

# Municipal Fire and Police Retirement System of Iowa

Required GASB 68 Reporting Information as of and for  
the Year Ended June 30, 2021, and  
Related Independent Auditor's Report

# Municipal Fire and Police Retirement System of Iowa

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June 30, 2021

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## Independent Auditor's Report

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

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

We have audited the accompanying schedules of net pension liability (NPL) by city (proportionate share, share of NPL) as of June 30, 2021, and the schedules of deferred outflow of resources by city (expected and actual experience, changes in assumptions, difference between projected and actual earnings and total deferred outflows), deferred inflows of resources by city (expected and actual experience, difference between projected and actual earnings and total deferred inflows) for the Municipal Fire and Police Retirement System of Iowa (the System) as of June 30, 2021, and the related schedule of pension expense by city (collectively the Schedules) for the year then ended, and the related notes to the Schedules.

### Management's Responsibility for the Schedules

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

### Auditor's Responsibility

Our responsibility is to express opinions on these Schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

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

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

**Opinions**

In our opinion, the Schedules referred to above present fairly, in all material respects, the schedules of NPL by city (proportionate share, share of NPL) as of June 30, 2021, deferred outflow of resources by city (expected and actual experience, changes in assumptions, projected and actual earnings and total deferred outflows), deferred inflows of resources by city (expected and actual experience, projected and actual earnings and total deferred inflows), and pension expense by city for the System as of and for the year ended June 30, 2021, in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended June 30, 2021, and our report thereon, dated October 11, 2021, expressed an unmodified opinion on those financial statements.

**Restriction on Use**

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Boise, Idaho  
March 14, 2022

# Municipal Fire and Police Retirement System of Iowa

Net Pension Liability (NPL) by City

As of June 30, 2021

City	Proportionate Share (%)	Share of NPL	Covered Payroll *	NPL as % of Covered Payroll
Ames	2.68%	\$ 6,008,465	\$ 8,694,117	69.11%
Ankeny	2.70%	6,052,621	8,758,009	69.11%
Bettendorf	1.91%	4,289,460	6,206,754	69.11%
Boone	0.55%	1,244,505	1,800,771	69.11%
Burlington	1.85%	4,164,314	6,025,671	69.11%
Camanche	0.30%	672,613	973,256	69.11%
Carroll	0.28%	630,389	912,158	69.11%
Cedar Falls	1.76%	3,946,246	5,710,131	69.11%
Cedar Rapids	9.12%	20,483,544	29,639,236	69.11%
Centerville	0.23%	513,967	743,699	69.11%
Charles City	0.33%	734,218	1,062,398	69.11%
Clinton	1.94%	4,364,493	6,315,325	69.11%
Clive	0.60%	1,345,503	1,946,915	69.11%
Council Bluffs	5.66%	12,707,215	18,387,060	69.11%
Creston	0.30%	679,436	983,128	69.11%
Davenport	7.56%	16,972,013	24,558,128	69.11%
Decorah	0.29%	658,002	952,115	69.11%
Des Moines	18.37%	41,263,888	59,707,924	69.11%
Dewitt	0.21%	469,279	679,036	69.11%
Dubuque	4.44%	9,964,114	14,417,853	69.11%
Estherville	0.22%	484,734	701,400	69.11%
Evansdale	0.12%	269,370	389,772	69.11%
Fairfield	0.28%	627,377	907,801	69.11%
Fort Dodge	1.61%	3,608,902	5,222,001	69.11%
Fort Madison	0.66%	1,481,565	2,143,792	69.11%
Grinnell	0.36%	812,480	1,175,641	69.11%
Indianola	0.50%	1,113,908	1,611,800	69.11%
Iowa City	3.53%	7,925,715	11,468,335	69.11%
Keokuk	0.78%	1,747,310	2,528,319	69.11%
Knoxville	0.24%	547,211	791,802	69.11%
Lemars	0.32%	722,709	1,045,744	69.11%
Maquoketa	0.21%	468,435	677,815	69.11%
Marion	2.09%	4,686,242	6,780,889	69.11%
Marshalltown	1.48%	3,318,521	4,801,826	69.11%
Mason City	1.85%	4,162,807	6,023,490	69.11%
Muscatine	1.79%	4,025,709	5,825,112	69.11%
Newton	1.10%	2,474,205	3,580,120	69.11%
Oelwein	0.21%	464,327	671,871	69.11%
Oskaloosa	0.39%	865,367	1,252,167	69.11%
Ottumwa	1.37%	3,085,723	4,464,973	69.11%
Pella	0.38%	859,367	1,243,481	69.11%
Sioux City	6.14%	13,796,880	19,963,781	69.11%
Spencer	0.49%	1,099,481	1,590,925	69.11%
Storm Lake	0.40%	905,189	1,309,788	69.11%
Urbandale	2.38%	5,352,597	7,745,089	69.11%
Waterloo	5.51%	12,364,223	17,890,758	69.11%
Waverly	0.34%	765,111	1,107,098	69.11%
Webster City	0.31%	698,302	1,010,428	69.11%
West Des Moines	3.86%	8,676,085	12,554,103	69.11%
Total	<u>100.00%</u>	<u>\$ 224,574,135</u>	<u>\$ 324,953,814</u>	69.11%

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

# Municipal Fire and Police Retirement System of Iowa

Deferred Outflows of Resources by City

As of June 30, 2021

City	Proportionate Share (%)	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Earnings	Contributions Made After Measurement Date	Total Deferred Outflows
Ames	2.68%	\$ 696,967	\$ 226,293	\$ 2,686,606	TBD	\$ 3,609,866
Ankeny	2.70%	702,089	227,956	2,706,350	TBD	3,636,395
Bettendorf	1.91%	497,567	161,551	1,917,975	TBD	2,577,094
Boone	0.55%	144,360	46,871	556,464	TBD	747,695
Burlington	1.85%	483,050	156,838	1,862,018	TBD	2,501,906
Camanche	0.30%	78,021	25,332	300,750	TBD	404,103
Carroll	0.28%	73,124	23,742	281,870	TBD	378,736
Cedar Falls	1.76%	457,755	148,625	1,764,512	TBD	2,370,892
Cedar Rapids	9.12%	2,376,042	771,458	9,158,948	TBD	12,306,448
Centerville	0.23%	59,619	19,357	229,814	TBD	308,790
Charles City	0.33%	85,168	27,652	328,296	TBD	441,116
Clinton	1.94%	506,271	164,377	1,951,526	TBD	2,622,174
Clive	0.60%	156,075	50,675	601,625	TBD	808,375
Council Bluffs	5.66%	1,474,006	478,583	5,681,864	TBD	7,634,454
Creston	0.30%	78,813	25,589	303,801	TBD	408,203
Davenport	7.56%	1,968,712	639,205	7,588,813	TBD	10,196,730
Decorah	0.29%	76,327	24,782	294,217	TBD	395,326
Des Moines	18.37%	4,786,511	1,554,093	18,450,605	TBD	24,791,209
Dewitt	0.21%	54,435	17,674	209,832	TBD	281,941
Dubuque	4.44%	1,155,813	375,272	4,455,322	TBD	5,986,408
Estherville	0.22%	56,228	18,256	216,743	TBD	291,227
Evansdale	0.12%	31,246	10,145	120,445	TBD	161,836
Fairfield	0.28%	72,774	23,628	280,523	TBD	376,925
Fort Dodge	1.61%	418,624	135,920	1,613,673	TBD	2,168,217
Fort Madison	0.66%	171,858	55,799	662,462	TBD	890,119
Grinnell	0.36%	94,246	30,600	363,290	TBD	488,136
Indianola	0.50%	129,211	41,952	498,069	TBD	669,232
Iowa City	3.53%	919,364	298,501	3,543,879	TBD	4,761,744
Keokuk	0.78%	202,684	65,808	781,287	TBD	1,049,777
Knoxville	0.24%	63,475	20,609	244,678	TBD	328,762
Lemars	0.32%	83,833	27,219	323,150	TBD	434,201
Maquoketa	0.21%	54,337	17,642	209,454	TBD	281,434
Marion	2.09%	543,593	176,495	2,095,392	TBD	2,815,479
Marshalltown	1.48%	384,940	124,983	1,483,833	TBD	1,993,756
Mason City	1.85%	482,876	156,781	1,861,345	TBD	2,501,002
Muscatine	1.79%	466,973	151,618	1,800,043	TBD	2,418,634
Newton	1.10%	287,002	93,184	1,106,308	TBD	1,486,494
Oelwein	0.21%	53,861	17,488	207,618	TBD	278,967
Oskaloosa	0.39%	100,381	32,592	386,938	TBD	519,911
Ottumwa	1.37%	357,936	116,215	1,379,740	TBD	1,853,891
Pella	0.38%	99,684	32,366	384,253	TBD	516,303
Sioux City	6.14%	1,600,405	519,622	6,169,094	TBD	8,289,121
Spencer	0.49%	127,537	41,409	491,618	TBD	660,565
Storm Lake	0.40%	105,000	34,092	404,743	TBD	543,835
Urbandale	2.38%	620,888	201,591	2,393,343	TBD	3,215,822
Waterloo	5.51%	1,434,220	465,665	5,528,500	TBD	7,428,384
Waverly	0.34%	88,751	28,816	342,109	TBD	459,676
Webster City	0.31%	81,001	26,300	312,237	TBD	419,538
West Des Moines	3.86%	1,006,405	326,761	3,879,396	TBD	5,212,563
<b>Total</b>	<b>100.00%</b>	<b>\$ 26,050,057</b>	<b>\$ 8,457,982</b>	<b>\$ 100,415,375</b>		<b>\$ 134,923,414</b>

# Municipal Fire and Police Retirement System of Iowa

Deferred Inflows of Resources by City

As of June 30, 2021

City	Proportionate Share (%)	Difference Between Expected and Actual Experience	Difference Between Projected and Actual Earnings	Total Deferred Inflows
Ames	2.68%	\$ (67,619)	\$ (12,726,017)	\$ (12,793,636)
Ankeny	2.70%	(68,116)	(12,819,540)	(12,887,656)
Bettendorf	1.91%	(48,274)	(9,085,140)	(9,133,414)
Boone	0.55%	(14,006)	(2,635,879)	(2,649,885)
Burlington	1.85%	(46,865)	(8,820,078)	(8,866,943)
Camanche	0.30%	(7,570)	(1,424,604)	(1,432,174)
Carroll	0.28%	(7,094)	(1,335,172)	(1,342,266)
Cedar Falls	1.76%	(44,411)	(8,358,207)	(8,402,618)
Cedar Rapids	9.12%	(230,522)	(43,384,446)	(43,614,968)
Centerville	0.23%	(5,784)	(1,088,590)	(1,094,374)
Charles City	0.33%	(8,263)	(1,555,085)	(1,563,348)
Clinton	1.94%	(49,118)	(9,244,060)	(9,293,178)
Clive	0.60%	(15,142)	(2,849,798)	(2,864,940)
Council Bluffs	5.66%	(143,007)	(26,914,068)	(27,057,075)
Creston	0.30%	(7,646)	(1,439,054)	(1,446,700)
Davenport	7.56%	(191,003)	(35,946,972)	(36,137,975)
Decorah	0.29%	(7,405)	(1,393,658)	(1,401,063)
Des Moines	18.37%	(464,384)	(87,397,515)	(87,861,899)
Dewitt	0.21%	(5,281)	(993,940)	(999,221)
Dubuque	4.44%	(112,136)	(21,104,139)	(21,216,275)
Estherville	0.22%	(5,455)	(1,026,674)	(1,032,129)
Evansdale	0.12%	(3,031)	(570,529)	(573,560)
Fairfield	0.28%	(7,061)	(1,328,794)	(1,335,855)
Fort Dodge	1.61%	(40,615)	(7,643,707)	(7,684,322)
Fort Madison	0.66%	(16,674)	(3,137,976)	(3,154,650)
Grinnell	0.36%	(9,144)	(1,720,845)	(1,729,989)
Indianola	0.50%	(12,536)	(2,359,273)	(2,371,809)
Iowa City	3.53%	(89,196)	(16,786,781)	(16,875,977)
Keokuk	0.78%	(19,664)	(3,700,829)	(3,720,493)
Knoxville	0.24%	(6,158)	(1,159,001)	(1,165,159)
Lemars	0.32%	(8,133)	(1,530,708)	(1,538,841)
Maquoketa	0.21%	(5,272)	(992,152)	(997,424)
Marion	2.09%	(52,739)	(9,925,530)	(9,978,269)
Marshalltown	1.48%	(37,347)	(7,028,676)	(7,066,023)
Mason City	1.85%	(46,848)	(8,816,887)	(8,863,735)
Muscatine	1.79%	(45,305)	(8,526,511)	(8,571,816)
Newton	1.10%	(27,845)	(5,240,403)	(5,268,248)
Oelwein	0.21%	(5,226)	(983,452)	(988,678)
Oskaloosa	0.39%	(9,739)	(1,832,860)	(1,842,599)
Ottumwa	1.37%	(34,727)	(6,535,606)	(6,570,333)
Pella	0.38%	(9,671)	(1,820,146)	(1,829,816)
Sioux City	6.14%	(155,270)	(29,221,995)	(29,377,265)
Spencer	0.49%	(12,374)	(2,328,717)	(2,341,091)
Storm Lake	0.40%	(10,187)	(1,917,203)	(1,927,390)
Urbandale	2.38%	(60,238)	(11,336,878)	(11,397,116)
Waterloo	5.51%	(139,147)	(26,187,606)	(26,326,753)
Waverly	0.34%	(8,611)	(1,620,515)	(1,629,126)
Webster City	0.31%	(7,859)	(1,479,014)	(1,486,873)
West Des Moines	3.86%	(97,641)	(18,376,075)	(18,473,716)
<b>Total</b>	<b>100.00%</b>	<b>\$ (2,527,359)</b>	<b>\$ (475,651,305)</b>	<b>\$ (478,178,664)</b>

# Municipal Fire and Police Retirement System of Iowa

Pension Expense by City

For the Year Ended June 30, 2021

<u>City</u>	<u>Proportionate Share (%)</u>	<u>Share of Pension Expense</u>
Ames	2.68%	\$ 166,264
Ankeny	2.70%	167,485
Bettendorf	1.91%	118,696
Boone	0.55%	34,437
Burlington	1.85%	115,233
Camanche	0.30%	18,612
Carroll	0.28%	17,444
Cedar Falls	1.76%	109,199
Cedar Rapids	9.12%	566,811
Centerville	0.23%	14,222
Charles City	0.33%	20,317
Clinton	1.94%	120,772
Clive	0.60%	37,232
Council Bluffs	5.66%	351,628
Creston	0.30%	18,801
Davenport	7.56%	469,642
Decorah	0.29%	18,208
Des Moines	18.37%	1,141,835
Dewitt	0.21%	12,986
Dubuque	4.44%	275,722
Estherville	0.22%	13,413
Evansdale	0.12%	7,454
Fairfield	0.28%	17,360
Fort Dodge	1.61%	99,864
Fort Madison	0.66%	40,997
Grinnell	0.36%	22,483
Indianola	0.50%	30,824
Iowa City	3.53%	219,317
Keokuk	0.78%	48,351
Knoxville	0.24%	15,142
Lemars	0.32%	19,998
Maquoketa	0.21%	12,962
Marion	2.09%	129,676
Marshalltown	1.48%	91,829
Mason City	1.85%	115,191
Muscatine	1.79%	111,398
Newton	1.10%	68,465
Oelwein	0.21%	12,849
Oskaloosa	0.39%	23,946
Ottumwa	1.37%	85,387
Pella	0.38%	23,780
Sioux City	6.14%	381,781
Spencer	0.49%	30,424
Storm Lake	0.40%	25,048
Urbandale	2.38%	148,115
Waterloo	5.51%	342,137
Waverly	0.34%	21,172
Webster City	0.31%	19,323
West Des Moines	3.86%	240,081
Total	<u>100.00%</u>	<u>\$ 6,214,313</u>



**Plan Administration**

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

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

**Basis of Accounting**

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

**Use of Estimates in the Preparation of the Schedules**

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

**Plan Membership**

As of July 1, 2021, System membership consisted of the following:

Inactive members (or beneficiaries) currently receiving benefits	4,285
Inactive members entitled to but not yet receiving benefits	415
Active members	<u>4,107</u>
Total	<u><u>8,807</u></u>

**Plan Description**

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

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

## **Pension Benefits**

Participating members are entitled to the benefit provisions in effect on the member's date of termination. The following is a summary of System benefit provisions as of June 30, 2021:

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

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

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

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

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

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

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

### **Contributions**

*Member* - Member contribution rates are set by state statute. In accordance with Iowa Code Chapter 411 as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.40% of earnable compensation for the year ended June 30, 2021.

*Employer* - Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by 1 percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 25.31% for the year ended June 30, 2021.

*State Appropriations* - State appropriations are approved by the state legislature and may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State therefore is considered to be a nonemployer contributing entity. There were no state appropriations approve by the state legislature for fiscal year ended June 30, 2021.

# Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2021

The allocation amongst all Cities of the contributions to the System for the period ended June 30, 2021 was as follows:

City	Proportionate Share (%)	Actuarially Determined Contribution (ADC)	Contributions in Relation to the ADC	Contribution Deficiency/ (Excess)	Covered Payroll *	Contributions as a % of Covered Payroll
Ames	2.68%	\$ 2,200,482	\$ 2,200,482	\$ -	\$ 8,694,117	25.31%
Ankeny	2.70%	2,216,653	2,216,653	-	8,758,009	25.31%
Bettendorf	1.91%	1,570,930	1,570,930	-	6,206,754	25.31%
Boone	0.55%	455,775	455,775	-	1,800,771	25.31%
Burlington	1.85%	1,525,098	1,525,098	-	6,025,671	25.31%
Camanche	0.30%	246,331	246,331	-	973,256	25.31%
Carroll	0.28%	230,868	230,868	-	912,158	25.31%
Cedar Falls	1.76%	1,445,235	1,445,235	-	5,710,131	25.31%
Cedar Rapids	9.12%	7,501,694	7,501,694	-	29,639,236	25.31%
Centerville	0.23%	188,230	188,230	-	743,699	25.31%
Charles City	0.33%	268,893	268,893	-	1,062,398	25.31%
Clinton	1.94%	1,598,410	1,598,410	-	6,315,325	25.31%
Clive	0.60%	492,764	492,764	-	1,946,915	25.31%
Council Bluffs	5.66%	4,653,767	4,653,767	-	18,387,060	25.31%
Creston	0.30%	248,830	248,830	-	983,128	25.31%
Davenport	7.56%	6,215,665	6,215,665	-	24,558,128	25.31%
Decorah	0.29%	240,981	240,981	-	952,115	25.31%
Des Moines	18.37%	15,112,083	15,112,083	-	59,707,924	25.31%
Dewitt	0.21%	171,864	171,864	-	679,036	25.31%
Dubuque	4.44%	3,649,160	3,649,160	-	14,417,853	25.31%
Estherville	0.22%	177,524	177,524	-	701,400	25.31%
Evansdale	0.12%	98,651	98,651	-	389,772	25.31%
Fairfield	0.28%	229,765	229,765	-	907,801	25.31%
Fort Dodge	1.61%	1,321,689	1,321,689	-	5,222,001	25.31%
Fort Madison	0.66%	542,594	542,594	-	2,143,792	25.31%
Grinnell	0.36%	297,555	297,555	-	1,175,641	25.31%
Indianola	0.50%	407,947	407,947	-	1,611,800	25.31%
Iowa City	3.53%	2,902,637	2,902,637	-	11,468,335	25.31%
Keokuk	0.78%	639,918	639,918	-	2,528,319	25.31%
Knoxville	0.24%	200,406	200,406	-	791,802	25.31%
Lemars	0.32%	264,678	264,678	-	1,045,744	25.31%
Maquoketa	0.21%	171,555	171,555	-	677,815	25.31%
Marion	2.09%	1,716,244	1,716,244	-	6,780,889	25.31%
Marshalltown	1.48%	1,215,343	1,215,343	-	4,801,826	25.31%
Mason City	1.85%	1,524,546	1,524,546	-	6,023,490	25.31%
Muscatine	1.79%	1,474,337	1,474,337	-	5,825,112	25.31%
Newton	1.10%	906,129	906,129	-	3,580,120	25.31%
Oelwein	0.21%	170,051	170,051	-	671,871	25.31%
Oskaloosa	0.39%	316,924	316,924	-	1,252,167	25.31%
Ottumwa	1.37%	1,130,085	1,130,085	-	4,464,973	25.31%
Pella	0.38%	314,725	314,725	-	1,243,481	25.31%
Sioux City	6.14%	5,052,836	5,052,836	-	19,963,781	25.31%
Spencer	0.49%	402,663	402,663	-	1,590,925	25.31%
Storm Lake	0.40%	331,507	331,507	-	1,309,788	25.31%
Urbandale	2.38%	1,960,283	1,960,283	-	7,745,089	25.31%
Waterloo	5.51%	4,528,153	4,528,153	-	17,890,758	25.31%
Waverly	0.34%	280,207	280,207	-	1,107,098	25.31%
Webster City	0.31%	255,740	255,740	-	1,010,428	25.31%
West Des Moines	3.86%	3,177,445	3,177,445	-	12,554,103	25.31%
<b>Total</b>	<b>100.00%</b>	<b>\$ 82,245,851</b>	<b>\$ 82,245,851</b>	<b>\$ -</b>	<b>\$ 324,953,814</b>	

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

# Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2021

## Net Pension Liability

The components of the net pension liability of the System at June 30, 2021, were as follows:

Total Pension Liability	\$ 3,518,184,403
Plan Fiduciary Net Position	<u>(3,293,610,268)</u>
Net Pension Liability	<u>\$ 224,574,135</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>93.62%</u>

The following schedule presents the changes in net pension liability for fiscal year ended June 30, 2021.

Total Pension Liability - Beginning of Year	\$ 3,390,348,728
Service Cost	56,807,678
Interest	251,348,980
Difference between Expected and Actual Experience	14,881,260
Benefit Payments, Including Refunds	<u>(195,202,243)</u>
Total Pension Liability - End of Year	<u>3,518,184,403</u>
Plan Fiduciary Net Position - Beginning of Year	2,592,748,429
Contributions - Employer and State	82,245,851
Contributions - Member	30,587,481
Net Investment Income	785,156,295
Benefit Payments, Including Refunds	(195,202,243)
Administrative Expenses	(1,894,969)
Other	<u>(30,576)</u>
Plan Fiduciary Net Position - End of Year	<u>3,293,610,268</u>
Net Pension Liability - End of Year	<u>\$ 224,574,135</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.62%
Covered Payroll*	\$ 324,953,814
Net Pension Liability as a Percentage of the Covered Payroll	69.11%

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

# Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2021

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

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

	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
Total Pension Liability	\$ 3,958,172,215	\$ 3,518,184,403	\$ 3,153,019,943
Plan Fiduciary Net Position	<u>(3,293,610,268)</u>	<u>(3,293,610,268)</u>	<u>(3,293,610,268)</u>
 Net Pension Liability (Asset)	 <u>\$ 664,561,947</u>	 <u>\$ 224,574,135</u>	 <u>\$ (140,590,325)</u>

The allocation amongst all Cities of the sensitivity in Net Pension Liability of the System at June 30, 2021, was as follows:

<u>City</u>	<u>Proportionate Share (%)</u>	<u>1% Decrease 6.50%</u>	<u>Current Discount Rate 7.50%</u>	<u>1% Increase 8.50%</u>
Ames	2.68%	\$ 17,780,308	\$ 6,008,465	\$ (3,761,484)
Ankeny	2.70%	17,910,975	6,052,621	(3,789,127)
Bettendorf	1.91%	12,693,412	4,289,460	(2,685,334)
Boone	0.55%	3,682,750	1,244,505	(779,098)
Burlington	1.85%	12,323,079	4,164,314	(2,606,989)
Camanche	0.30%	1,990,403	672,612	(421,076)
Carroll	0.28%	1,865,452	630,389	(394,643)
Cedar Falls	1.76%	11,677,769	3,946,246	(2,470,471)
Cedar Rapids	9.12%	60,615,101	20,483,544	(12,823,329)
Centerville	0.23%	1,520,936	513,967	(321,759)
Charles City	0.33%	2,172,706	734,218	(459,643)
Clinton	1.94%	12,915,449	4,364,493	(2,732,307)
Clive	0.60%	3,981,630	1,345,504	(842,327)
Council Bluffs	5.66%	37,603,314	12,707,215	(7,955,108)
Creston	0.30%	2,010,592	679,436	(425,348)
Davenport	7.56%	50,223,744	16,972,013	(10,625,003)
Decorah	0.29%	1,947,172	658,002	(411,930)
Des Moines	18.37%	122,108,491	41,263,881	(25,832,463)
Dewitt	0.21%	1,388,693	469,278	(293,783)
Dubuque	4.44%	29,485,903	9,964,114	(6,237,842)
Estherville	0.22%	1,434,430	484,734	(303,459)
Evansdale	0.12%	797,122	269,370	(168,634)
Fairfield	0.28%	1,856,540	627,377	(392,757)
Fort Dodge	1.61%	10,679,497	3,608,902	(2,259,284)
Fort Madison	0.66%	4,384,261	1,481,565	(927,505)
Grinnell	0.36%	2,404,299	812,480	(508,638)
Indianola	0.50%	3,296,287	1,113,908	(697,341)
Iowa City	3.53%	23,453,853	7,925,715	(4,961,742)

# Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2021

City	Proportionate Share (%)	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Keokuk	0.78%	5,170,657	1,747,310	(1,093,870)
Knoxville	0.24%	1,619,312	547,211	(342,571)
Lemars	0.32%	2,138,647	722,709	(452,438)
Maquoketa	0.21%	1,386,196	468,435	(293,255)
Marion	2.09%	13,867,574	4,686,242	(2,933,732)
Marshalltown	1.48%	9,820,200	3,318,521	(2,077,496)
Mason City	1.85%	12,318,618	4,162,807	(2,606,045)
Muscatine	1.79%	11,912,918	4,025,710	(2,520,219)
Newton	1.10%	7,321,692	2,474,205	(1,548,929)
Oelwein	0.21%	1,374,042	464,327	(290,683)
Oskaloosa	0.39%	2,560,803	865,367	(541,747)
Ottumwa	1.37%	9,131,300	3,085,723	(1,931,757)
Pella	0.38%	2,543,039	859,364	(537,989)
Sioux City	6.14%	40,827,862	13,796,880	(8,637,272)
Spencer	0.49%	3,253,596	1,099,481	(688,309)
Storm Lake	0.40%	2,678,643	905,189	(566,676)
Urbandale	2.38%	15,839,455	5,352,597	(3,350,890)
Waterloo	5.51%	36,588,329	12,364,223	(7,740,385)
Waverly	0.34%	2,264,123	765,111	(478,983)
Webster City	0.31%	2,066,422	698,302	(437,159)
West Des Moines	3.86%	25,674,354	8,676,086	(5,431,496)
Total	<u>100.00%</u>	<u>\$ 664,561,947</u>	<u>\$ 224,574,135</u>	<u>\$ (140,590,325)</u>

## Deferred Inflows and Outflows of Resources

As of June 30, 2021, the deferred inflows and outflows of resources are as follows:

	Deferred Inflows of Resources	Deferred Outflows of Resources
Differences between expected and actual experience	\$ (2,527,359)	\$ 26,050,057
Changes of assumptions	-	8,457,982
Net difference between projected and actual earnings	(475,651,305)	100,415,375
Contributions made subsequent to measurement date*	<u>TBD</u>	<u>TBD</u>
Total	<u>\$ (478,178,664)</u>	<u>\$ 134,923,414</u>

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

# Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2021

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

Years Ending June 30,	Annual Recognition
2022	\$ (68,721,996)
2023	(73,299,300)
2024	(86,667,272)
2025	(115,409,014)
2026	842,332

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

City	Proportionate Share (%)	Year Ending June 30,				
		2022	2023	2024	2025	2026
Ames	2.68%	\$ (1,838,652)	\$ (1,961,118)	\$ (2,318,777)	\$ (3,087,760)	\$ 22,537
Ankeny	2.70%	(1,852,164)	(1,975,530)	(2,335,817)	(3,110,452)	22,702
Bettendorf	1.91%	(1,312,619)	(1,400,047)	(1,655,381)	(2,204,361)	16,089
Boone	0.55%	(380,831)	(406,197)	(480,277)	(639,553)	4,668
Burlington	1.85%	(1,274,323)	(1,359,201)	(1,607,085)	(2,140,048)	15,619
Camanche	0.30%	(205,827)	(219,536)	(259,574)	(345,657)	2,523
Carroll	0.28%	(192,905)	(205,754)	(243,278)	(323,958)	2,364
Cedar Falls	1.76%	(1,207,592)	(1,288,025)	(1,522,929)	(2,027,982)	14,802
Cedar Rapids	9.12%	(6,268,175)	(6,685,674)	(7,904,975)	(10,526,527)	76,830
Centerville	0.23%	(157,279)	(167,755)	(198,349)	(264,129)	1,928
Charles City	0.33%	(224,678)	(239,643)	(283,348)	(377,316)	2,754
Clinton	1.94%	(1,335,580)	(1,424,537)	(1,684,338)	(2,242,920)	16,370
Clive	0.60%	(411,738)	(439,162)	(519,255)	(691,457)	5,047
Council Bluffs	5.66%	(3,888,539)	(4,147,539)	(4,903,947)	(6,530,259)	47,662
Creston	0.30%	(207,914)	(221,763)	(262,207)	(349,163)	2,548
Davenport	7.56%	(5,193,611)	(5,539,536)	(6,549,811)	(8,721,945)	63,659
Decorah	0.29%	(201,355)	(214,767)	(253,935)	(338,148)	2,468
Des Moines	18.37%	(12,627,177)	(13,468,219)	(15,924,489)	(21,205,575)	154,773
Dewitt	0.21%	(143,604)	(153,169)	(181,103)	(241,163)	1,760
Dubuque	4.44%	(3,049,121)	(3,252,212)	(3,845,334)	(5,120,574)	37,373
Estherville	0.22%	(148,334)	(158,214)	(187,068)	(249,106)	1,818
Evansdale	0.12%	(82,430)	(87,920)	(103,955)	(138,430)	1,010
Fairfield	0.28%	(191,984)	(204,771)	(242,116)	(322,411)	2,353
Fort Dodge	1.61%	(1,104,361)	(1,177,918)	(1,392,741)	(1,854,621)	13,536
Fort Madison	0.66%	(453,374)	(483,572)	(571,763)	(761,379)	5,557
Grinnell	0.36%	(248,627)	(265,187)	(313,551)	(417,535)	3,047
Indianola	0.50%	(340,867)	(363,571)	(429,877)	(572,439)	4,178
Iowa City	3.53%	(2,425,350)	(2,586,894)	(3,058,679)	(4,073,038)	29,728
Keokuk	0.78%	(534,695)	(570,309)	(674,319)	(897,946)	6,554
Knoxville	0.24%	(167,453)	(178,606)	(211,179)	(281,214)	2,052
Lemars	0.32%	(221,156)	(235,887)	(278,907)	(371,401)	2,711
Maquoketa	0.21%	(143,346)	(152,894)	(180,778)	(240,729)	1,757
Marion	2.09%	(1,434,038)	(1,529,554)	(1,808,507)	(2,408,268)	17,577
Marshalltown	1.48%	(1,015,501)	(1,083,140)	(1,280,678)	(1,705,393)	12,447



# Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2021

City	Proportionate Share (%)	Year Ending June 30,				
		2022	2023	2024	2025	2026
Mason City	1.85%	(1,273,862)	(1,358,709)	(1,606,504)	(2,139,273)	15,614
Muscatine	1.79%	(1,231,908)	(1,313,961)	(1,553,595)	(2,068,819)	15,100
Newton	1.10%	(757,132)	(807,562)	(954,841)	(1,271,498)	9,280
Oelwein	0.21%	(142,089)	(151,553)	(179,192)	(238,619)	1,742
Oskaloosa	0.39%	(264,811)	(282,449)	(333,961)	(444,714)	3,246
Ottumwa	1.37%	(944,263)	(1,007,157)	(1,190,837)	(1,585,758)	11,574
Pella	0.38%	(262,974)	(280,490)	(331,644)	(441,629)	3,223
Sioux City	6.14%	(4,221,987)	(4,503,197)	(5,324,469)	(7,090,239)	51,749
Spencer	0.49%	(336,453)	(358,862)	(424,310)	(565,025)	4,124
Storm Lake	0.40%	(276,997)	(295,447)	(349,329)	(465,178)	3,395
Urbandale	2.38%	(1,637,950)	(1,747,047)	(2,065,665)	(2,750,708)	20,077
Waterloo	5.51%	(3,783,580)	(4,035,589)	(4,771,580)	(6,353,994)	46,376
Waverly	0.34%	(234,132)	(249,726)	(295,270)	(393,192)	2,870
Webster City	0.31%	(213,688)	(227,921)	(269,488)	(358,859)	2,619
West Des Moines	3.86%	(2,654,971)	(2,831,809)	(3,348,260)	(4,458,654)	32,542
<b>Total</b>	<b>100.00%</b>	<b>\$ (68,721,996)</b>	<b>\$ (73,299,300)</b>	<b>\$ (86,667,272)</b>	<b>\$ (115,409,014)</b>	<b>\$ 842,332</b>

## Expected Remaining Service Lives

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

The amortization period for the June 30, 2020 to June 30, 2021, measurement period was determined as follows:

<u>As of June 30, 2020</u>	<u>Members</u>	<u>Expected Remaining Service Lives</u>
Active Members	4,084	11.286
Inactive Members	4,565	0.000
Weighted Average Rounded to the Nearest Tenth	N/A	5.300

# Municipal Fire and Police Retirement System of Iowa

Notes to Schedules

June 30, 2021

<b>Pension Expense</b>	<u>June 30, 2021</u>
Service Cost	\$ 56,807,678
Interest on Total Pension Liability	251,348,980
Administrative Expenses	1,894,969
Other Changes in Fiduciary Net Position	30,576
Member Contributions	(30,587,481)
Expected Investment Return Net of Investment Expenses	(191,344,525)
Recognition of Deferred (Inflows)/Outflows of Resources	
Economic/Demographic (Gains)/Losses	8,955,610
Assumption Changes	10,347,902
Investment (Gains)/Losses	<u>(101,239,396)</u>
 Pension Expense	 <u><u>\$ 6,214,313</u></u>

## Actuarial Assumptions

The total pension liability in the July 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

The actuarial assumptions used in the July 1, 2021, valuation were based on the results of an actuarial experience study for the 10-year period ending June 30, 2020. There were no significant changes of benefit terms.

Mortality rates as of July 1, 2021, were based on RP 2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set forward two years and disabled set-forward three years (male only rates), with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

# Municipal Fire and Police Retirement System of Iowa

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June 30, 2021

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The investment policy and decisions are governed by the Board of Trustees. The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2018 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap	7.49%
Small Cap	8.1%
International Large Cap	7.2%
Emerging Markets	7.9%
Global infrastructure	7.5%
Private Non-Core Real Estate	11.5%
Private Credit	6.4%
Private Equity	10.8%
Core Plus Fixed Income	4.0%
Private Core Real Estate	7.2%

Discount rate – The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.