



Financial Statement
June 30, 2022

Municipal Retirement Systems and Fire and Police Disability and Relief Fund



Independent Auditor's Report

To the Board of Trustees
Municipal Retirement Systems and Fire and Police Disability and Relief Fund
Jackson, Mississippi

Report on the Audit of the Financial Statement

Opinions

We have audited the Schedule of Changes in Fiduciary Net Position by Employer (the Schedule) of the Municipal Retirement Systems and Fire and Police Disability and Relief Fund (the Plan), and the related footnotes to the Schedule, which includes the fiduciary net position as of June 30, 2022, and the changes in fiduciary net position of the year then ended. We have also audited the fiduciary net position of each individual employer as of June 30, 2022, and the changes in fiduciary net position of each individual employer for the year then ended, included in the accompany Schedule.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the change in fiduciary net position of the Plan for the year ended June 30, 2022, in accordance with accounting principles generally accepted in the United States of America. Also, in our opinion, the Schedule referred to above presents fairly, in all material respects, the fiduciary net position of each individual employer as of June 30, 2022, and the changes in fiduciary net position of each individual employer for the year 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the Plan 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.

Responsibilities of Management for the Financial Statement

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

In preparing the Schedule, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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 Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, 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 statement.
- 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 Plan'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 statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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.

Other Matter

We have audited, in accordance with auditing standards general accepted in the United States of America, the financial statements of the Public Employees' Retirement System of Mississippi (the System) as of and for the year ended June 30, 2022, and our report thereon, dated December 1, 2022, expressed an unmodified opinion on those financial statements.

Our report is intended solely for the information and use of the management of the Plan, the Board of Trustees of the System, the participating employers in the Plan 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 black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Boise, Idaho
December 1, 2022

Municipal Retirement Systems and Fire and Police Disability and Relief Fund
Schedule of Changes in Fiduciary Net Position by Employer
Year Ended June 30, 2022
(Amounts in Thousands)

	Member contribution	Employer contribution	Net investment income (loss)	Total additions	Retirement annuities	Administrative fees	Total deductions	Transfers	Net increase (decrease)	Beginning of year net position restricted for pensions	End of year net position restricted for pensions
Biloxi	\$ -	\$ 432	\$ (157)	\$ 275	\$ 159	\$ 9	\$ 168	\$ -	\$ 107	\$ 1,525	\$ 1,632
Biloxi Fire and Police	-	934	(627)	307	1,827	19	1,846	-	(1,539)	8,007	6,468
Clarksdale	-	432	(94)	338	561	9	570	-	(232)	1,197	965
Clinton	-	22	(840)	(818)	913	1	914	-	(1,732)	10,355	8,623
Columbus	-	1,092	(123)	969	1,058	22	1,080	-	(111)	1,386	1,275
Greenville	-	538	(230)	308	827	11	838	-	(530)	2,884	2,354
Greenwood	-	353	(233)	120	669	7	676	-	(556)	2,951	2,395
Gulfport	-	2,507	(815)	1,692	1,702	50	1,752	-	(60)	8,421	8,361
Hattiesburg	-	140	(1,731)	(1,591)	3,295	3	3,298	-	(4,889)	22,643	17,754
Jackson	-	5,109	(4,293)	816	10,593	101	10,694	-	(9,878)	54,020	44,142
Laurel	-	558	(457)	101	915	11	926	-	(825)	5,506	4,681
McComb	-	28	(84)	(56)	268	1	269	-	(325)	1,185	860
Meridian	-	651	(306)	345	650	13	663	-	(318)	3,458	3,140
Meridian Fire and Police	-	215	(786)	(571)	1,521	4	1,525	-	(2,096)	10,153	8,057
Natchez	-	312	(142)	170	591	6	597	-	(427)	1,886	1,459
Pascagoula	-	413	(652)	(239)	1,221	8	1,229	-	(1,468)	8,163	6,695
Tupelo	-	902	(425)	477	1,498	18	1,516	-	(1,039)	5,450	4,411
Vicksburg	-	842	(793)	49	2,044	17	2,061	-	(2,012)	10,173	8,161
Yazoo City	-	261	(24)	237	197	5	202	-	35	209	244
Totals	\$ -	\$ 15,741	\$ (12,812)	\$ 2,929	\$ 30,509	\$ 315	\$ 30,824	\$ -	\$ (27,895)	\$ 159,572	\$ 131,677

Note 1 - Plan Description

The Municipal Retirement Systems and Fire and Police Disability and Relief Fund (MRS or the Plan) is an agent multiple-employer defined benefit pension plan comprised of municipal employee plans from around the State of Mississippi for municipal employees, firefighters, and police officers serving in the participating municipalities. The Public Employees' Retirement System of Mississippi (PERS), in coordination with the governing authorities of the respective municipalities, has administered these plans since July 1, 1987.

Membership in the two general municipal employee plans and the 17 fire and police disability and relief systems under MRS was granted to all municipal employees, fire fighters, and police officers who were not already members of PERS and who were hired prior to July 1, 1976. Two fire and police plans elected to extend the eligibility period for membership to July 1, 1987. All MRS plans were closed to new members by July 1, 1987. Eligible employees hired after July 1, 1987, automatically become members of PERS. Members covered by MRS are required to contribute varying amounts of their salary, depending on the actuarial soundness of their respective plans. Each employer contributes the remaining amounts necessary to finance participation of its own employees in MRS.

Plan provisions are established by Mississippi Code Ann. § 21-29-1 et seq., Articles 1, 3, 5, and 7, (1972, as amended), and annual local and private legislation. Statutes may be amended only by the Mississippi Legislature.

The Plan is included in the PERS Annual Comprehensive Financial Report (ACFR) as part of the pension trust funds. The System's most recent ACFR for the year ended June 30, 2022 should be read in conjunction with this financial statement.

Administration of the Plan

The Plan is administered as an agent multiple-employer defined benefit pension plan by PERS, in coordination with the governing authorities of the respective municipalities.

Contribution Requirements

Each plan has an established employee contribution rate. Employer contributions in each municipality are paid through an annual millage rate on the assessed property values in that municipality. These millage rates are determined through reviews of each plan's benefit structure during the MRS annual actuarial valuation and certifications by the actuary as to the funding level required of each participating municipality.

Service credit is awarded for employment in a covered position based on the number of months a member works during a fiscal year. All wages and contributions must be properly reported before service credit can be awarded.

Description of the Benefit Terms

Regardless of age, participating employees who retire with at least 20 years of membership service are entitled to an annual retirement allowance payable monthly for life in an amount equal to 50.0 percent of their average monthly compensation and to an additional 1.7 percent for each year of creditable service beyond 20 years, not to exceed 66.67 percent of average monthly compensation, except as may otherwise be provided through local and private legislation. Average monthly compensation for the MRS plans is the monthly average for the last six months of service. Certain participating employers provide a minimum monthly retirement allowance. Benefits vest upon reaching 20 years of membership service. MRS plans also provide certain death and disability benefits. Members who terminate employment from all covered employers and are not eligible to receive monthly retirement benefits may request a full refund of employee contributions. Members covered by MRS do not receive interest on their accumulated contributions. Upon withdrawal of contributions, a member forfeits service credit represented by those contributions.

The retirees and beneficiaries of MRS plans with provisions for a Cost-of-Living Adjustment (COLA) who are receiving a retirement allowance on July 1 of each fiscal year may be entitled to a COLA. This payment is equal to the annual percentage change of the Consumer Price Index (CPI) but not to exceed 2.5 percent of the annual retirement allowance for each full fiscal year of retirement. Certain MRS plans may adopt a COLA other than one linked to the change in the CPI. These additional payments will be made only when funded by the employers. For the year ended June 30, 2022, the total COLAs for MRS plans were \$5,297,000.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Schedule of Changes in Fiduciary Net Position by Employer (the Schedule) is prepared on the accrual basis of accounting. Member and employer contributions are recognized as revenue when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investment Income

Investment income is recognized when earned, and includes an estimate for the fair value of investments. Net investment income credited to each employer is allocated to each employer based on the employer's balance of Fiduciary Net Position. Please refer to the System's ACFR as of and for the year ended June 30, 2022, for further information pertaining to the methods used to estimate the fair value of the System's investments.

Municipal Retirement Systems and Fire and Police Disability and Relief Fund

Notes to Financial Statement

June 30, 2022

Administrative Fees

Employers of MRS contribute an administrative fee to the System equal to 2.0 percent of the Plan's respective employer contributions. For the year ended June 30, 2022, administrative fees were \$315,000 in total for MRS.

Use of Estimates

The preparation of the Schedule in conformity with U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts and fiduciary net position at the date of the Schedule. Actual results could differ from these estimates.