 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, 2022 AND 2021

14. 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, 2022 and 2021, the System reported a liability of \$708,747 and \$971,638, respectively, for its proportionate share of LASERS' net pension liability. The net pension liability was measured as of June 30, 2021 and June 30, 2020, 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, 2021, the System's proportion was 0.01288%, which is an increase of 0.00113% from its proportion measured as of June 30, 2020, which was 0.01175%.

For the fiscal year ended June 30, 2022, the System recognized pension expense of \$199,551. For the fiscal year ended June 30, 2021, the System recognized pension expense of \$255,901. At June 30, 2022 and 2021, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>June 30, 2022</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 700	\$ -
Net difference between projected and actual earnings on pension plan investments	-	165,282
Changes in proportion and differences between employer contributions and proportionate share of contributions	39,713	5,025
Changes in assumptions	17,360	-
Employer contributions subsequent to the measurement date	86,876	-
Total	<u>\$ 144,649</u>	<u>\$ 170,307</u>
<u>June 30, 2021</u>	Deferred Outflows of Resources	Deferred Inflows of Resources
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>

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

14. 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 \$86,876, 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:	
2023	\$ 24,064
2024	(25,469)
2025	(37,551)
2026	(73,578)
	<u>\$ (112,534)</u>

Actuarial Assumptions:

The total pension liability in the June 30, 2021 and June 30, 2020 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, 2021 and 2020
Actuarial cost method	Entry age normal
Amortization approach	Closed
Expected remaining service lives	2 years and 2 years, respectively
Investment rate of return	7.40% and 7.55% net of investment expenses, respectively
Inflation rate	2.3% and 2.3%, respectively
Projected salary increases	Varies depending on duration of service: 2.6% - 13.8% June 2021; 3.0% - 13.8% June 2021
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 2021 and 2020.

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

14. 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 2021 and 2.30% for 2020 and an adjustment for the effect of rebalancing/diversification. The resulting expected long-term rate of return is 7.61% for 2021 and 8.25% for 2020. 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, 2021 and June 30, 2020 are summarized in the following tables:

<u>Asset Class</u>	<u>2021 Target Allocations</u>	<u>2021 Long-Term Expected Real Rate of Return</u>
Cash	1%	-0.29%
Domestic equity	31%	4.09%
International equity	23%	5.12%
Domestic fixed income	3%	0.49%
International fixed income	18%	3.94%
Alternatives investments	24%	6.93%
Risk parity	0%	N/A
TOTAL FUND	<u>100%</u>	

<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>	

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

14. DEFINED BENEFIT PENSION PLAN: (Continued)

Actuarial Assumptions: (Continued)

The discount rate used to measure the total pension liability at June 30, 2021 and June 2020 was 7.40% and 7.55%, 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>6.40%</u>	Current Discount Rate <u>7.40%</u>	1% Increase <u>8.40%</u>
Net Pension Liability			
June 30, 2021	<u>\$ 960,299</u>	<u>\$ 708,747</u>	<u>\$ 494,708</u>
	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>

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 2021 Annual Comprehensive Financial Report at www.lasersonline.org.

Payables to the Pension Plan:

As of June 30, 2022 and 2021, the System reported a payable of \$1,675 and \$1,516, respectively, for the outstanding amount of contributions to LASERS.

REQUIRED SUPPLEMENTARY INFORMATION

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY
FOR THE NINE YEARS ENDED JUNE 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Pension Liability:					
Service cost	\$ 59,103,304	\$ 58,204,002	\$ 57,890,624	\$ 55,682,425	\$ 54,455,139
Interest	223,822,226	219,076,341	221,341,661	214,556,499	211,934,847
Changes of benefit terms	50,408,907	-	-	-	-
Differences between expected and actual experience	6,721,815	(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)	(179,818,824)	(170,688,991)	(164,986,083)	(159,186,593)	(153,120,060)
Refunds	(6,717,696)	(4,511,520)	(3,885,219)	(4,195,787)	(4,396,691)
Other	(3,052,907)	(1,772,891)	(1,643,264)	(5,375,320)	(3,755,615)
Net change in total pension liability	<u>150,466,825</u>	<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>3,350,028,394</u>	<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>\$ 3,500,495,219</u>	<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	\$ 92,280,403	\$ 103,209,408	\$ 100,615,513	\$ 100,818,492	\$ 90,835,597
Contributions - member	29,701,135	29,597,518	30,264,864	30,427,910	28,746,906
Contributions - non-employer contributing entity	22,245,182	22,347,331	21,797,215	20,587,174	19,733,532
Net investment income (loss)	(290,086,100)	584,755,070	52,492,225	81,329,838	141,544,619
Benefit payments (including DROP and IBO withdrawals)	(179,818,824)	(170,688,991)	(164,986,083)	(159,186,593)	(153,120,060)
Refunds	(6,717,696)	(4,511,520)	(3,885,219)	(4,195,787)	(4,396,691)
Administrative expenses	(2,897,170)	(2,470,601)	(2,196,255)	(1,898,939)	(2,814,163) *
Other	(3,362,963)	(2,005,465)	(1,643,264) **	(5,375,320)	(3,776,843)
Net change in plan fiduciary net position	<u>(338,656,033)</u>	<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>2,816,973,727</u>	<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>\$ 2,478,317,694</u>	<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>\$ 1,022,177,525</u>	<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	70.80%	84.09%	70.94%	71.01%	71.89%
Covered payroll	\$ 309,144,024	\$ 305,116,545	\$ 309,586,194	\$ 312,615,479	\$ 295,400,315
Net pension liability as a percentage of covered payroll	330.65%	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 NINE YEARS ENDED JUNE 30, 2022

	<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 NINE YEARS ENDED JUNE 30, 2022

<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 <u>Liability</u>	<u>Covered Payroll</u>	Employers' Net Pension Liability as a Percentage of Covered <u>Payroll</u>
2022	\$ 3,500,495,219	\$ 2,478,317,694	\$ 1,022,177,525	70.80%	\$ 309,144,024	330.65%
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 NINE YEARS ENDED JUNE 30, 2022

Fiscal <u>Year</u>	Actuarially Determined <u>Contribution</u>	Contributions in Relation to the Actuarially Determined <u>Liability</u>	Contribution Deficiency <u>(Excess)</u>	Covered <u>Pavroll</u>	Contributions as a Percentage of Covered <u>Pavroll</u>
2022	\$ 114,525,585	\$ 114,525,585	\$ -	\$ 309,144,024	37.05%
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 NINE YEARS ENDED JUNE 30, 2022

<u>Fiscal Year End</u>	<u>Annual Money-Weighted Rate of Return*</u>
2022	-14.60%
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 FIVE YEARS ENDED JUNE 30, 2022

<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>
2022	\$ 1,849,074	\$ 37,973	\$ 49,526	\$ 155,265	\$ 198,036	\$ (50,673)	\$ 2,239,201
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 FIVE YEARS ENDED JUNE 30, 2022

<u>Fiscal Year</u>	<u>Actuarially Estimated Contributions</u>	<u>System's Actual Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Employee Payroll</u>	<u>Contributions as a Percentage Of Covered Payroll</u>	<u>Total OPEB Liability as a Percentage of Covered Payroll</u>
2022	\$ 50,673	\$ 58,219	\$ (7,546)	\$ 629,571	9.25%	355.67%
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%

There are no assets accumulated in a trust that meets the criteria of GASB to pay related benefits for the OPEB plan.

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 FIVE YEARS ENDED JUNE 30, 2022

<u>Fiscal Year*</u>	<u>System's Proportion of the Net Pension Liability</u>	<u>System's Proportionate Share of the Net Pension Liability</u>	<u>System's Covered Payroll</u>	<u>System's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2022	0.01288%	\$ 708,747	\$ 246,400	287.64	72.8%
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 FIVE YEARS ENDED JUNE 30, 2022

Fiscal Year	Contractually Required <u>Contributions</u>	Contributions in Relation to Contractually Required <u>Contributions</u>	Contribution Deficiency <u>(Excess)</u>	System's Covered <u>Payroll</u>	Contributions as as a Percentage of Covered <u>Payroll</u>
2022	\$ 86,876	\$ 86,876	\$ -	\$ 210,062	41.36%
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, 2022 AND 2021

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, 2022 AND 2021

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, 2022 is as of June 30, 2021.

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.

	2022	2021	2020	2019	2018
Investment rate of return	2.18%	2.66%	2.79%	2.98%	3.13%
Expected remaining service lives	2 years	2 years	2 years	3 years	3 years
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Inflation rate	2.40%	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-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	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 (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 2.6% to 13.8%	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, 2022 AND 2021**

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	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>																																		
Investment Rate of Return	6.75%	6.75%	6.95%	7.125%	7.200%																																		
Inflation Rate	2.50%	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.	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.	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 Annuitants	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.	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="0"> <thead> <tr> <th><u>Years of Service</u></th> <th><u>Salary Growth Rate</u></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>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	12.30%	Above 2	4.70%	<table border="0"> <thead> <tr> <th><u>Years of Service</u></th> <th><u>Salary Growth Rate</u></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>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	12.30%	Above 2	4.70%	<table border="0"> <thead> <tr> <th><u>Years of Service</u></th> <th><u>Salary Growth Rate</u></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>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	12.30%	Above 2	4.70%	<table border="0"> <thead> <tr> <th><u>Years of Service</u></th> <th><u>Salary Growth Rate</u></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>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	9.75%	3-23	4.75%	Above 23	4.25%	<table border="0"> <thead> <tr> <th><u>Years of Service</u></th> <th><u>Salary Growth Rate</u></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>	<u>Years of Service</u>	<u>Salary Growth Rate</u>	1-2	9.75%	3-23	4.75%	Above 23	4.25%
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**MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022 AND 2021**

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, 2021	7.40%	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, 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

10. CHANGES IN BENEFITS:

A 3% COLA was approved June 2022, effective July 1, 2022.

A COLA was approved in July 2014, effective July 1, 2015.

OTHER SUPPLEMENTARY INFORMATION

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PER DIEM PAID TO TRUSTEES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

The per diem paid to the trustees is an expenditure of the Expense Fund. For fiscal years ended June 30, 2022 and 2021, 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, 2022 and 2021 were as follows:

	<u>2022</u>	<u>2021</u>
Darrell Basco	\$ -	\$ 600
Raymond Burkart, Jr.	450	600
Greg Cromer	150	450
Scott Ford	150	750
Michael Glaser	375	750
Chad King	-	150
Gerard Landry	525	675
Dwayne Munch	75	300
Larry Reece	600	600
Donald Villere	-	225
Chris Wilrye	525	675
Tyrone Warren	450	-
	<u>\$ 3,300</u>	<u>\$ 5,775</u>

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SUPPLEMENTARY INFORMATION
SCHEDULES OF ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Personal Services:		
Staff salaries	\$ 692,215	\$ 639,666
Group insurance	70,250	75,435
Retirement	123,438	115,253
Board member - per diem	3,300	5,775
Professional Services:		
Accounting	175,343	108,458
Actuarial	155,470	106,330
Computer services	465,818	415,362
Risk management	36,979	86,729
Legal	67,747	24,044
Medical Board	6,711	5,419
Death audit	8,567	9,429
Miscellaneous	67,444	
Communications:		
Postage and printing	15,815	21,290
Telephone and internet	20,329	16,128
Education conferences and board education	11,916	38,325
Education staff	9,725	5,902
Other:		
Equipment rental and repair	36,136	25,714
Dues and subscriptions	11,932	8,861
Supplies	19,102	25,484
Election	24,400	20,168
Advertising	6,024	563
Board	10,612	3,860
Miscellaneous	47,533	103,275
Uniforms	3,137	1,928
Imaging Services	-	80
Medicare and FICA	13,535	11,858
Building:		
Association dues	1,600	1,600
Building maintenance and supplies	102,323	79,106
Security	684	228
Utilities	43,218	38,815
TOTAL ADMINISTRATIVE EXPENSES	<u>\$ 2,251,303</u>	<u>\$ 1,995,085</u>
CAPITAL OUTLAYS	<u>\$ 801,644</u>	<u>\$ 1,547,715</u>

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF PROFESSIONAL FEES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
AUDITING:		
Duplantier, Hrapmann, Hogan and Maher, LLP	\$ 175,343	\$ 108,458
ACTUARY:		
Curran Acturarial Consulting, LTD	155,470	106,330
LEGAL FEES:		
Daigle, Fisse & Kessenich	67,747	84,674
OTHER PROFESSIONALS:		
CMA Technology	30,862	56,873
ConvergOne, LLC	10,300	18,136
Provaliant Retirement and Consulting	5,550	40,500
Abila	10,286	12,292
Medical - physicans	6,711	5,802
Tegrit Software Ventures, Inc	384,825	87,000

See investment section of annual comprehensive financial report for more detail on fees paid to investment professionals

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
 SUPPLEMENTARY INFORMATION
 SCHEDULES OF INVESTMENT EXPENSES
FOR THE YEARS ENDED JUNE 30, 2022 AND 2021

<u>INVESTMENT ACTIVITIES EXPENSES</u>	<u>2022</u>	<u>2021</u>
Investment Management Expenses:		
Manager fees	\$ 6,866,613	\$ 5,901,934
Custodial fees	305,908	301,804
Consultant fees	357,000	276,667
	7,529,521	6,480,405
Securities Lending Expenses:		
Management fees	\$ 27,435	\$ 36,640

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, 2022

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

Salary	\$ 187,177
Benefits - insurance	15,010
Benefits - retirement	73,935
Continuing professional education fees	1,288
Dues	1,295
Travel	<u>-</u>
Total	<u>\$ 278,705</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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Fax: (985) 369-9941

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 19, 2022

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, 2022, 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 19, 2022.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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, Sharpner, Hogan and O'Keefe, LLP

New Orleans, Louisiana

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM
SUMMARY SCHEDULE OF FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

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, 2022 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



NEPC, LLC

DAVID BARNES, CFA, CAIA
SENIOR CONSULTANT

August 29, 2022

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, 2022 (FY2022).

INVESTMENT POLICY

The System's investment policy can be accessed online at https://lampers.municipalcodeonline.com/book?type=policies#name=9_Investment. The investment policy was last 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.

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 FY2022 targeted a 55.5% allocation to diversified public equities, a 30.5% allocation to fixed income (globally diversified across US core, US high yield, and emerging markets debt), and a 14% target allocation to other alternative asset classes (including private equity, private debt, 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.

Based on the FY2022 target allocations and based on NEPC's June 30, 2022 capital markets expectations, NEPC forecasts for the MPERS investment portfolio a base-case expected nominal return over the next 10 years of 6.9% (annualized) and a return of 7.4% (annualized) over the next 30 years. 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.

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FISCAL YEAR 2022 MARKET COMMENTARY

Following FY2021 when equity markets were bolstered by optimism surrounding the re-opening of economies from COVID-19 restrictions and supporting fiscal stimulus, capital markets in FY2022 declined sharply on concerns related to rising inflation and the associated response from the U.S. Federal Reserve toward monetary and quantitative tightening.

High inflation and dramatic increases in interest rates during FY2022 ratcheted up concerns of a recession. Major global equity indexes declined sharply in the second half of the fiscal year. US equity markets (as measured by the S&P 500 Index) ended the 12-months of FY2022 with a return of -10.6%. Within the U.S. stock market, small cap stocks (as measured by the Russell 2000 Index) underperformed large cap stocks, posting a one-year return of -23.4%. Developed international equity markets (as measured by the MSCI EAFE Index) ended FY2022 with a 12-month return of -17.8%. The MSCI Emerging Markets Index ended the fiscal year with a one-year return of -17.6%.

As headline inflation rose to a 40-year high of 9.1%, the U.S. Federal Reserve raised its benchmark interest rate from a range of 0.00% - 0.25% at the end of FY2021 to a range of 1.5% - 1.75% by the end of FY2022, with an additional 0.75% rate hike in July 2022. In addition, the U.S. central bank began a quantitative tightening program in June, with the intention of reducing its \$9 trillion in balance sheet assets. In response, the 10-year U.S. Treasury yield rose from 1.45% to 2.98% over the 12-months ending June 30, 2022, which was a headwind for the U.S. investment grade bond market. The Bloomberg U.S. Aggregate Index ended the fiscal year down -10.3%, with the Bloomberg U.S. Treasury Index down -8.9% for the trailing 12-month period ending June 30, 2022. The U.S. high yield bond market (as measured by the Bloomberg US High Yield Index) posted a return of -12.8% over the same period. In real assets, commodities continued their rebound off calendar year 2020 lows with the Bloomberg Commodities Index posting one-year gains of +24.3% and WTI crude oil prices rising 43.9% since June 30, 2021.

Sincerely,

A handwritten signature in black ink that reads "David Barnes".

David Barnes, CFA, CAIA
Senior Consultant

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2022

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, 2022

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:

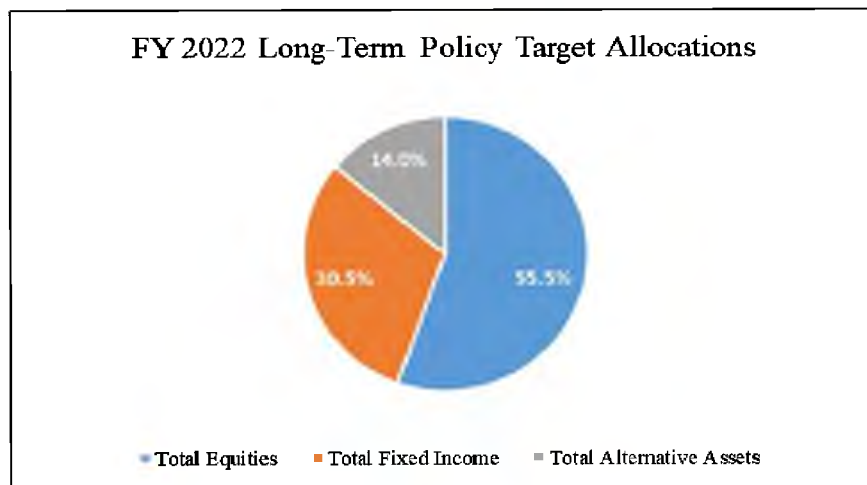
MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2022

SUMMARY OF INVESTMENT POLICY: (Continued)

Asset Allocation:

	Target Allocation	Minimum Allocation	Maximum Allocation
Large Cap U.S. Equities	17.0%	12.0%	22.0%
Small/Mid Cap U.S Equities	8.0%	3.0%	13.0%
Developed International Equities	18.0%	13.0%	23.0%
Emerging International Equities	8.5%	3.5%	13.5%
Total Equity	51.5%	41.5%	61.0%
Core Bonds	25.0%	20.0%	30.0%
High Yield Bonds	1.5%	0.0%	3.0%
Bank Loans	1.5%	0.0%	3.0%
EMD (local currency)	5.5%	0.5%	10.5%
Total Fixed Income	33.5%	23.5%	43.5%
Private Equity	7.0%	2.0%	12.0%
Real Estate	8.0%	3.0%	13.0%
Total Alternatives	15.0%	5.0%	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 fair 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, 2022

SCHEDULE OF INVESTMENTS

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

	<u>2022</u>	<u>PERCENTAGE OF TOTAL INVESTMENTS</u>
CASH AND CASH EQUIVALENTS	\$ 23,942,785	0.98%
EQUITIES:		
Domestic	\$ 686,985,585	28.09%
International	325,000,747	13.29%
Emerging Markets	232,866,051	9.52%
Total Equities	<u>\$ 1,244,852,383</u>	<u>50.90%</u>
FIXED INCOME:		
Foreign Bonds	\$ 7,050,433	0.29%
Corporate Bonds	60,898,348	2.49%
U.S. Government Bonds	4,480,424	0.18%
Other Bonds	13,625,179	0.56%
Emerging Markets Debt Fund	97,105,886	3.97%
Bank Loan Fund	42,412,873	1.73%
Multisector Fixed Income Trust	256,498,582	10.49%
Domestic Index Bond Fund	221,110,786	9.04%
Total Fixed Income Securities	<u>\$ 703,182,511</u>	<u>28.75%</u>
REAL ESTATE:		
Partnerships	\$ 13,182,774	0.54%
Land and Rental	1,625,524	0.07%
Real Estate Funds	226,500,425	9.26%
Total Real Estate	<u>\$ 241,308,723</u>	<u>9.87%</u>
ALTERNATIVE INVESTMENTS:		
Hedge Funds	\$ 10,681,638	0.44%
Private Equity	190,246,568	7.78%
Total Alternative Investments	<u>\$ 200,928,206</u>	<u>8.22%</u>
MUTUAL FUNDS:		
Empower	\$ 301,682	0.01%
Total Mutual Funds	<u>\$ 301,682</u>	<u>0.01%</u>

The schedule of investments is prepared on a basis of security class.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2022

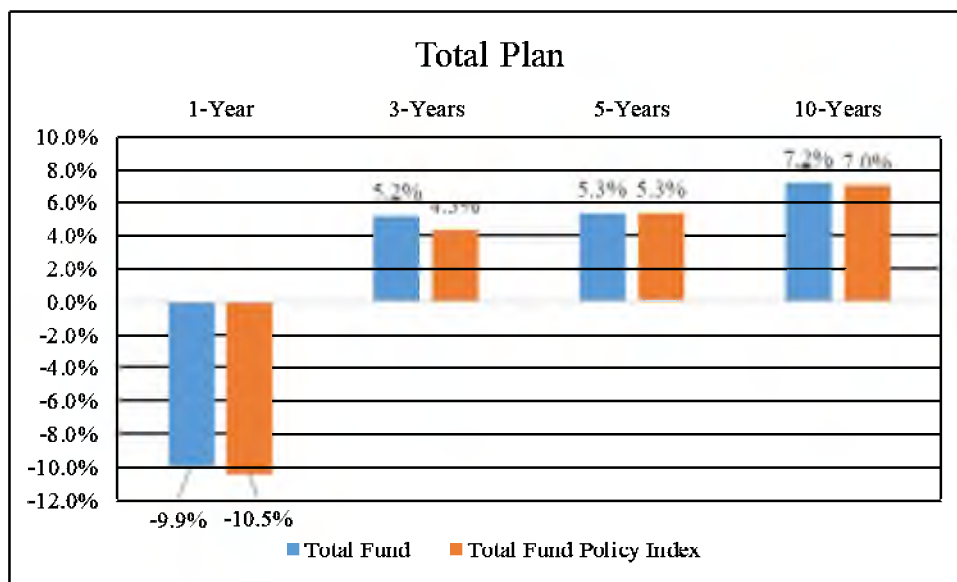
INVESTMENT RESULTS:

Investment	1-Year	3-Years	5-Years	10-Years
Total Fund	-9.9%	5.2%	5.3%	7.2%
Total Fund Policy Index	-10.5%	4.3%	5.3%	7.0%
Total Equity	-17.7%	5.8%	6.0%	8.9%
MSCI ACWI	-15.8%	6.2%	7.0%	8.8%
Total Fixed Income	-10.9%	-0.9%	1.0%	2.6%
Fixed Income Policy Index**	-11.5%	-1.4%	0.7%	1.7%
Total Hedge Funds***	-4.4%	4.5%	3.2%	3.3%
HFRI Fund of Funds Index	-5.4%	4.0%	3.6%	3.8%
Total Real Estate	25.2%	10.9%	9.9%	10.6%
NCREIF ODCE Index	28.3%	11.7%	9.6%	10.2%
Total Private Equity	29.6%	27.9%	20.8%	--
C/A US All PE (1 Qtr Lag)	27.3%	22.7%	19.3%	--

Investment returns were calculated using a time-weighted rate of return. Investment return is as of June 30, 2022.

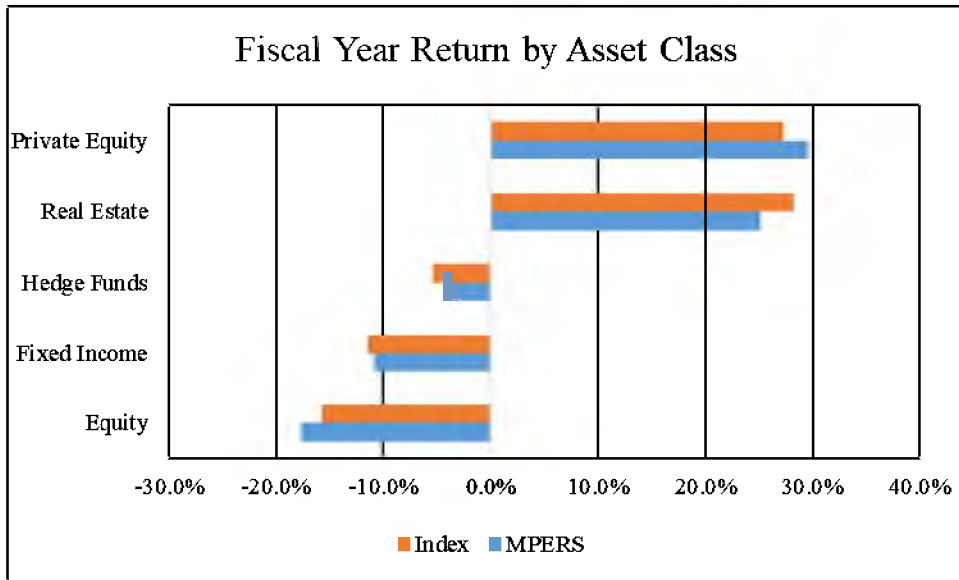
** As of February 29, 2020, the fixed income policy index includes 75% BBgBarc US Aggregate Index, 4.5% BBgBarc High Yield Index, 4.5% Credit Suisse Leveraged Loan Index, and 16% JPM GBI EM Diversified Index.

*** The System's Hedge Fund portfolio is in liquidation.



MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2022

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, 2022 is as follows:

Security	Market Value as of June 30, 2022	Number of Shares	Percentage of Total Equity Portfolio
Apple	\$21,758,571	159,147	1.73%
Microsoft	\$19,881,467	77,411	1.58%
Alphabet Inc. Class A Common Stock	\$13,027,804	5,967	1.04%
Amazon	\$9,618,998	90,566	0.77%
Tesla	\$5,849,130	8,686	0.47%
Berkshire Hathaway	\$5,112,490	18,726	0.41%
United Health Care	\$4,987,588	9,710	0.40%
Johnson and Johnson	\$4,834,674	27,236	0.39%
Berkshire Hathaway Inc	\$4,020,195	14,725	0.32%
NVIDIA Corp	\$3,928,838	25,918	0.31%
Meta	\$3,827,888	23,739	0.31%

**MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2022**

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, 2022 is as follows:

Security	Market Value as of June 30, 2022	Percentage of Total Fixed Income
U S Treasury Notes 05/31/2023	\$ 5,744,533	0.81%
U S Treasury Bond 11/15/2041	\$ 5,571,748	0.79%
U S Treasury Bill 07/14/2022	\$ 5,026,125	0.71%
U S Treasury Notes 01/31/2023	\$ 4,820,427	0.68%
U S Treasury Notes 02/28/2023	\$ 4,593,099	0.65%
U S Treasury Notes 02/28/2025	\$ 3,510,630	0.50%
U S Treasury Notes 01/31/2024	\$ 2,811,044	0.40%
U S Treasury Notes 06/30/2023	\$ 2,722,356	0.38%
UBER Technologies Inc. 144A W/O RTS 08/15/2029	\$ 2,349,926	0.33%
Federal Home Loan Banks 11/16/2028	\$ 2,011,843	0.28%

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, 2022 is as follows:

Private Markets Category	Investment Name	Market Value as of June 30, 2022	Percentage of Total Alternative Investment Portfolio
Real Estate	Principal U.S. Property Account, L.P.	\$226,500,425	51.22%
Private Equity	HarbourVest Frenchman Street Fund L.P. (Tranche I	\$109,577,708	24.78%
Private Equity	HarbourVest Frenchman Street Fund L.P. (Tranche I	\$32,592,495	7.37%
Private Equity	GoldPoint Partners Co-Investment VI, L.P.	\$21,625,439	4.89%
Private Equity	Levine Leichtman Capital Partners VI, L.P.	\$16,062,509	3.63%
Real Estate	Siguler GuffDREOF II Co-Investment Fund, L.P.	\$12,376,646	2.80%
Private Equity	Coller International Partners VII, L.P.	\$9,784,998	2.21%
Private Equity	JFL Equity Investors IV, L.P.	\$4,953,517	1.12%
Private Equity	Summit Partners Credit Fund	\$841,072	0.19%

A complete list of all investments is available upon request.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2022

SUMMARY SCHEDULE OF INVESTMENT FEES AND FAIR VALUE OF INVESTMENTS
UNDER MANAGEMENT FOR THE YEAR ENDED JUNE 30, 2022

Investment Class	Investment Manager Fees	Fair Value as of June 30, 2022
Equity	\$ 2,427,103	\$ 1,244,808,830
Fixed income	2,170,416	703,182,511
Alternative investments	2,187,758	442,236,929
Cash in trust	81,336	43,553
	<u>\$ 6,866,613</u>	<u>\$ 2,390,228,270</u>
Other Fees		
Investment Consultant	357,000	
Custodian	305,908	

SUMMARY SCHEDULE OF COMMISSIONS PAID TO BROKERS FOR THE YEAR ENDED
JUNE 30, 2022

Broker	Commissions	Share Quantity	Commission Per Share
Abel Noser	\$ 174	17,388	0.01
Bank of America Merrill Lynch	\$ 978	159,964	0.01
Barclays	\$ 8,209	2,856,082	0.00
Berenberg Bank	\$ 533	13,549	0.04
Bernstein Sanford	\$ 115	5,747	0.02
BMO	\$ 20	2,552	0.01
BOFA Securities Inc.	\$ 5,902	133,845	0.04
BTIG, LLC	\$ 145	74,282	0.00
Carnegie Inc.	\$ 1,296	116,834	0.01
CIBC World Markets	\$ 163	10,345	0.02
Citigroup	\$ 7,130	2,155,035	0.00
CLSA Americas LLC	\$ 67	6,100	0.01
Cowen and Associates	\$ 27	3,556	0.01
Credit Suisse	\$ 7,500	1,049,777	0.01
Daiwa	\$ 446	27,300	0.02
Danske Markets	\$ 9	216	0.04
Exane Inc	\$ 827	12,476	0.07
Goldman Sachs	\$ 3,789	92,616,839	0.00
Handelsbanken Capital Markets	\$ 544	49,602	0.01
Instinet - A Nomura Company	\$ 567	4,200	0.14

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
INVESTMENT SECTION
JUNE 30, 2022

SUMMARY SCHEDULE OF COMMISSIONS PAID TO BROKERS FOR THE YEAR ENDED
JUNE 30, 2022 (Continued)

Broker	Commissions	Share Quantity	Commission Per Share
Investec	\$ 208	10,928	0.02
ITG Inc. (POSIT)	\$ 881	31,478	0.03
Jefferies	\$ 1,938	80,808	0.02
JP Morgan	\$ 26,867	901,246	0.03
Kepler Cheuvreux	\$ 122	12,650	0.01
Liberum Capital	\$ 516	17,717	0.03
Liquidnet	\$ 2,376	263,989	0.01
Look Capital Markets	\$ 9,212	555,389	0.02
Luminex Trading	\$ 1	126	0.01
Morgan Stanley	\$ 16,722	1,107,092	0.02
Nomura Securities	\$ 12	500	0.02
Numis Security	\$ 276	22,388	0.01
Piper Jaffray	\$ 18	877	0.02
RBC Capital Markets	\$ 2,093	90,599	0.02
Redburn Partners LLC	\$ 436	17,843	0.02
Sanford Bernstein	\$ 16,918	3,450,695	0.00
SEB Enskilda	\$ 142	1,686	0.08
SMBC Nikko	\$ 157	11,200	0.01
Societe Generale	\$ 10,521	2,977,637	0.00
TD Securities	\$ 13	855	0.02
UBS	\$ 13,372	2,159,687	0.01
VIRTU ITG	\$ 3,325	1,668,396	0.00
	<u>\$ 144,564</u>	<u>112,699,475</u>	

ACTUARIAL SECTION



December 5, 2022

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 the System's 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, 2022.

Municipal Police Employees' Retirement System (MPERS or System) 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 be 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, 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. The System's final experience study report, which was dated April 14, 2020 can be found on the System's website. 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 the Fiscal 2020 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, 2022 actuarial valuation was based upon the assumptions used in the June 30, 2021 actuarial valuation. Prior to the completion of the Fiscal 2022 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 2022 and the results of the 2022 G. S. Curran & Company Consultant Average Capital Market Assumptions Review, the 6.75% valuation interest rate used in the Fiscal 2021 valuation remained within the reasonable range. In addition, the System's investment consultant, NEPC, provided a mid-year update to capital market assumptions during 2022 which showed higher expected returns for many risky asset classes. Therefore, we did not recommend any further reduction to the valuation interest rate within the 2022 valuation.

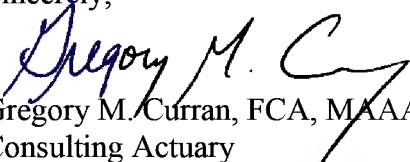
The actuarial valuation is performed based on the specific rules applicable to each relevant group of members. Members whose first employment making them eligible for membership in the System occurred on or after January 1, 2013 fall under one of two sets of provisions that separate benefit levels and 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, 2022

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, 2022

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 2022 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, 2022

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. No change in the valuation interest rate was made in the 2022 actuarial valuation.

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, 2022

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, 2022

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, 2022

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 TABLES 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
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
JUNE 30, 2022

ACTUARIAL ASSUMPTIONS (Continued)

ACTUARIAL TBLES AND RATES (Continued)

Age	Disability Rates	Retirement Rates	DROP Entry Rates	Post-DROP Retirement Rates	Remarriage Rates
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
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, 2022

SUMMARY OF 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, 2022.

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 increased employer contribution rate. Net direct employer contributions are nine percent (9.0%) of earnable compensation

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2022

SUMMARY OF PRINCIPAL PLAN PROVISIONS: (Continued)

CONTRIBUTION RATES: (Continued)

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

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2022

SUMMARY OF PRINCIPAL PLAN PROVISIONS: (Continued)

NORMAL RETIREMENT BENEFITS: (Continued)

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, 2022

SUMMARY OF 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, 2022

SUMMARY OF 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 enrolled full-time in an institution of

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2022

SUMMARY OF PRINCIPAL PLAN PROVISIONS: (Continued)

SURVIVOR BENEFITS: (Continued)

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, 2022

SUMMARY OF 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, 2022

SUMMARY OF 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. 11:2225.5, beginning with the June 30, 2024 valuation, the Board of Trustees may provide a nonrecurring lump sum payment (subject to frequency limitations) or permanent benefit increase (PBI) only from funds previously set aside in the system's Funding Deposit Account. Funds are credited to the system's Funding Deposit Account in years where the Board of Trustees previously set the employer contribution rate in excess of the minimum employer rate determined pursuant to R.S. 11:103 for the express purpose of prefunding nonrecurring lump sum payments or PBIs to system retirees and survivors.

R.S. 11:2225.5(F) enumerates the framework that the Board of Trustees may use in providing additional benefits for retirees, survivors, and beneficiaries from the Funding Deposit Account. The Board may provide a nonrecurring lump sum payment (no more frequently than once in each three-year period) or a permanent benefit increase. Additional benefits may be defined based upon the original or current benefit. The Board may set a minimum age or minimum period (no less than one year) since benefit commencement for determining eligibility to receive the additional benefit. Permanent benefit increases may not exceed 3% of the benefit (whether original benefit or current benefit).

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
ACTUARIAL SECTION
JUNE 30, 2022

MEMBERSHIP DATA:

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

	2022	2021
Active Members	5,269	5,414
Retired Members and Survivors	5,006	4,938
DROP Participants	258	257
Terminated Due a Deferred Benefit	252	236
Terminated Due a Refund	2,184	2,040
Total Membership	12,969	12,885
Payroll (excluding DROP accruals)	\$ 301,207,646	\$ 293,949,856

HISTORICAL MEMBERSHIP DATA:

<u>Active Members:</u>							
Year Ending	Number of			Percentage Change in Membership	Active Member Payroll	Average Annual Salary	Percentage Change in Average Salary
	Participating Employers	Active Members	DROP Members				
2022	151	5,269	258	-2.5%	\$ 301,207,646	\$ 56,195	3.50%
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%

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, 2022

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	
2022	260	192	5,006	\$ 15,488,420	\$ 3,370,935	\$ 174,892,416	\$ 34,937	5.99%
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%

* 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, 2022**

RECONCILIATION OF UNFUNDED ACTUARIAL LIABILITIES:

	Fiscal Year Ending				
	2022	2021	2020	2019	2018
Unfunded Actuarial Liability at Beginning of Fiscal Year (7/1)	\$ 733,479,440	\$ 768,189,980	\$ 849,165,345	\$ 804,879,225	\$ 834,823,803
Interest on Unfunded Accrued Liability	49,509,862	53,389,203	60,503,031	57,951,304	61,150,844
Investment Loss	30,433,589	-	57,612,260	58,094,818	7,852,432
Liability Experience Loss	7,901,075	1,258,411	-	-	-
Liability Assumption Loss	-	67,936,761	-	24,575,373	38,696,875
Contribution Shortfall with Accrued Interest	5,061,904	-	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)	-
Cost of Living Loss	50,408,907	-	-	-	-
Interest Adjusted Amortization Payments	(88,277,336)	(89,150,055)	(95,191,742)	(87,432,340)	(88,438,915)
Unfunded Actuarial Liability at End of Fiscal Year (6/30)	\$ 788,517,441	\$ 733,479,440	\$ 768,189,980	\$ 849,165,345	\$ 804,879,225

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)
2022	\$ 2,660,808,543	\$ 294,863,095	\$ 1,977,560,756	\$ 1,176,902,133	100%	100%	33%
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%

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, 2022

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, 2022

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE TEN YEARS ENDING 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ADDITIONS:					
CONTRIBUTIONS:					
Member contributions	\$ 29,701,135	\$ 29,597,518	\$ 30,264,864	\$ 30,429,790	\$ 28,746,906
Employer contributions	92,280,403	103,209,408	100,615,513	100,818,492	90,835,597
Insurance premium tax	22,245,182	22,347,331	21,797,215	20,587,174	19,733,532
Total contributions	144,226,720	155,154,257	152,677,592	151,835,456	139,316,035
INVESTMENT INCOME:					
Net appreciation (depreciation) in fair value of investments	(314,008,068)	562,015,474	32,690,027	55,703,875	120,257,951
Interest, dividend, and other investment income	31,435,528	29,108,636	27,971,022	34,887,121	29,212,694
Securities lending income	43,396	148,005	137,078	195,778	295,483
Total investment income	(282,529,144)	591,272,115	60,798,127	90,786,774	149,766,128
Less investment expenses:					
Investment consultant fees	357,000	276,667	367,417	323,361	314,721
Investment manager fees	6,866,613	5,901,934	7,646,091	8,840,618	7,597,759
Custodian fees	305,908	301,804	292,394	292,957	291,787
Real estate investment expense	-	-	-	-	-
Security lending expense	27,435	36,640	-	-	17,242
Total investment expenses	7,556,956	6,517,045	8,305,902	9,456,936	8,221,509
Net investment income (loss)	(290,086,100)	584,755,070	52,492,225	81,329,838	141,544,619
OTHER ADDITIONS:					
Rental income	40,197	1,564	-	-	-
Merger interest income	-	-	-	-	-
Interest on refund paybacks	-	-	-	46,812	-
Military purchase	64,374	96,987	90,553	72,656	17,499
Total other additions	104,571	1,564	90,553	119,468	17,499
Total additions	(145,754,809)	740,007,878	205,260,370	233,284,762	280,878,153
DEDUCTIONS:					
Retirement benefits	165,826,982	157,448,046	151,252,790	146,175,074	141,134,204
DROP/IBO withdrawals	13,991,842	13,240,945	13,733,293	13,011,519	11,955,612
Refund of contributions	6,717,696	4,511,520	3,885,219	4,195,787	4,396,691
Net transfers to/from other systems	3,467,534	2,104,016	1,431,008	5,496,668	3,794,342
Administrative expenses	2,251,303	1,995,085	1,780,198	1,712,243	1,649,952
Pension expense	199,551	255,901	259,175	199,497	-
Other postemployment benefit expense	122,981	52,344	85,317	53,111	30,244
Depreciation	323,335	167,271	71,565	70,613	73,694
Total deductions	1,229,122,4	1,172,775,125	1,172,498,565	1,170,914,512	1,133,034,739
NET INCREASE (DECREASE)	(338,656,033)	560,232,750	32,761,805	62,370,250	117,843,414
NET POSITION - RESTRICTED FOR PENSION BENEFITS:					
BEGINNING OF YEAR	2,816,973,727	2,256,740,977	2,223,979,172	2,161,775,206	2,045,022,309
Prior period adjustment	-	-	-	(166,284)	-
Net effect of change in accounting principle	-	-	-	-	(1,090,517)
END OF YEAR	\$ 2,478,317,694	\$ 2,816,973,727	\$ 2,256,740,977	\$ 2,223,979,172	\$ 2,161,775,206

Continued

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
STATISTICAL SECTION
JUNE 30, 2022

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE TEN YEARS ENDING 2022

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
ADDITIONS:					
CONTRIBUTIONS:					
Member contributions	\$ 29,175,452	\$ 27,278,823	\$ 26,117,636	\$ 25,922,508	\$ 26,428,188
Employer contributions	95,075,175	82,720,635	84,324,128	82,259,694	83,635,357
Insurance premium tax	19,090,190	18,605,064	17,704,000	16,628,926	15,794,377
Total contributions	143,340,817	128,604,522	128,145,764	124,811,128	125,857,922
INVESTMENT INCOME:					
Net appreciation (depreciation) in fair value of investments	216,612,630	(69,839,931)	(1,788,092)	266,260,150	161,858,537
Interest, dividend, and other investment income	27,885,241	33,297,682	34,198,851	38,216,946	36,260,060
Securities lending income	149,929	225,474	706,739	525,281	802,386
Total investment income	244,647,800	(36,316,775)	33,117,498	305,002,377	198,920,983
Less investment expenses:					
Investment consultant fees	282,410	347,887	207,048	275,165	92,431
Investment manager fees	5,309,736	5,264,374	6,078,908	7,624,771	5,666,757
Custodian fees	-	-	192,017	123,962	106,185
Real estate investment expense	361,682	286,880	-	92,116	737,856
Miscellaneous	158,729	-	-	309,473	142,734
Total investment expenses	6,112,557	5,899,141	6,477,973	8,425,487	6,745,963
Net investment income (loss)	238,535,243	(42,215,916)	26,639,525	296,576,890	192,175,020
OTHER ADDITIONS:					
Rental income	-	-	-	-	-
Merger interest income	-	-	-	453	13,733
Interest on refund paybacks	-	21,202	-	-	-
Military purchase	75,554	-	6,614	-	-
Total other additions	75,554	21,202	6,614	453	13,733
Total additions	381,951,614	86,409,808	154,791,903	421,388,471	318,046,675
DEDUCTIONS:					
Retirement benefits	136,804,153	131,341,723	123,759,640	114,361,996	107,887,718
DROP/IBO withdrawals	14,749,321	16,827,436	17,180,717	12,986,778	10,843,924
Refund of contributions	4,217,420	4,142,582	4,257,860	4,503,123	3,849,552
Net transfers to/from other systems	2,584,245	2,848,783	1,958,575	1,520,751	243,384
Administrative expenses	1,297,319	1,313,174	1,420,583	1,381,703	1,222,084
Pension expense	-	-	-	-	-
Other postemployment benefit expense	63,045	83,154	79,802	65,843	47,733
Depreciation	72,199	71,854	76,894	81,593	81,504
Total deductions	159,777,702	156,428,706	149,734,171	134,300,177	124,175,594
NET INCREASE (DECREASE)	222,163,912	(70,218,898)	6,057,832	286,486,684	193,870,776
NET POSITION - RESTRICTED FOR PENSION BENEFITS:					
BEGINNING OF YEAR	1,822,858,397	1,893,077,295	1,887,019,463	1,600,532,779	1,406,662,003
Prior period adjustment	-	-	-	-	-
Net effect of change in accounting principle	-	-	-	-	-
END OF YEAR	\$ 2,045,022,309	\$ 1,822,858,397	\$ 1,893,077,295	\$ 1,887,019,463	\$ 1,600,532,779

Source: Audited annual comprehensive financial statements

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
STATISTICAL SECTION
JUNE 30, 2022

ADDITIONS BY SOURCE
FOR THE TEN YEARS ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018
ADDITIONS					
Member contributions	\$ 29,701,135	\$ 29,597,518	\$ 30,264,864	\$ 30,429,790	\$ 28,746,906
Employer contributions	92,280,403	103,209,408	100,615,513	100,818,492	90,835,597
Insurance premium tax	22,245,182	22,347,331	21,797,215	20,587,174	19,733,532
Net investment income (loss)	(290,086,100)	584,755,070	52,492,225	81,329,838	141,544,619
Rental income	40,197	1,564	-	-	-
Merger interest income	-	-	-	-	-
Military purchases	64,374	96,987	90,553	72,656	17,499
TOTAL ADDITION	145,754,809	40,007,878	65,260,370	33,237,950	80,878,153

DEDUCTIONS BY TYPE
FOR THE TEN YEARS ENDED JUNE 30, 2022

	2022	2021	2020	2019	2018
DEDUCTIONS:					
Retirement benefits	\$ 165,826,982	\$ 157,448,046	\$ 151,252,790	\$ 146,175,074	\$ 141,134,204
DROP/IBO withdrawals	13,991,842	13,240,945	13,733,293	13,011,519	11,955,612
Refunds of contributions	6,717,696	4,511,520	3,885,219	4,195,787	4,396,691
Net transfers to other systems	3,467,534	2,104,016	1,431,008	5,496,668	3,794,342
Administrative expenses	2,251,303	1,995,085	1,780,198	1,712,243	1,649,952
Pension expense	199,551	255,901	259,175	199,497	-
Other post-employment benefit expense	122,981	52,344	85,317	53,111	30,244
Depreciation	323,335	167,271	71,565	70,613	73,694
TOTAL DEDUCTIONS	192,901,224	179,775,128	172,498,565	170,914,512	163,034,739

Continued

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

ADDITIONS BY SOURCE
FOR THE TEN YEARS ENDED JUNE 30, 2022

<u>ADDITIONS</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Member contributions	\$ 29,175,452	\$ 27,278,823	\$ 26,117,636	\$ 25,922,508	\$ 26,428,188
Employer contributions	95,075,175	82,720,635	84,324,128	82,259,694	83,635,357
Insurance premium tax	19,090,190	18,605,064	17,704,000	16,628,926	15,794,377
Net investment income (loss)	238,535,243	(42,215,916)	26,639,525	296,576,890	192,175,020
Rental income	-	-	-	-	-
Merger interest income	-	-	-	453	13,733
Military purchases	75,554	-	6,614	-	-
TOTAL ADDITIONS	\$ 781,951,614	\$ 86,388,606	\$ 154,791,901	\$ 421,388,471	\$ 218,046,675

DEDUCTIONS BY TYPE
FOR THE TEN YEARS ENDED JUNE 30, 2022

<u>DEDUCTIONS:</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Retirement benefits	\$ 136,804,153	\$ 131,341,723	\$ 123,759,640	\$ 114,361,996	\$ 107,887,718
DROP/IBO withdrawals	14,749,321	16,827,436	17,180,717	12,986,778	10,843,924
Refunds of contributions	4,217,420	4,142,582	4,257,860	4,503,123	3,849,552
Net transfers to other systems	2,584,245	2,848,783	1,958,575	1,520,751	243,384
Administrative expenses	1,297,319	1,313,174	1,420,583	1,381,703	1,222,084
Pension expense	-	-	-	-	-
Other post-employment benefi	63,045	83,154	79,802	65,843	47,733
Depreciation	72,199	71,854	76,894	81,593	81,504
TOTAL DEDUCTIONS	\$ 159,787,702	\$ 156,628,706	\$ 148,734,871	\$ 134,901,787	\$ 124,175,899

Source: Audited annual comprehensive financial statements

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

EMPLOYEE CONTRIBUTION RATES

Fiscal Year Ended	Hazardous	Non Hazardous
2022	10.0%	8%
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

EMPLOYER CONTRIBUTION RATES

Fiscal Year Ended	Hazardous	Non Hazardous
2022	29.75%	29.75%
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

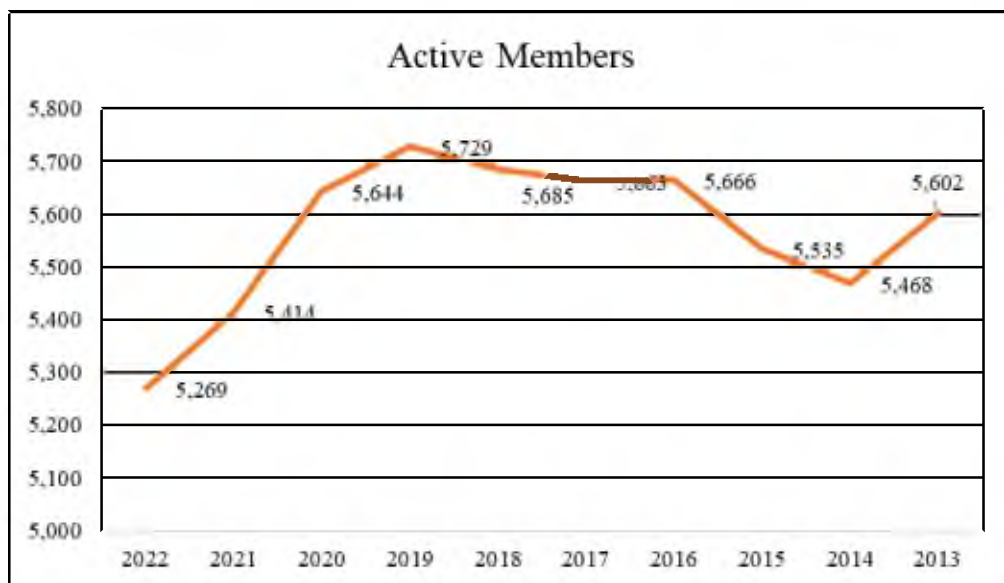
Beginning fiscal year ended June 30, 2014, members' contribution rate was 2.5% lower and employer contribution rate was 2.5% higher for members with earnings below than the Department of HHS poverty guidelines.

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

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
2022	5,269	252	2,184	0.20%	\$ 301,207,646
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



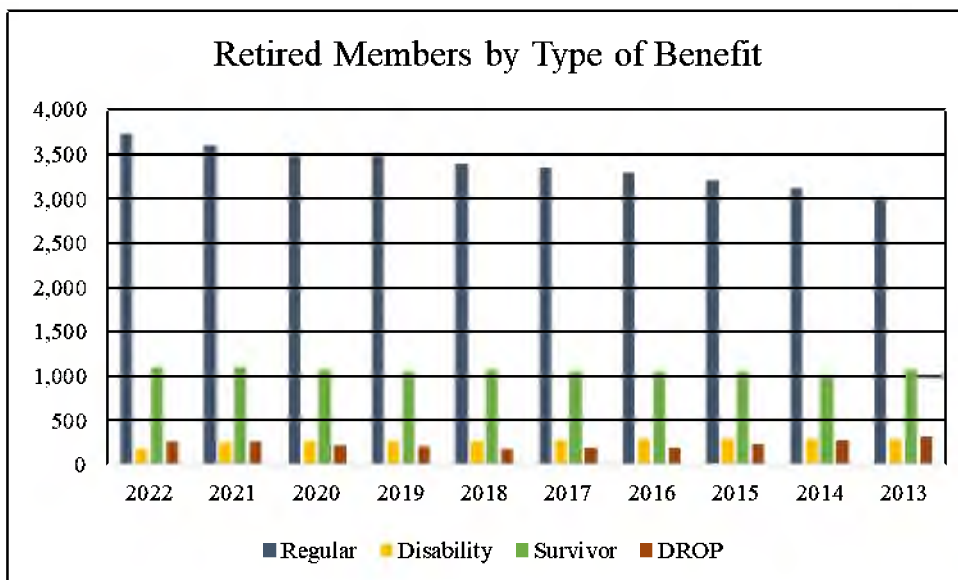
MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

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
2022	3,735	177	1,094	258
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



MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

SCHEDULE OF BENEFIT EXPENSES BY TYPE:

Fiscal Year						
Ended	Regular	Survivors	Disability	DROP	IBO	
2022	\$ 142,079,267	\$ 21,067,562	\$ 2,680,153	\$ 12,631,921	\$ 1,359,921	
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:

Year Ended	Regular Benefit	Disability Benefit	Survivor Benefit	Average Final Salary
2022	\$ 40,700	\$ 17,288	\$ 18,116	\$ 56,195
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

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

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
2022	Number of Retirees	0	0	13	16	53	88	18
	Average Monthly Benefit	NA	NA	\$ 1,701	\$ 2,089	\$ 3,746	\$ 5,431	\$ 6,067
	Average Monthly AFC	NA	NA	\$ 4,234	\$ 3,928	\$ 5,240	\$ 6,402	\$ 6,654
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

Note: Schedule includes only service retirees

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

AVERAGE ANNUAL BENEFIT BY COMPLETED YEARS SINCE RETIREMENT:

Service Retiree:

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	
2022	Avg Benefit	\$ 53,697	\$52,228	\$50,442	\$48,702	\$51,420	\$49,199	\$42,612	\$35,405	\$28,807	\$28,029	\$ 22,686	\$ 40,700
	Number of Retirees	188	196	156	135	136	748	611	600	418	321	226	3,735
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

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

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 or more	
2022	Avg Benefit	\$ 23,571	\$ 29,994	\$ 20,321	\$ 25,861	\$ 24,985	\$ 20,907	\$ 21,117	\$ 15,482	\$ 12,617	\$ 13,269	\$ 14,099	\$ 17,288
	Number of Disability	3	3	3	6	4	26	29	19	25	17	42	177
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

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
 STATISTICAL SECTION
JUNE 30, 2022

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

Survivors:

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 or more	
2022	Avg Benefit	\$ 13,821	\$24,610	\$33,112	\$27,626	\$20,527	\$27,683	\$25,898	\$21,586	\$17,528	\$18,460	\$ 12,657	\$ 18,116
	Number of Survivors	9	16	13	13	20	85	88	124	130	167	429	1,094
2021	Avg Benefit	\$ 29,558	\$29,931	\$26,822	\$19,571	\$21,173	\$24,367	\$23,173	\$19,044	\$17,431	\$17,416	\$ 12,061	\$ 17,039
	Number of Survivors	12	12	13	21	22	77	107	109	149	152	428	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

**MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM
STATISTICAL SECTION
JUNE 30, 2022**

TOP 10 CONTRIBUTING EMPLOYERS BY MEMBER COUNT:

Year	Municipality	Member Count	Percentage of Total Members	Year	Municipality	Member Count	Percentage of Total Members
2022	New Orleans	980	17.73%	2022	New Orleans	1148	19.60%
	Baton Rouge	668	12.09%		Baton Rouge	731	12.48%
	Shreveport	536	9.70%		Shreveport	601	10.26%
	Lafayette	302	5.46%		Lafayette	302	5.16%
	Bossier City	189	3.42%		Bossier City	196	3.35%
	Lake Charles	169	3.06%		Alexandria	182	3.11%
	Monroe	143	2.59%		Lake Charles	181	3.09%
	Alexandria	142	2.57%		Monroe	172	2.94%
	Kenner	134	2.42%		Kenner	166	2.83%
	Hammond	102	1.85%		Gretna	108	1.84%
2021	New Orleans	1,123	19.80%	2021	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%	2020	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%	2019	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%	2018	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%

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

JULY 1, 2021 – JUNE 30, 2022

MUNICIPAL POLICE EMPLOYEES' RETIREMENT SYSTEM

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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

December 6, 2022

Board of Directors Municipal Police Employees' Retirement System and The Louisiana Legislative Auditor

We have performed the procedures enumerated below, which were agreed to by the Municipal Police Employees' Retirement System (the System) and the Louisiana Legislative Auditor, on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUPs) for the year ended June 30, 2022. Municipal Police Employees' Retirement System's management is responsible for the control and compliance areas identified in the SAUPs.

Municipal Police Employees' Retirement System has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period July 1, 2021 through June 30, 2022. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

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Written Policies and Procedures

1. Obtain and inspect the System's written policies and procedures and observe whether they addressed each of the following categories and subcategories if applicable to public funds and the System's operations:
 - a) Budgeting, including preparing, adopting, monitoring, and amending the budget.
 - b) Purchasing, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) Disbursements, including processing, reviewing and approving.
 - d) Receipts/Collections, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).
 - e) Payroll/Personnel, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee(s) rate of pay or approval and maintenance of pay rate schedules.
 - f) Contracting, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
 - g) Credit Cards (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).
 - h) Travel and Expense Reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
 - i) Ethics, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.
 - j) Debt Service, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.
 - k) Information Technology Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.
 - l) Sexual Harassment, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Results:

No findings were noted.

Board or Finance Committee

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
 - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
 - b) For those entities reporting on the governmental accounting model, observe whether the minutes referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual, at a minimum, on proprietary funds, and semi-annual budget- to-actual, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the nonprofit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
 - c) For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Results:

No findings were noted.

Bank Reconciliations

3. Obtain a listing of the entity's bank accounts for the fiscal period from management and management's representation that the listing is complete. Inquire of management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspected the corresponding bank statement and reconciliation for each selected account, and observe that:
 - a) Bank reconciliations included evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);
 - b) Bank reconciliations included evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
 - c) Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Results:

No findings were noted.

Collections (excluding electronic funds transfers)

4. Obtain a list of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Select the one location that was identified in Step #4, obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and we observed that job duties are properly segregated at each collection location such that:
 - a) Employees responsible for cash collections do not share cash drawers/registers.
 - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit.
 - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
 - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, are not responsible for collecting cash, unless another employee/official verifies the reconciliation.

Results:

No findings were noted.

6. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was enforced during the fiscal period.

Results:

No findings were noted.

7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliation" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
 - a) Observe that receipts are sequentially pre-numbered.
 - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

- c) Trace the deposit slip total to the actual deposit per the bank statement.
- d) Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).
- e) Trace the actual deposit per the bank statement to the general ledger.

Results:

No findings were noted.

Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)

- 8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
- 9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
 - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
 - b) At least two employees are involved in processing and approving payments to vendors.
 - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
 - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

Results:

No findings were noted.

- 10. For each location selected under #8 above, obtain the System's non-payroll disbursement transaction population (excluding cards and travel reimbursement) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and:
 - a) Observe the disbursement matched the related original itemized invoice and supporting documentation indicated deliverables included on the invoice were received by the entity.
 - b) Observe the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

Results:

No findings were noted.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.
12. Use the listing prepared by management and randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
 - a) Observe there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) was reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder.
 - b) Observe that finance charges and late fees were not assessed on the selected statements.

Results:

Upon performing the procedures above, we noted that credit card receipts did not indicate approval by someone other than the cardholder.

Management's Response:

The System will ensure that all credit card receipts in the future include approval by someone other than the cardholder.

13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement and obtain supporting documentation for the transactions. For missing receipts, the practitioner should describe the nature of the transaction and note whether management had a compensating control to address missing receipts, such as a "missing receipt statement" that is subject to increased scrutiny. For each transaction, observe it is supported by:
 - a) An original itemized receipt that identifies precisely what was purchased,
 - b) Written documentation of the business/public purpose,
 - c) Documentation of the individuals participating in meals (for meals charges only)

Results:

Upon performing the procedures above, we noted that several credit card receipts did not indicate written documentation of the business/public purpose for the purchase.

Management's Response:

The System will ensure that all credit card receipts in the future include written documentation of the business/public purpose for the purchase.

Travel and Travel-Related Expense Reimbursement (excluding card transactions)

14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration.
 - b) If reimbursed using actual cost, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
 - c) Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating and other documentation required by written policy (procedure #1h).
 - d) Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.

Results:

No findings were noted.

Contracts

15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. Alternately, the practitioner may use an equivalent selection source, such as an active vendor list. Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.
 - b) Observe the contract was approved by the governing body/board, if required by policy or law.

- c) If the contract was amended, observe the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms. (e.g., if approval is required for any amendment, was approval documented).
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

Results:

No findings were noted.

Payroll and Personnel

16. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Results:

No findings were noted.

17. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
- a) Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, officials are not eligible to earn leave and do not document their attendance and leave. However, if the official is earning leave according to a policy and/or contract, the official should document his/her daily attendance and leave.)
 - b) Observe supervisors approved the attendance and leave of the selected employees or officials.
 - c) Observe any leave accrued or taken during the pay period is reflected in the System's cumulative leave records.
 - d) Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Results:

No findings were noted.

18. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations and the System's policy on termination payments. Agree the hours to the employee or officials' cumulative leave records, agree the pay rates to the employee or

officials' authorized pay rates in the employee or officials' personnel files, and agree the termination payment to entity policy.

Results:

No findings were noted.

19. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums, etc.) have been paid, and any associated forms have been filed, by required deadlines.

Results:

No findings were noted.

Ethics

20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:
 - a) Observe the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period
 - b) Observe the System maintains documentation which demonstrates each employee and official were notified of any changes to the System's ethics policy during the fiscal period, as applicable.

Results:

No findings were noted.

Debt Service

21. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe State Bond Commission approval was obtained for each debt instrument issued.

Results:

This section is not applicable. The System does not have any debt.

22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Results:

This section is not applicable. The System does not have any debt.

Fraud Notice

23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the System reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results:

No misappropriations were noted

24. Observe the System has posted, on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results:

No findings were noted.

Information Technology Disaster Recovery/Business Continuity

25. Performed the following procedures:

- a) Obtain and inspect the System's most recent documentation that it has backed up its critical data (if no written documentation, inquire of personnel responsible for backing up critical data) and observe that such backup occurred within the past week. If backups are stored on a physical medium (e.g., tapes, CDs), observe evidence that backups are encrypted before being transported.
- b) Obtain and inspect the System's most recent documentation that it has tested/verified that its backups can be restored (if no written documentation, inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.
- c) Obtain a listing of the System's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active

antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

Results:

No findings were noted.

Sexual Harassment

26. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the fiscal period.

Results:

No findings were noted.

27. Observe the System has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Results:

No findings were noted.

28. Obtain the System's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe it includes the applicable requirements of R.S. 42:344:

- a) Number and percentage of public servants in the agency who have completed the training requirements;
- b) Number of sexual harassment complaints received by the agency;
- c) Number of complaints which resulted in a finding that sexual harassment occurred;
- d) Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and
- e) Amount of time it took to resolve each complaint.

Results:

No findings were noted.

We were engaged by the Municipal Police Employees' Retirement System to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of Government Auditing Standards. We were not engaged to, and did not, conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Municipal Police Employees' Retirement System and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the results of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

Duplantier, Sharpner, Hogan and Oakes, LLP

New Orleans, Louisiana