

# *Missouri Sheriffs' Retirement System*



**ANNUAL FINANCIAL REPORT  
FOR YEAR ENDED  
DECEMBER 31, 2023**

# Missouri Sheriffs' Retirement System

## Board of Directors



*Vice Chairman*  
**Jim Arnott**  
Greene County Sheriff  
Term: 1/1/21 -12/31/24



*Chairman*  
**J. Kent Oberkrom**  
Henry County Sheriff  
Term: 1/1/21 -12/31/24



*Member*  
**Kenny Jones**  
Retired Moniteau County Sheriff  
Term: 1/1/23 - 12/31/26



*Member*  
**Kevin Bond**  
Retired Pettis County Sheriff  
Term: 1/1/21 -12/31/24



*Member*  
**Dwayne Carey**  
Boone County Sheriff  
Term: 1/1/23 -12/31/26

# Missouri Sheriffs' Retirement System Administration Organization



*Executive Director*  
**Melissa Lorts**



*Administrative Assistant*  
**Diane Stieffermann**

## ***Accountant***

Williams Keepers, LLC  
3220 West Edgewood, Suite E  
Jefferson City, MO 65109

## ***Actuary***

Foster & Foster  
Actuaries and Consultants  
184 Shuman Blvd, Suite 305  
Naperville, IL 60563

## ***Auditor***

Graves and Associates, CPA's, LLC  
3702 West Truman Blvd.  
Suite 213  
Jefferson City, MO 65109

## ***Governmental Relations***

Statehouse Strategies, LLC  
314 East High  
Jefferson City, MO 65101

## ***Investment Consultant***

Central Bank  
Government Division  
P.O. Box 779  
Jefferson City, MO 65102

## ***Legal Services***

Polsinelli  
221 Bolivar St., Suite 300  
Jefferson City, MO 65101



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## Missouri Sheriffs' Retirement System

**J. Kent Oberkrom**  
Chairman  
Henry County Sheriff

**Jim Arnott**  
Vice Chairman  
Greene County Sheriff

**Kenny Jones**  
Board Member  
Monteau County Retired  
Sheriff



1739 Elm Court, Suite 202 ■ P.O. Box 105257 ■ Jefferson City, MO 65110-5257  
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**Kevin Bond**  
Board Member  
Pettis County Retired  
Sheriff

**Dwayne Carey**  
Board Member  
Boone County Sheriff

**Melissa Lorts**  
Executive Director

June 15, 2024

Dear Sheriffs' Retirement System Members:

On behalf of the Board of Directors, I'm please to present the Annual Financial Report to the membership of the Missouri Sheriffs' Retirement System.

The Board of Directors and staff have the responsibility for the administration of your retirement system, which has an asset value of \$38,468,157.94 as of the end of the calendar year 2023. This reflects a decrease of approximately \$800,000.00 from our balances in 2022.

Because of an unstable market, we have continued to move/invested in funds that have a more solid foundation, but this has also reduced our investment income. We continue to work with our investment bankers at Central Bank to find the best solutions for investing our funds, while remaining safe in today's market.

We have received 2.5 million dollars from the state this year to help stabilize the retirement fund. As of the writing of this letter, we are in the budget request for another 2.5 million this coming fiscal year from the state. We also successfully passed legislation that will allow us to ask the voters of Missouri to approve a change to the Missouri Constitution that will allow us to put back into place our \$3.00 funding that was removed. This will be on the November ballot in the General Election this fall. We will be asking every member to do their part to help get this passed.

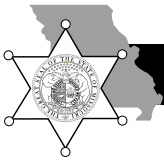
As of January 1, 2024, active Sheriffs are now contributing 5% of their salary to the retirement fund. This has been met with a few challenges that our staff is working out with the County Clerks. Thank you to Melissa Lorts for all the hard and difficult work this legislative session and to Diane Stieffermann for her extra work in holding down things at the office. A special thanks to the Missouri Sheriff's Association and Missouri Sheriff's United for their support.

Foster and Foster Actuaries and Consultants, have provided continued guidance to ensure the actuarial soundness of the system, while also maximizing the amount of the retiree medical insurance premium supplemental payment again this year.

We have many things to do between now and November 5, 2024 to make our retirement system whole again. We always welcome feedback and suggestions for improvement. If you have questions, please feel free to reach out to any of your board members.

Respectfully,

  
J. Kent Oberkrom, Chairman



# LETTER OF TRANSMITTAL

## Missouri Sheriffs' Retirement System

**J. Kent Oberkrom**  
Chairman  
Henry County Sheriff

**Jim Arnott**  
Vice Chairman  
Greene County Sheriff

**Kenny Jones**  
Board Member  
Monteau County Retired  
Sheriff



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Website: [sherretmo.com](http://sherretmo.com)

**Kevin Bond**  
Board Member  
Pettis County Retired  
Sheriff

**Dwayne Carey**  
Board Member  
Boone County Sheriff

**Melissa Lorts**  
Executive Director

June 13, 2024

### To The Board of Trustees and System Members:

We are pleased to provide this Comprehensive Annual Financial Report (CAFR) of the Missouri Sheriffs' Retirement System for the year ending December 31, 2023. This report includes a summary of the Retirement System's plan provisions, audit and actuarial reports, and financial statements. The Board employed professional consultants who performed services that are essential to the effective and efficient operation of the System. Therefore, opinions from the auditors and actuary are also included in this report.

The Missouri Sheriffs' Retirement System was created to provide retirement, disability, and survivor benefits to its member Sheriffs and their beneficiaries. The System, which was established in 1983, began issuing benefits in January 1986, to 21 retirees and 2 beneficiaries. In 2023, the System issued benefits to 147 retirees and 52 surviving beneficiaries. Total benefits paid were \$3,825,741 and administrative expenses were \$244,454.

The assessment of fees applied to civil and criminal cases filed in circuit courts and certain court divisions, including municipal courts, provided the necessary revenue to finance the retirement benefits. The amount of contributions received during 2023 totaled \$89,502. The fees were ruled unconstitutional in 2021 and settlement costs paid in 2022 totaled \$7,249,433. Beginning in January 2024, active sheriffs contributed 5% of their salary to fund the System. During the 2024 legislative session, we were able to secure state funding to help fund the System on a temporary basis. SJR 71 also passed allowing voters to vote in the November 2024 election to support law enforcement and defines the administration of justice. If the constitutional amendment passes, it will restore the original funding source for the Retirement System.

The investment policy of the Board is to follow the guidelines of the prudent person rule. This rule states that, "So far as practicable, the funds and property of the system shall be kept safely invested so as to earn a reasonable return, and shall be invested with the care, skill, prudence, and diligence of the circumstances then prevailing that a prudent person, acting in a like capacity, and familiar with these matters, would use in the conduct of an enterprise of like character and with like aims." The prudent person rule permits the Board to establish an investment policy based upon certain investment criteria and allows for the delegation of investment authority to professional investment advisors. Investment advisors are to execute the investment policy in accordance with statutory authority, the Board policy and their respective guidelines, but are allowed to use full discretion within the policy and guidelines. For the year 2023, investment increases totaled \$3,180,962.

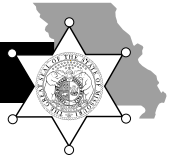
Every effort has been made to provide an informative, comprehensive, and practical report for the members' use. In addition to the Retirement Systems' membership, this report is supplied to the State Auditor's Office and the Joint Committee on Public Retirement Systems.

On behalf of the Board of Directors, I would like to convey my sincere appreciation to the many people whose determination and perseverance helped to establish and assure the successful operation of the Missouri Sheriffs' Retirement System for the past 40 years. If we can be of any assistance to you, please advise.

Respectfully submitted,

Melissa Lorts  
Executive Director

# SUMMARY OF PLAN PROVISIONS



## ***BOARD OF DIRECTORS***

The Sheriffs' Retirement System was established by the 82 nd General Assembly of the State of Missouri. Authorized by the provisions of Sections 57.949 through 57.997, RSMo, the Sheriffs' Retirement System was enacted into law December 21, 1983. The statutes provide that the general administration and responsibility for the proper operation of the fund and the investment of the fund be vested in a Board of Directors of five persons. Directors serve 4 year terms without compensation for their services except that each Director is paid for any necessary expenses incurred in the performance of duties authorized by the Board. The Board is elected by a secret ballot vote of the active sheriffs and members of the Sheriffs' Retirement System. At least 1 but not more than 2 of the Directors must be a retired member of the System. After the election and during the regular quarterly meeting, the Board elects one of their own as Chairman and one as Vice Chairman. The Board has all powers and duties that are necessary and proper to enable it, its officers, employees and agents to fully and effectively carry out all the purposes of the statutes governing it.

## ***FUNDING***

With a legislative change, we can receive funding from the state or county and can accept gifts, donations, grants, and bequests from public or private sources. The legislation also requires active sheriffs to contribute 5% of their salary to the retirement system beginning in January of 2024. Our primary funding source was a surcharge of three dollars in all civil actions filed in the courts of this state and in all criminal cases including violations of any county ordinance or any violation of criminal or traffic laws of this state, including infractions, but no such surcharge shall be assessed when the costs are waived or are to be paid by the state, county or municipality or when a criminal proceeding or the defendant has been dismissed by the court. This surcharge was determined as unconstitutional in June 2021. A constitutional amendment will be on the November 2024 ballot that defines the administration of justice. If the amendment passes, the original funding source for the Missouri Sheriffs' Retirement System will be restored.

## ***MEMBERSHIP IN SYSTEM***

On and after December 21, 1983, each person employed as an elected or appointed sheriff of a county (other than St. Louis County) is a member of the Sheriffs' Retirement System. Membership continues as long as the person continues to be an employee or receives or is eligible to receive benefits.

## ***MEMBERSHIP AND CREDITABLE SERVICE***

Creditable Service - The sum of both membership and creditable prior service.

Employee - An elective or appointive county sheriff who is employed by a county.

Membership Service - Service as a sheriff of a member county after becoming a member.

Prior Service - Service of a member rendered prior to December 21, 1983.

A county sheriff who held office on January 1, 1990, who served as sheriff of any county prior to December 21, 1983, but who was not serving as sheriff on December 21, 1983, will be given credit for prior service as sheriff.

A member with less than 8 years of creditable service will forfeit all rights in the fund, including the member's accrued creditable service as of the date of the member's termination of employment. However, a former member who has forfeited creditable service may have the creditable service restored by becoming an employee and completing 4 years of continuous membership service.

## ***AGE AND SERVICE***

Any member who is age 55 and who has 12 years or more of creditable service or any member who is age 62 and who has at least 8 years of creditable service as sheriff of a county may retire with a normal annuity.



# SUMMARY OF PLAN PROVISIONS

## ***RETIREMENT OPTIONS***

A member may retire any time after the end of the month that the member is eligible to retire. A retirement option must be selected by the member on an 'Application for Retirement Benefits'. The application must be filed no less than 30 nor more than 90 days prior to the effective retirement date. Once benefits have been issued, the election which was made is irrevocable. The payment of the annuity will begin on the first day of the calendar month coincident with or next following the date specified by the member. No person is eligible to receive any benefits while serving as sheriff in the State of Missouri.

***NORMAL ANNUITY*** - The normal annuity equals 2% of the member's average final compensation multiplied by the number of years of creditable service of the retired member. Average final compensation is the average of a member's 3 highest salary years. The normal annuity may not exceed 75% of the member's average final compensation. This limitation is effective at the completion of 37.5 years of service. Compensation includes all salary and other compensation payable by a county to an employee for personal services rendered as an employee, but does not include travel and mileage reimbursement, uniform or housing allowance. For the purpose of calculating benefits for years of service, twelfths of a year are used. A normal annuity is paid to a retiree during the retiree's lifetime. Upon the retiree's death, all payments cease.

### ***JOINT AND SURVIVOR OPTION WITH 100%, 75% OR 50% CONTINUANCE*** -

A retiree may elect to receive an actuarially reduced monthly benefit for the retiree's lifetime and to provide a continuance of 100%, 75% or 50% to the retiree's spouse. Upon the retiree's death, the continuance chosen by the retired member is paid to the member's surviving spouse for the spouse's lifetime. If the spouse predeceases the retired member once benefits have begun, the reduced normal annuity continues to the retired member during the retiree's lifetime.

***LIFE INCOME WITH GUARANTEED PAYMENTS - 60 MONTHS*** - With this option, the actuarially reduced benefit is payable for the lifetime of the retiree but with an added provision that the System will make at least 60 monthly payments. If the retiree should die during the 60 month period, the benefits will continue to the retiree's designated beneficiary for the remainder of the 60 month period.

***LIFE INCOME WITH GUARANTEED PAYMENTS - 120 MONTHS*** - With this option, the actuarially reduced benefit is payable for the lifetime of the retiree but with an added provision that the System will make at least 120 monthly payments. If the retiree should die during the 120 month period, the benefits will continue to the retiree's designated beneficiary for the remainder of the 120 month period.

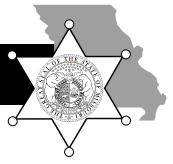
## ***VESTING***

A member who has 12 or more years of creditable service will be entitled to receive a normal annuity at age 55. A member who ceases employment with at least 8 years of creditable service will be entitled to receive a deferred normal annuity at age 62.

## ***MEDICAL SUPPLEMENT***

At the last meeting of each calendar year, the Board determines the monthly medical supplement to be paid to each retired member during the next calendar year. The maximum monthly amount allowable is \$450. The medical supplement may not be continued to any survivor or beneficiary.

# SUMMARY OF PLAN PROVISIONS



## ***COST OF LIVING ADJUSTMENT***

Each February, based on the consumer price index for the preceding calendar year, the Board will determine any increase to be applied to the retired members' benefits. Retired members will receive an increase in the amount of benefits received during the preceding year. The COLA increase will commence on March 1, of each year.

## ***SICKNESS OR INJURY***

Absences for sickness or injury of less than 12 months will be counted as membership service.

## ***SURVIVOR BENEFIT, NON-DUTY DEATH***

A death benefit of \$10,000 will be paid to the designated beneficiary of an active member upon the active member's death. If there is no designated beneficiary, it will be paid to the active member's estate.

If a member dies other than during the performance of the member's duty and before retirement, but after becoming eligible for retirement, if the member has been married for at least 2 years prior to such death, the member's surviving spouse will be entitled to receive a monthly benefit for the spouse's lifetime calculated as if the member had retired on the date of death and elected the Joint & Survivor Option with 50% Continuance.

## ***SURVIVOR BENEFIT, DUTY DEATH***

A death benefit of \$20,000 will be paid to the designated beneficiary of an active member who is killed in the performance of duty. If there is no designated beneficiary, it will be paid to the active member's estate.

If a member dies during the performance of the member's duty, in addition to the death benefit of \$20,000, the member's surviving spouse will be entitled to survivorship benefits of 50% of the accrued benefit, payable for a period of 5 years (this 5 year benefit is not subject to the annual cost of living adjustment); OR

If a member who dies is eligible for retirement prior to retiring, the surviving spouse of the member will be entitled to receive a monthly benefit for life calculated as if the member had retired on the date of death and elected the Joint & Survivor Option 50% Continuance. The member's benefit shall be reduced by one-fourth of one percent per month for an early commencement from the member's normal retirement date: Age fifty-five with twelve or more years of creditable service or age sixty-two with eight years of creditable service, to the member's date of death.

## ***DISABILITY BENEFITS***

Any active member of the system who is terminated from active employment as a result of an injury or illness received in the performance of the member's duty, as determined by the Board of Directors; or if an active member who is terminated as a result of injury or illness not received in the performance of the member's duty and who has five (5) years of creditable service and is entitled to Federal Social Security disability benefits applies to the Board, the member may be placed on disability leave and shall be entitled to receive disability benefits. Disability benefits are equal to 80% of the member's monthly compensation averaged over the 3 highest years of compensation, decreased by the member's primary Federal Social Security benefit. While on disability leave a member who has not accrued at least 8 years of creditable service shall accrue membership service until the member has accrued 8 years of creditable service. Disability benefits cease when a member retires, dies or reaches sixty-five (65) years of age, whichever later occurs. A member's benefit that cease as before mentioned will start receiving a normal retirement benefits except for death. Disability benefits also will discontinue if a member is no longer receiving Social Security disability benefits.



# INDEPENDENT AUDITOR'S REPORT



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Jefferson City, MO 65109

Phone: (573) 893-7700 Fax: (573) 893-6649  
Web: [gravescpas.com](http://gravescpas.com)

## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the  
Missouri Sheriffs' Retirement System  
Jefferson City, Missouri:

### *Opinions*

We have audited the accompanying financial statements of the Missouri Sheriffs' Retirement System (the "System"), as of and for the year ended December 31, 2023, 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 System, as of December 31, 2023, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

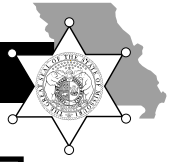
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

⌘ American Institute of Certified Public Accountants ⌘ Missouri Society of Certified Public Accountants ⌘

# INDEPENDENT AUDITOR'S REPORT



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 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.

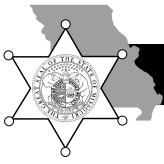
## *Auditor's Responsibilities for the Audit of the Financial Statements*

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 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, 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 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 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.



# INDEPENDENT AUDITOR'S REPORT

## *Required Supplementary Information*

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

## *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Administrative Expenses section 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.

*Graves and Associates,  
CPAs, LLC*

GRAVES AND ASSOCIATES, CPAs, LLC  
Jefferson City, Missouri

June 3, 2024



## MISSOURI SHERIFFS' RETIREMENT SYSTEM Jefferson City, Missouri

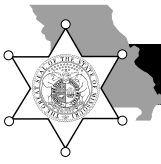
### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2023 (Unaudited)

This discussion and analysis of the Missouri Sheriffs' Retirement System financial performance provides an overview of the System's financial activities for the year ended December 31, 2023. Please read it in conjunction with the System's financial statements, which follow this section.

#### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction of the Missouri Sheriffs' Retirement System's financial reporting which is comprised of the statement of fiduciary net position, statement of changes in fiduciary net position, notes to the financial statements and required supplementary information. These financial statements, together with the notes to the financial statements, provide information about the financial position and activities of the System as a whole. The information in each of these components is briefly summarized as follows:

1. The Statement of Fiduciary Net Position is presented for the System at December 31, 2023. This financial statement reflects the resources available to pay benefits to retirees and beneficiaries at the end of the year reported.
2. The Statement of Changes in Fiduciary Net Position is presented for the System for the year ended December 31, 2023. This financial statement reflects the changes in the resources available to pay benefits to retirees and beneficiaries for the fiscal year 2023.
3. The Notes to the Financial Statements provide additional information that is essential for a full understanding of the data provided in the financial statements.
4. The Required Supplementary Information consist of management's discussion and analysis, the schedules of changes in net pension liability and related ratios, net pension liability, investment returns, contributions, and notes to the schedule of contributions.



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM Jefferson City, Missouri

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2023 (Unaudited)

#### Final Analysis

The components of the System's Statement of Fiduciary Net Position (Table 1) and Statements of Changes in Fiduciary Net Positions (Table 2) as of December 31, 2023, and 2022 for the years then ended were as follows:

<b>Table 1</b> <b>Missouri Sheriffs' Retirement System</b> <b>Fiduciary Net Position</b> <b>December 31</b>		
	2023	2022
<i>Cash and Investments</i>	\$38,319,290.62	\$39,108,005.71
<i>Receivables</i>	-	1,491.70
<i>Other Assets</i>	-	-
<i>Capital Assets, Net</i>	153,162.69	158,335.24
Total Assets	38,472,452.31	39,267,832.60
Total Liabilities	(4,494.37)	(3,099.28)
<i>Net Investment in Capital Assets</i>	153,162.69	158,335.19
<i>Net Position Restricted for Pension</i>	38,319,290.62	39,106,398.13
Total Fiduciary Net Position	38,468,157.94	39,264,733.32
<b>Table 2</b> <b>Missouri Sheriffs' Retirement System</b> <b>Changes in Fiduciary Net Position</b> <b>For the Year Ended December 31</b>		
	2023	2022
Additions:		
<i>Contributions</i>	\$89,501.70	\$49,594.73
<i>Investment Income, net</i>	3,234,298.29	(3,153,192.44)
<i>Investment Fees</i>	(53,335.58)	(55,055.60)
<i>Other Income</i>	3,155.89	279.33
<i>Total Investment Income, net</i>	3,180,962.71	(3,208,248.04)
Total Additions	3,273,620.30	(3,158,373.98)
Deductions:		
<i>Benefits Paid</i>	3,825,741.37	3,626,773.67
<i>Administrative Expenses</i>	244,454.31	7,478,182.39
Total Deductions	4,070,195.68	11,104,956.06
Net Increase in Net Position	(796,575.38)	(14,263,330.04)

# MANAGEMENT'S DISCUSSION AND ANALYSIS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM Jefferson City, Missouri

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2023 (Unaudited)

Net Position:	2023	2022
Beginning of Year	\$39,264,733.32	\$53,528,063.36
End of Year	38,468,157.94	39,264,733.32

#### Financial Highlights

- Total net position on December 31, 2023, was \$38,468,157.94, a decrease of \$796,575.38 compared to December 31, 2022. The decrease was due primarily to investment income and removal of the court fee collection.
- Total additions were \$3,234,298.29 and (\$3,153,192.44) on December 31, 2023, and 2022, respectively.
- Total deductions were \$4,070,195.68 and \$11,104,956.06 on December 31, 2023, and 2022 respectively.
- Non-employer contributions were \$89,501.70 and \$49,594.73 for the years ended December 31, 2023, and 2022 respectively.
- Net Investment Income was \$3,180,962.71 for the year ended December 31, 2023, and (\$3,208,248.04) for the year ended December 31, 2022.
- Benefits paid were \$3,825,741.37 and \$3,626,773.67 for the years ended December 31, 2023, and 2022, respectively.
- Administrative Expenses were \$244,454.31 and \$7,478,182.39 for the years ended December 31, 2023, and 2022, respectively.

#### Capital Assets

The System had \$153,162.69 and \$158,335.24 (net of accumulated depreciation) invested in an office building, furniture, and equipment as of December 31, 2023, and 2022, respectively. More



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM Jefferson City, Missouri

### MANAGEMENT'S DISCUSSION AND ANALYSIS For the Year Ended December 31, 2023 (Unaudited)

detailed information about the System's capital assets is presented in Note 6 to the basic financial statement.

<b>Table 3</b> <b>Capital Assets, Net of Depreciation</b> December 31, 2023, and 2022			
	<b>2023</b>		<b>2022</b>
Building and Improvements	\$151,386.50		\$157,050.50
Office Equipment and Furniture	1,776.28		1,284.74
Totals	153,162.78		158,335.24

#### Economic Factors and Next Year's Budget

Medical payments to the retirees will be \$450 in 2023. Effective March 1, 2023, a cost-of-living adjustment of 5% for all retirees and survivors will be implemented.

#### Financial Contact

The System's financial statements are designed to present users with a general overview of the finances and to demonstrate the trustee's accountability. If you have any questions about the report or need additional financial information, contact:

Melissa Lorts, Executive Director  
Missouri Sheriffs' Retirement System  
P.O. Box 105257  
Jefferson City, MO 65110-5257

# BASIC FINANCIAL STATEMENTS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM

### STATEMENT OF FIDUCIARY NET POSITION DECEMBER 31, 2023

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#### ASSETS:

Cash and Cash Equivalents	1,447,797
Prepaid Expenses	7,778

#### Investments at Fair Value:

Short-Term Investments	3,844
Certificates of Deposit	590,108
U.S. Government and Agency Obligations	20,255,054
Corporate Bonds	5,873,781
Common Stocks	10,140,928
Total Investments	<u>36,863,715</u>

#### Capital Assets, Net of Accumulated

Depreciation of \$113,213	153,163
TOTAL ASSETS	<u>38,472,452</u>

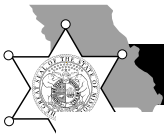
#### LIABILITIES:

Accounts Payable	4,168
Payroll Taxes Payable	126
TOTAL LIABILITIES	<u>4,294</u>

#### FIDUCIARY NET POSITION:

Net Investment in Capital Assets	153,163
Net Position Restricted for Pensions	38,314,995
TOTAL FIDUCIARY NET POSITION	<u>\$ 38,468,158</u>

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



# BASIC FINANCIAL STATEMENTS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM

### STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2023

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#### ADDITIONS TO NET POSITION:

##### Contributions:

Non-Employer	\$	89,502
Miscellaneous Income		<u>3,156</u>
Total Contributions		92,658

##### Investment Income (Loss):

Interest Income - Bank Accounts		62,336
Investment Interest and Dividend Income		223,542
Net Appreciation (Depreciation) in Fair Value of Investments		<u>2,948,420</u>
Total Investment Income (Loss)		3,234,298
Less: Investment Management Fees		<u>(53,336)</u>
Net Investment Income (Loss)		<u>3,180,963</u>
TOTAL ADDITIONS		<u>3,273,620</u>

#### DEDUCTIONS TO NET POSITION:

Benefits Paid Directly to Participants		3,825,741
Administrative Expenses		<u>244,454</u>
TOTAL DEDUCTIONS		<u>4,070,196</u>

Net Increase (Decrease) in Net Position		(796,575)
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#### NET POSITION:

Beginning of Year		<u>39,264,733</u>
End of Year	\$	<u><u>38,468,158</u></u>

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

# NOTES TO THE FINANCIAL STATEMENTS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 1 – SYSTEM DESCRIPTION:

The Missouri Sheriffs' Retirement System (the "System") became effective December 21, 1983, authorized by House Bill 81, Laws 1983 (codified at 57.900 et seq. RSMo). It is a defined benefit, cost-sharing multiple employer retirement system and was established to provide retirement benefits for an elective or appointive county sheriff who is employed by a county in the State of Missouri. Any member who has 1) attained the age of fifty-five years and who has twelve years or more of creditable service as a county sheriff, or 2) has attained the age of sixty-two years and has eight years or more of creditable service as a county sheriff may retire with a normal annuity. The normal annuity of a retired member is calculated based on their final average compensation of the retired member and the number of years of creditable service of said member, which is paid in monthly installments. In lieu of the normal annuity, the member may elect to receive a choice of two options for payment benefits in accordance with Section 57.979, RSMo Supp. 1997, with the minimum monthly accrued being no less than \$1,000 per month.

The general administration and the responsibility for the proper operation of the System are vested in a Board of Trustees of five persons elected by a vote of the sheriffs of the State of Missouri. Trustees are chosen for a term of four years. The Board of Trustees elect one of their members as chairman and one of their members as vice-chairman and may employ an administrator who serves as secretary to the board.

*Member* – Each person employed as an elected or appointed sheriff of a county shall become a member of the System. Membership shall continue as long as the person continues to be an employee, or receives or is eligible to receive benefits under the provisions of Sections 57.949 to 57.997. Membership of the Plan of the System consisted of the following as of the year ended, which is the date of the latest actuarial valuation:

Retirees Receiving Benefits	147
Beneficiaries Receiving Benefits	52
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	17
Active Plan Members	115
Disabled Members Receiving Benefits	1
Total Plan Membership	<u>332</u>

The System had 115 contributing members as of the year ended.



# NOTES TO THE FINANCIAL STATEMENTS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 1 – SYSTEM DESCRIPTION: (Continued)

*Creditable Service:* The sum of both membership service and creditable prior service, where membership service is service as a sheriff of a county after becoming a member. Creditable prior service is service of a member rendered prior to the effective date of the establishment of the System which provides that any county sheriff who becomes a member of the System on the effective date of the establishment of the System shall be given full credit for prior service as sheriff of a county in the State of Missouri. In addition, any member who was serving as a county sheriff on August 28, 1989, who also served with the Missouri State Highway Patrol and who has not received creditable service for the purpose of retirement for such service shall receive credit in the System for such service. Similarly, any county sheriff holding office on January 1, 1990, who served as sheriff of any county prior to the effective date of the establishment of the System, but who was not serving as sheriff of any county on the effective date of the establishment of the System, shall upon application, be given credit for prior service as sheriff of a county.

*Normal Retirement Date –* Age 55 with 12 or more years of creditable service, or age 62 with 8 years of creditable service as a county sheriff in the State of Missouri.

*Normal Retirement Benefit –* The normal annuity of a retired member shall equal 2% of annual compensation, averaged over the 3 highest years of compensation of the retired member, multiplied by the number of years of creditable service of the retired member, not to exceed seventy-five percent of the retired member's average final compensation, with a minimum monthly accrued benefit of \$1,000 per month.

*Disability Retirement Eligibility and Benefit –* Any active member of the System who is terminated from active employment as a result of injury or illness received either in the performance of the member's duty or injury or illness not received in the performance of the member's duty, and the member has 5 or more years of creditable service may be placed on disability leave. These members shall be entitled to receive a monthly disability leave benefit equal to 80% of the member's monthly average final compensation, decreased by the member's primary federal Social Security benefit. Payments continue until the later of age 65 or the point when the member would have accrued 8 years of creditable service, at which point normal retirement benefits will commence.

*Death Benefits –* A \$10,000 lump sum payment is paid to the designated beneficiary if death occurs while an active member. If death occurs in the performance of a member's duty, \$20,000 is paid in a lump sum with a surviving spouse receiving 50% of the benefit earned to the date of death for a period of 5 years. If a member dies other than during the performance of duty before retirement, the surviving spouse, if married for at least 2 years, shall be entitled to survivor benefits in accordance with Option 1 in Section 57.979, RSMo, as if the member had retired on the date of death. If the member is not of retirement age prior to the date of death and is vested, the eligible surviving spouse will receive survivor benefits as if the member retired before death and elected the 50% joint and survivor option.

*Medical Benefits –* Retired members of the System receive monthly benefits for medical costs. The benefit amount is determined annually by the Board of Trustees of the System, which was determined to be \$450 per month as of the year ended.

# NOTES TO THE FINANCIAL STATEMENTS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 1 – SYSTEM DESCRIPTION: (Continued)

*Vesting Upon Termination of Employment* – Any member with 8 or more years of creditable service shall be entitled to a deferred normal retirement benefit payable at age 55 with twelve or more years of creditable service, or age 62 with less than twelve years of creditable service.

*Non-Employer Contributions* – The System collects a surcharge of \$3 in all civil actions filed in the courts of the State of Missouri and in all criminal cases, including violation of any county ordinance or any violation of criminal or traffic laws of the State, including infractions. Contribution amounts are determined by legislation as per Section 57.955, RSMo. The System is no longer collecting this surcharge on new cases as of July 1, 2021, due to a ruling made by the Missouri Supreme Court.

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES:

#### Basis of Accounting

The financial statements for the System are presented on the accrual basis of accounting. Non-employer contributions are recognized in the period in which the contributions are due and for which employee services have been rendered. Benefits and refunds are recognized when due and payable in accordance with the terms of the System. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

#### Cash and Cash Equivalents

Cash and cash equivalents include all cash and short-term investments with a maturity date of three months or less from the date of acquisition.

#### Receivables

Receivables consist of non-employer, county surcharge amounts, accrued dividends, and interest on investments owed to the System related to the year under audit, but to be received in the subsequent year. Management has considered all receivables to be deemed as fully collectible as of the year ended. Therefore, no allowance for uncollectible accounts has been established.

#### Capital Assets

Property and equipment are presented at cost and are depreciated over their estimated useful lives. Depreciation for equipment, the building, and improvements to the building is calculated as follows:

<u>Asset</u>	<u>Depreciation Method Being Used</u>	<u>Estimated Useful Lives</u>
Building	Straight-Line Method	40 Years
Equipment	Straight-Line Method	5 – 7 Years
Building Improvements	Straight-Line Method	15 Years



# NOTES TO THE FINANCIAL STATEMENTS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES: (Continued)

#### Fiscal Authority and Responsibility

A Board of Trustees elected from the members has oversight responsibility over the general administration and operation of the System.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Method Used to Value Investments

Investments are reported at fair value on a trade date basis. Bonds and stocks traded on a national or international exchange are valued at the reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value. Dividend and interest income is recognized when earned.

### NOTE 3 – TRUSTEE AND PLAN INVESTMENTS:

All System investments are held by a trustee. Investments consisted of certificates of deposit, stocks, equity-funds, exchange traded products, government and non-government obligations, and mutual funds as of the year ended.

### NOTE 4 – DEPOSITS AND INVESTMENTS:

#### Cash Deposits

Cash balances include short-term securities held by the custodial bank to meet future obligations and operating balances held by the depository bank. As of the year ended, the carrying amount of the System's deposits was \$1,447,797, and the bank balance was \$1,459,846. Of the bank balance, \$500,000 was covered by the Federal Depository Insurance Corporation ("FDIC") and the remaining deposits were covered by pledged securities as of the year ended.

# NOTES TO THE FINANCIAL STATEMENTS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 4 – DEPOSITS AND INVESTMENTS: (Continued)

#### Cash Deposits (Continued)

*Custodial Credit Risk for Deposits* – Custodial credit risk for deposits is the risk that in the event of a bank failure, the System's deposits may not be returned to it. Missouri state law requires all public funds be collateralized with acceptable securities having market values of at least 100% of the amount of funds on deposit (less any amount covered by FDIC insurance). The System had a deposit policy for custodial credit risk in place as of the year ended.

#### Investments

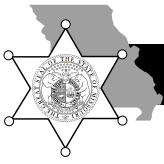
*Investment Policy* – The System's investments in excess of a safe operating balance are invested by the investment agents under policies and procedures established by the Board of Trustees. Section 469.909.1 RSMo, authorizes any investment which a prudent person acting in a like capacity and familiar with similar matters would use in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibility with respect to the retirement system is covered by this "prudent person" rule. The System's investment policy with the investment agent states the following: 1) all investments should be made in fixed income securities and said securities must be rated at an investment grade of A or greater at the time of the original purchase and 2) the portfolio should be made up of high quality, well diversified range of securities.

*Investment Summary* – The following table represents the summary of the System's investments by type as of the year ended:

Short-Term Investments		\$ 3,844
Certificates of Deposit		590,108
U.S. Government:		
U.S. Agencies	17,639,378	
Taxable Municipals	<u>2,615,676</u>	
Total U.S. Government		20,255,054
Corporate Bonds		5,873,781
Common Stock		<u>10,140,928</u>
Total Investments		<u>\$ 36,863,714</u>

#### Certificates of Deposit:

<u>Maturity Date</u>	<u>Interest</u>	<u>Carrying Value</u>
4/26/2024	5.00%	\$ 239,719
6/17/2024	5.45%	200,086
3/24/2025	5.25%	<u>150,303</u>
Total		<u>\$ 590,108</u>



# NOTES TO THE FINANCIAL STATEMENTS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 4 – DEPOSITS AND INVESTMENTS: (Continued)

#### Investments (Continued)

*Custodial Credit Risk for Investments* – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the System will not be able to recover the value of its investment or the collateral securities in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the System's name, and are held by either: a) the counterparty or b) the counterparty's trust department or agent but not in the System's name.

#### Fair Value Measurement

The System categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and give the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgement and considers factors specific to each asset or liability.

The fair value of cash and short-term investments approximates market or fair value. The following methods and assumptions were used to estimate the fair value of each significant class of financial instruments for which it is practical to estimate the value:

Equities within all asset classes (including mutual funds and exchange traded funds) are classified as fair value securities since they are priced in the open market using prices quoted in active markets for those securities. Equity and equity derivative securities classified in Level 2 are securities whose values are derived daily from associated traded securities. Equity securities classified in Level 3 are valued with last trade data having limited trading volume. The System portfolio holds no Level 3 equity securities as of the year ended.

# NOTES TO THE FINANCIAL STATEMENTS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 4 – DEPOSITS AND INVESTMENTS: (Continued)

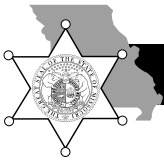
#### Fair Value Measurement (Continued)

Fixed income securities within all asset classes (including mutual funds and exchange traded funds) are classified as fair value securities since they are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features, and ratings. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Such securities include U.S. Treasuries, corporate and agency bonds, bank loans, and mortgage back securities. Level 2 fixed income securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

The System's assets are measured at fair value on a recurring basis, aggregated by level in the fair value hierarchy within those measurements fall are as follows as of the year ended:

	Total	Level 1	Level 2	Level 3
Assets:				
Cash (at cost)	\$ 3,844	\$ -	\$ -	\$ -
Certificates of Deposit	590,108	-	590,108	-
Common Stocks (Equity):				
Large Cap	5,566,894	5,566,894	-	-
International	1,448,842	1,448,842	-	-
Mid and Small Cap	3,125,192	3,125,192	-	-
Total Equity	10,140,928	10,140,928	-	-
Bonds:				
U.S. Corporate Bonds	5,873,781	-	5,873,781	-
U.S. Government and Agency Obligations	20,255,054	-	20,255,054	-
Total Bonds	26,128,835	-	26,128,835	-
Total	\$ 36,863,715	\$ 10,140,928	\$ 26,718,943	\$ -

*Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer.* Management has determined that the System has a concentration of credit risk when it holds 5% or more of total investments in any one issuer. As of the year ended, no investments in any one organization represent 5% of the Plan's net position. Investment securities explicitly guaranteed by the U.S. government and pooled investments are not included in this disclosure requirement.



# NOTES TO THE FINANCIAL STATEMENTS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 4 – DEPOSITS AND INVESTMENTS: (Continued)

#### Fair Value Measurement (Continued)

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's performance goals are to earn a return equal to the actuarial required return, which is currently set at 7.0% as of the year ended. The plan of the System minimized this risk by 1) structuring the portfolio so securities mature to meet cash requirements for ongoing operations, 2) using cash flow modeling to moderate the interest rate risk by reducing any unanticipated security sales which could result in a loss of principal, and 3) maintain the operating funds primarily in repurchase agreements according to the banking contract. For the interest rate risk measurement for the plan, the investing agent employs the duration and weighted average life of securities method.

The following table summarizes System investment maturities as of the year ended:

	Less than One Year	One to Three Years	Three to Five Years	Five to Ten Years	Greater than Ten Years	Total
U.S. Agencies	\$ 6,040,942	\$ 8,867,682	\$ 1,101,556	\$ 753,877	\$ 875,322	\$ 17,639,378
Taxable Municipals	371,983	1,218,184	1,025,509	-	-	2,615,676
Corporate Bonds	712,573	3,738,915	1,306,063	-	116,231	5,873,781
	<u>\$ 7,125,498</u>	<u>\$ 13,824,780</u>	<u>\$ 3,433,127</u>	<u>\$ 753,877</u>	<u>\$ 991,552</u>	<u>\$ 26,128,835</u>

*Rate of Return* – As of the year ended, the annual money-weight of return on plan investments, net of plan investment expense, was 7.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts that were actually invested during the year.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System tries to maintain a diversified portfolio per the asset allocation goals as set by the Board of Trustees and has been set as follows:

- The Fixed Income Portfolio goal is 50% of the assets within a minimum of 40% and a maximum of 60%.
- The Equity Portfolio goal is 40% with a minimum of 30% and a maximum of 60%. This includes:
  1. large cap value core goal of 15% with a minimum of 0% to a maximum of 60%,
  2. large cap growth core goal of 15% with a minimum of 0% to a maximum of 60%,
  3. mid cap core goal of 10% with a minimum of 0% to a maximum of 20%,
  4. small cap growth and value core goal of 12.5% with a minimum of 0% to a maximum of 25%, and
  5. international core goal of 12.5% with a minimum of 0% to a maximum of 25%.
- The Cash Equivalent goal is a minimum of 0% to a maximum of 10%

In regard to the corporate bonds, the System's investment policy with the investment agent states that the investment agent must not invest System assets with an investment grade (provided by S&P or Moody's) of BBB-/Baa3 or higher on fixed income securities.

# NOTES TO THE FINANCIAL STATEMENTS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 4 – DEPOSITS AND INVESTMENTS: (Continued)

#### Fair Value Measurement (Continued)

The Systems' investments by credit rating category as of the year ended is presented in the following table:

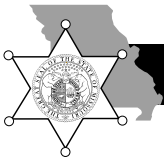
<u>Investment Type</u>	<u>Moody Rating</u>	<u>Market Value</u>
Corporate Bonds	A1	\$ 894,235
Corporate Bonds	A2	1,064,058
Corporate Bonds	A3	1,337,161
Corporate Bonds	Aa3	343,508
Corporate Bonds	Baa1	1,298,860
Corporate Bonds	Baa2	935,959
U.S. Government Bonds	AAA	14,895,424
U.S. Government Bonds	A1	225,679
U.S. Government Bonds	Aa1	87,871
U.S. Government Bonds	Aa2	772,157
U.S. Government Bonds	Aa3	330,298
U.S. Government Bonds	NR	3,943,626
Total		<u>\$ 26,128,835</u>

### NOTE 5 – NET PENSION LIABILITY (ASSET):

*Net Pension Liability* – The components of net pension liability (asset) of the System as of the year ended were as follows:

Total Pension Liability	\$ 56,176,935
Less: Plan Fiduciary Net Position	<u>(38,468,158)</u>
Net Pension Liability (Asset)	<u>\$ 17,708,777</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.48%

*Actuarial Assumptions* – Actuarial valuation of the System involve estimates of the reported amount and assumptions about probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability (asset) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.



# NOTES TO THE FINANCIAL STATEMENTS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 5 – NET PENSION LIABILITY (ASSET): (Continued)

As of the year ended, the discount rate decreased slightly from prior year to 6.93%. A municipal bond rate of 4.00% was used in the development of the blended GASB discount rate after that point. The 4.00% rate is based on S&P Municipal Bond 20-Year High Grade Rate Index. Based on the long-term rate of return and the municipal bond rate, the blended GASB discount rate was 6.93% as of the year ended.

As of the year ended, the discount rate decreased slightly from prior year to 6.93%. The System's fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members and, therefore, the total pension liability was measured using the 6.93% valuation assumption as of the year ended.

The total pension liability was determined by an actuarial valuation as of the year ended and a summary of the actuarial assumptions as of year ended are shown below.

Rate of Inflation	_____	2.75% compounded annually
Projected Salary Increases	_____	2.75% per year
Investment Rate of Return	_____	7.0%, net of pension plan investment, including inflation

Current year mortality rates were based on the PubS-2010 mortality tables, fully generational, using Scale MP-2021 for active lives, inactive lives, beneficiaries, and disabled lives.

The Schedule of Net Pension Liability (Asset) presents multi-year trend information about whether the System's plan net position is increasing or decreasing over time related to the total pension liability. This schedule is presented in the required supplementary information following the notes to the financial statements. Additional actuarial assumptions and cost methods used are as follows:

Valuation Date	_____	1/1/2024
Actuarial Cost Method	_____	Entry Age Normal
Amortization Method	_____	Level Dollar
Amortization Period for UAAL	_____	20 years, Open
Asset Valuation Method	_____	Actuarial, 5 year Smoothed Value

*Discount Rate* – The single discount rate of 6.93% was used to measure the total pension liability. The projection of cash flows used to determine the discount rate assumed the contributions will continue to follow the current funding policy. 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.

# NOTES TO THE FINANCIAL STATEMENTS



## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 5 – NET PENSION LIABILITY (ASSET): (Continued)

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate:* The following presents the net pension liability (asset) of the System, calculated using the discount rate of 6.93%, as well as what the System's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.93%) or 1-percentage-point higher (7.93%) than the current rate:

	1% Decrease	Current	1% Increase
Discount Rate	5.93%	6.93%	7.93%
Net Pension Liability (Asset)	\$23,777,044	\$17,708,777	\$12,591,443

### NOTE 6 – CAPITAL ASSETS:

Property and equipment and accumulated depreciation by major class are as follows as of the year ended:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Being Depreciated:				
Buildings and Improvements	\$225,484	\$ -	\$ -	\$225,484
Office Equipment and Furniture	46,065	1,691	-	47,756
Total Capital Assets Being Depreciated	271,549	1,691	-	273,240
Less Accumulated Depreciation for:				
Buildings and Improvements	(68,433)	(5,664)	-	(74,097)
Office Equipment and Furniture	(44,780)	(1,199)	-	(45,979)
Total Accumulated Depreciation	(113,213)	(6,863)	-	(120,076)
Total Capital Assets Being Depreciated, Net	158,336	(5,172)	-	153,164
Capital Assets, Net	<u>\$158,336</u>	<u>\$(5,172)</u>	<u>\$ -</u>	<u>\$153,164</u>

Total depreciation expense for the year ended was \$6,863.



# NOTES TO THE FINANCIAL STATEMENTS

## MISSOURI SHERIFFS' RETIREMENT SYSTEM NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

### NOTE 7 – RISK MANAGEMENT:

The System is exposed to various risks of loss related to natural disasters, errors and omissions, loss of assets, torts, etc. The System has chosen to cover such losses through the purchase of commercial insurance. There have been no material insurance claims filed or paid during the past three years.

### NOTE 8 – RETIREMENT PLAN:

In 2019, the System implemented a Simple IRA plan. Contributions were made at the rate of 3% for the current year and totaled \$2,212, for eligible employees as of the year ended.

### NOTE 9 – EVALUATION OF SUBSEQUENT EVENTS:

Effective January 1, 2024, all active members will be required to contribute 5% of pay to the System for use in paying retirement benefits.

The System has evaluated subsequent events through June 3, 2024, the date which the financial statements were available to be issued.

# SCHEDULE OF CHANGES IN NET PENSION LIABILITY



## MISSOURI SHERIFFS' RETIREMENT SYSTEM

### SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS FOR THE YEAR ENDED DECEMBER 31, 2022

TOTAL PENSION LIABILITY	2023	2022	2021	2020	2019	2018	2017	2016	2015
Service Cost	\$ 962,750	\$ 814,443	\$ 795,248	\$ 721,829	\$ 1,343,193	\$ 1,318,522	\$ 1,333,456	\$ 1,418,579	\$ 1,176,061
Interest	3,440,532	3,215,603	3,035,486	2,914,010	3,274,835	3,093,793	2,956,838	2,847,395	2,865,483
Changes of Benefit Terms	2,949,963	-	-	-	-	-	-	-	-
Difference Between Expected and Actual Experience	2,382,552	3,136,613	2,290,218	1,364,294	(52,046)	1,331,217	22,008	(1,414,222)	(498,679)
Change of Assumptions	166,297	(375,434)	-	-	(5,907,763)	-	(2,572,936)	(4,831,045)	4,858,329
Benefit Payments	(3,825,741)	(3,626,774)	(3,507,329)	(3,169,024)	(3,213,970)	(3,149,815)	(2,884,584)	(2,444,156)	(2,574,786)
Net Change in Total Pension Liability	6,076,353	3,164,451	2,613,623	1,831,109	(4,555,751)	2,593,717	(1,145,218)	(4,423,449)	5,826,408
Total Pension Liability - Beginning	50,100,582	46,936,131	44,322,508	42,491,399	47,047,150	44,453,433	45,598,651	50,022,101	44,195,693
Total Pension Liability - Ending	\$ 56,176,935	\$ 50,100,582	\$ 46,936,131	\$ 44,322,508	\$ 42,491,399	\$ 47,047,150	\$ 44,453,433	\$ 45,598,651	\$ 50,022,101
PLAN FIDUCIARY NET POSITION									
Non-employer Contributions	\$ 89,502	\$ 49,595	\$ 973,559	\$ 1,636,185	\$ 2,139,149	\$ 2,171,831	\$ 2,244,831	\$ 2,383,322	\$ 2,348,981
Net Investment Income (Loss)	3,184,118	(3,207,969)	5,002,853	5,013,615	7,402,670	(1,965,882)	4,791,482	3,269,749	(74,580)
Benefit Payments, including Refund of Member Contributions	(3,825,741)	(3,626,774)	(3,507,329)	(3,169,024)	(3,213,970)	(3,149,815)	(2,884,583)	(2,444,157)	(2,574,786)
Administrative Expenses	(244,454)	(228,749)	(427,074)	(285,708)	(453,072)	(384,160)	(295,097)	(224,817)	(254,217)
Other	-	(7,249,433)	-	5,000	-	(2)	205	-	(52,475)
Net Change in Plan Fiduciary Net Position	(796,575)	(14,263,330)	2,042,009	3,200,068	5,874,777	(3,328,028)	3,856,837	2,984,097	(607,077)
Plan Fiduciary Net Position - Beginning	39,264,733	53,528,063	51,486,054	48,285,986	42,411,209	45,739,237	41,882,400	38,898,303	39,505,380
Plan Fiduciary Net Position - Ending	\$ 38,468,158	\$ 39,264,733	\$ 53,528,063	\$ 51,486,054	\$ 48,285,986	\$ 42,411,209	\$ 45,739,237	\$ 41,882,400	\$ 38,898,303
Net Pension Liability (Asset) - Ending	\$ 17,708,777	\$ 10,835,849	\$ (6,591,932)	\$ (7,163,546)	\$ (5,794,587)	\$ 4,635,941	\$ (1,285,804)	\$ 3,716,251	\$ 11,123,798
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.48%	78.37%	114.04%	116.16%	113.64%	90.15%	102.89%	91.85%	77.76%
Covered-Employee Payroll	\$ 9,597,951	\$ 8,669,978	\$ 7,263,147	\$ 6,974,943	\$ 6,799,946	\$ 6,538,948	\$ 6,455,721	\$ 6,167,917	\$ 5,558,150
Net Pension Liability as a Percentage of Covered-Employee Payroll	184.51%	124.98%	(90.76%)	(102.70%)	(85.22%)	70.90%	(19.92%)	60.25%	200.13%

Ultimately, 10 years of data will be displayed, once available.



# SCHEDULE OF NET PENSION LIABILITY

## MISSOURI SHERIFFS' RETIREMENT SYSTEM

### SCHEDULE OF NET PENSION LIABILITY (ASSET) FOR THE YEAR ENDED DECEMBER 31, 2022

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Plan Fiduciary Net Position									
Net Pension Liability (Asset)	\$ 56,176,935	\$ 50,100,582	\$ 46,936,131	\$ 44,322,508	\$ 42,491,399	\$ 47,047,150	\$ 44,453,433	\$ 45,598,651	\$ 50,022,101
	(38,468,158)	(39,264,733)	(53,528,063)	(51,486,054)	(48,285,986)	(42,411,209)	(45,739,237)	(41,882,400)	(38,898,303)
	\$ 17,708,777	\$ 10,835,849	\$ (6,591,932)	\$ (7,163,546)	\$ (5,794,587)	\$ 4,635,941	\$ (1,285,804)	\$ 3,716,251	\$ 11,123,798
Ultimately, 10 years of data will be displayed, once available.									
<u>Schedule of Investment Return:</u>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.20%	6.14%	9.32%	8.95%	6.34%	5.06%	8.29%	8.44%	(-0.33%)
Ultimately, 10 years of data will be displayed, once available.									
<u>Schedule of Contributions:</u>									
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 89,502	\$ 49,595	\$ 973,559	\$ 1,636,185	\$ 2,139,149	\$ 2,171,831	\$ 2,244,831	\$ 2,383,322	\$ 2,348,981
	(89,502)	(49,595)	(973,559)	(1,636,185)	(2,139,149)	(2,171,831)	(2,237,613)	(2,383,322)	(2,348,981)
Contributions in Relation to the Actuarially Determined Contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,218	\$ -	\$ -
Contribution Deficiency (Excess)	\$ 9,597,951	\$ 8,669,978	\$ 7,263,147	\$ 6,974,943	\$ 6,799,946	\$ 6,538,948	\$ 6,455,721	\$ 6,167,917	\$ 5,558,150
Covered-Employee Payroll	184.51%	124.98%	(90.76%)	(102.70%)	(85.22%)	70.90%	(19.92%)	60.25%	200.13%
Contributions as a Percentage of Covered-Employee Payroll									
Ultimately, 10 years of data will be displayed, once available.									

## MISSOURI SHERIFFS' RETIREMENT SYSTEM

### NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023

The information presented in the Required Supplementary Information was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

Valuation Date	1/1/2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Amortization Period for UAAL	20 Years, Open
Asset Valuation Method	Actuarial, 5 Year Smoothed Value
Actuarial Assumptions:	
Rate of Inflation	2.75%, Compounded Annually
Investment of Rate of Return	7.0%, Net Pension Plan Investment

# SCHEDULE OF ADMINISTRATIVE EXPENSES



## MISSOURI SHERIFFS' RETIREMENT SYSTEM

### SCHEDULE OF ADMINISTRATIVE EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

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#### Personnel Services:

Salary Expense	\$	78,229
Employee Payroll Tax		6,231
Total Personnel Services		<u>84,460</u>

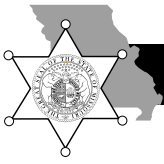
#### Professional Services:

Legal Consultant		10,225
Governemenal Consultant		40,487
Actuary Fee		20,556
Audit and Accounting		16,004
Pension Disbursement		10,440
Total Professional Services		<u>97,711</u>

#### Miscellaneous:

Agency Expense		21,746
Depreciation		6,863
Travel Expense		3,023
Office Supplies		20,178
Postage		2,155
Insurance Premiums		1,898
Life Insurance		6,420
Total Miscellaneous		<u>62,284</u>

TOTAL ADMINISTRATIVE EXPENSES	\$	<u><u>244,454</u></u>
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# ACTUARY'S LETTER OF CERTIFICATION



184 Shuman Blvd, Suite 305 Naperville, IL 60563 · (630) 620-0200 · Fax (239) 481-0634 · [www.foster-foster.com](http://www.foster-foster.com)

April 4, 2024

Board of Directors  
Missouri Sheriffs' Retirement System

Re: 2024 Actuarial Valuation Report – Missouri Sheriffs' Retirement System

Dear Board:

We are pleased to present to the Board these excerpts of the full 2024 actuarial valuation of the Missouri Sheriffs' Retirement System. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits and to develop the appropriate funding requirements for the applicable plan year. Please note that this valuation may not be applicable for any other purposes.

The valuation has been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Chapter 57 of Missouri law, as well as applicable federal laws and regulations. In our opinion, the assumptions used in this valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

The funding percentages and unfunded accrued liability as measured based on the actuarial value of assets will differ from similar measures based on the market value of assets. These measures, as provided, are appropriate for determining the adequacy of future contributions, but may not be appropriate for the purpose of settling a portion or all of its liabilities.

In conducting the valuation, we have relied on personnel, plan design, and asset information supplied by the Board, financial reports prepared by the custodian bank and the actuarial assumptions and methods described in the Actuarial Assumptions section of this report. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

# ACTUARY'S LETTER OF CERTIFICATION



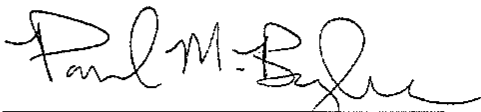
The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All of the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on valuations of the program has any direct financial interest or indirect material interest in the Missouri Sheriffs' Retirement System, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Directors of the Missouri Sheriffs' Retirement System. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

If there are any questions, concerns, or comments about any of the items contained in this report, please contact us at 630-620-0200.

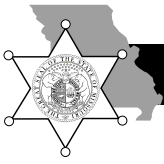
Respectfully submitted,

Foster & Foster, Inc.

By:   
Paul M. Baugher, FSA, EA, MAAA

By:   
Tyler A. Koftan, EA/MAAA

PMB/lke  
Enclosures



# SUMMARY OF VALUATION RESULTS

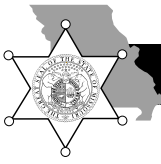
## COMPARATIVE SUMMARY OF PRINCIPAL VALUATION RESULTS

	New Benefits <u>1/1/2024</u>
A. Participant Data	
Number Included	
Actives	115
Service Retirees	147
Beneficiaries	52
Disability Retirees	1
Terminated Vested	<u>17</u>
Total	332
Total Annual Payroll	\$9,597,951
Annual Rate of Payments to:	
Service Retirees	2,698,087
Beneficiaries	615,076
Disability Retirees	19,464
Terminated Vested	209,870
B. Assets	
Actuarial Value	41,160,902
Market Value	38,468,158
C. Liabilities	
Normal Cost (Retirement)	851,125
Normal Cost (Disability)	82,400
Normal Cost (Death)	5,469
Normal Cost (Vesting)	<u>12,863</u>
Total Normal Cost	951,857
Accrued Liability (Retirement)	16,012,606
Accrued Liability (Disability)	106,992
Accrued Liability (Death)	47,439
Accrued Liability (Vesting)	39,498
Accrued Liability (Inactives)	<u>39,627,331</u>
Total Actuarial Accrued Liability	55,833,866
Unfunded Actuarial Accrued Liability (UAAL)	14,672,964
Funded Ratio (AVA / AL)	73.7%

# SUMMARY OF VALUATION RESULTS



	New Benefits <u>1/1/2024</u>
D. Actuarial Present Value of Accrued Benefits	
Vested Accrued Benefits	
Inactives	39,627,331
Actives	<u>10,074,315</u>
Total	49,701,646
Non-vested Accrued Benefits	<u>3,959,821</u>
Total Present Value Accrued Benefits	53,661,467
Funded Ratio (MVA / PVAB)	71.7%
Increase (Decrease) in Present Value of Accrued Benefits Attributable to:	
Plan Amendments	0
Assumption Changes	4,139,021
New Accrued Benefits	0
Benefits Paid	0
Interest	0
Other	<u>0</u>
Total	4,139,021
Valuation Date	1/1/2024
Applicable to Fiscal Year Ending	<u>12/31/2024</u>
E. Pension Cost	
Normal Cost	\$951,857
Administrative Expenses	223,000
Payment Required to Amortize Unfunded Actuarial Accrued Liability over 20 years (as of 1/1/2024)	1,294,415
Pension Supplement	<u>799,200</u>
Total Recommended Contribution	3,268,472
Expected Member Contributions	(479,898)
Net Recommended Contribution	2,788,574



# ACTUARIAL ASSUMPTIONS AND METHODS

## ACTUARIAL ASSUMPTIONS AND METHODS

**Interest Rate** 7.00% per year compounded annually, net of investment related expenses. This is supported by the target asset allocation of the trust and the expected long-term return by asset class.

**Mortality Rate** PubS-2010 mortality tables, projected generationally with 75% of the most recent projection scale (currently Scale MP-2021). 0% of active deaths are assumed to be in the line of duty.

**Retirement Age** Eligible members are assumed to retire in election years at a rate of 50% at first eligibility and 100% at all future years. No retirements are expected in non-election years. This is based on a 2019 experience study performed for the Plan.

**Disability Rate** See table below. 100% of the disabilities are assumed to be in the line of duty. This is based on a 2019 experience study performed for the Plan.

% Becoming Disabled During the Year	
Age	Rate
25	0.100%
35	0.168%
45	0.255%
55	0.555%

**Termination Rate** 25% per year in election years. No terminations are expected in non-election years. This is based on a 2019 experience study performed for the Plan.

**Inflation (for COLA)** 2.75%.

**Salary Increases** 2.75% per year. This is based on a 2019 experience study performed for the Plan.

**Marital Status** 100% of Members are assumed to be married.

**Spouse's Age** Males are assumed to be three years older than females.

**Funding Method** Entry Age Normal Cost Method.

**Actuarial Asset Method** Investment gains and losses are smoothed over a 5-year period.

**Funding Policy Amortization Method** The UAAL is amortized according to a Level Dollar method over an open period of 20 years.

**Administrative Expenses** Budgeted 2024 expenses (as provided by the System) of \$223,000 are included in the Normal Cost.

**Lump Sum Death Benefit** Not explicitly valued since the benefit is fully insured.

# STATEMENT OF CHANGES IN FIDUCIARY NET POSITION



## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEAR ENDED December 31, 2023 Market Value Basis

### ADDITIONS

#### Contributions:

Employer	89,502	
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Total Contributions		89,502
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#### Investment Income:

Net Increase in Fair Value of Investments		3,237,454
Less Investment Expense <sup>1</sup>		(53,336)

Net Investment Income		3,184,118
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Total Additions		3,273,620
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### DEDUCTIONS

#### Distributions to Members:

Benefit Payments	3,825,741	
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Total Distributions		3,825,741
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Administrative Expenses		244,454
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Total Deductions		4,070,195
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Net Increase in Net Position		(796,575)
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### NET POSITION RESTRICTED FOR PENSIONS

Beginning of the Year		39,264,733
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End of the Year		38,468,158
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<sup>1</sup> Investment Related expenses include investment advisory, custodial and performance monitoring fees.



# ACTUARIAL ASSET VALUATION

## ACTUARIAL ASSET VALUATION

December 31, 2023

Actuarial Assets for funding purposes are developed by recognizing the total actuarial investment gain or loss for each Plan Year over a five year period. In the first year, 20% of the gain or loss is recognized. In the second year 40%, in the third year 60%, in the fourth year 80%, and in the fifth year 100% of the gain or loss is recognized. The actuarial investment gain or loss is defined as the actual return on investments minus the actuarial assumed investment return. Actuarial Assets shall not be less than 80% nor greater than 120% of the Market Value of Assets.

Plan Year Ending	Gain/(Loss)	Gains/(Losses) Not Yet Recognized				
		Amounts Not Yet Recognized by Valuation Year				
		2024	2025	2026	2027	2028
12/31/2020	1,696,895	339,379	0	0	0	0
12/31/2021	1,502,459	600,984	300,492	0	0	0
12/31/2022	(6,821,726)	(4,093,036)	(2,728,690)	(1,364,345)	0	0
12/31/2023	574,911	459,929	344,947	229,964	114,982	0
Total		(2,692,744)	(2,083,251)	(1,134,381)	114,982	0

### Development of Investment Gain/Loss

Market Value of Assets, 12/31/2022	39,264,733
Contributions Less Benefit Payments & Administrative Expenses	(3,980,693)
Expected Investment Earnings <sup>1</sup>	2,609,207
Actual Net Investment Earnings	3,184,118
2024 Actuarial Investment Gain/(Loss)	574,911

<sup>1</sup> Expected Investment Earnings = 7.00% x (39,264,733 + 0.5 x -3,980,693)

### Development of Actuarial Value of Assets

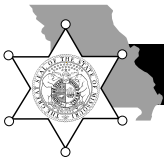
Market Value of Assets, 12/31/2023	38,468,158
(Gains)/Losses Not Yet Recognized	2,692,744
Actuarial Value of Assets, 12/31/2023	41,160,902
(A) 12/31/2022 Actuarial Assets:	42,244,409
(I) Net Investment Income:	
1. Interest and Dividends	3,156
2. Realized Gains (Losses)	3,234,298
3. Change in Actuarial Value	(286,932)
4. Investment Expenses	(53,336)
Total	2,897,186
(B) 12/31/2023 Actuarial Assets:	41,160,902
Actuarial Asset Rate of Return = (2 x I) / (A + B - I):	7.20%
Market Value of Assets Rate of Return:	8.53%
12/31/2023 Limited Actuarial Assets:	41,160,902
Actuarial Gain/(Loss) due to Investment Return (Actuarial Asset Basis)	79,402

# SUMMARY OF CURRENT PLAN



## SUMMARY OF CURRENT PLAN

<u>Legal Basis</u>	The Plan is established and administered as prescribed by Chapter 57 of Missouri Law.
<u>Plan Administration</u>	The Plan is administered by a Board of Directors of five persons. Directors are elected by a vote of the sheriffs of counties within the state.
<u>Credited Service</u>	Years and months of service as a sheriff of a county after becoming a member.
<u>Final Average Compensation</u>	Average of three highest years of compensation.
<u>Normal Retirement</u>	
Date	Attainment of either: <ol style="list-style-type: none"><li>1. Age 55 with 12 years of Credited Service, or</li><li>2. Age 62 with 8 years of Credited Service.</li></ol>
Benefit	2.00% of Final Average Compensation times Credited Service, up to a maximum of 75% of Final Average Compensation. Minimum monthly accrued benefit is \$1,000 per month.
Form of Benefit	Normal form is a Single Life Annuity. Optional forms of a certain & life annuity (5 year or 10 year) or a joint & survivor annuity (50%, 75% or 100%). Benefits are adjusted using the Plan actuarial equivalence (6.00% interest and RP-2000 Blue Collar Male mortality table).
<u>Disability Leave</u>	
Eligibility	Terminated employment as a result of an injury or illness received either: <ol style="list-style-type: none"><li>1. In the line of duty (no Credited Service requirement)</li><li>2. Not in the line of duty after attaining at least five years of Credited Service.</li></ol>
Benefit Amount	80% of Final Average Compensation offset by the member's primary federal Social Security benefit. Board determines member's eligibility based on entitlement to Social Security disability benefits. Payments continue until the later of age 65 or the point when the member would have accrued 8 years of Creditable Service, at which point Normal Retirement benefits will commence.



## SUMMARY OF CURRENT PLAN

### Cost-of-Living Adjustment

An annual increase each March 1 equal to the annual unadjusted percentage increase in the consumer price index-u for the prior calendar year. Maximum annual increase of 5.0%.

### Vesting (Termination)

#### Service Requirement

8 years of Creditable Service.

#### Vested Benefit

Normal Retirement benefit payable at:

- Age 55 with at least 12 years of Creditable Service, or
- Age 62 with less than 12 years of Creditable Service.

### Pre-Retirement Death

#### Lump Sum

\$10,000 paid to designated beneficiary (or estate) of every active member upon death. Amount increases to \$20,000 if member was killed in the line of duty.

#### Annuity

Benefit equal to:

- In Line of Duty Death: 50% of Normal Retirement benefit earned, payable for a period of 60 months, if death occurs in the line of duty.
- Not in Line of Duty Death: Survivor benefit as if member had retired before death and elected the 50% joint & survivor option.

### Pension Supplement

Each year where there are anticipated deposits in excess of the sum of the normal cost plus the amortization of the Unfunded Actuarial Accrued Liability over not more than 30 years (currently using 20 years), a monthly benefit not exceeding \$450 may be paid to each retired member and members receiving disability leave benefits. The monthly amount for all retired members during the year must not be greater than the excess specified above.

### Employee Contributions

Effective January 1, 2024, all members contribute 5% of pay.



## *REVENUES BY SOURCE*

<u>YEAR</u>	<u>COUNTY CONTRIBUTIONS</u>	<u>INVESTMENT INCOME</u>	<u>TOTAL</u>
2023	\$ 89,502	\$ 3,180,963	\$ 3,270,465
2022	\$ 49,595	\$-3,208,248	\$-3,158,653
2021	\$ 973,559	\$ 4,999,016	\$ 5,972,575
2020	\$ 1,636,185	\$ 5,013,615	\$ 6,649,800
2019	\$ 2,139,149	\$ 7,404,025	\$ 9,543,174
2018	\$ 2,171,831	\$(1,906,514)	\$ 265,317
2017	\$ 2,237,613	\$ 4,848,903	\$ 7,086,516
2016	\$ 2,383,322	\$ 3,324,929	\$ 5,708,251
2015	\$ 2,348,981	\$ (74,580)	\$ 2,274,401
2014	\$ 2,383,991	\$ 2,744,938	\$ 5,128,929
2013	\$ 1,790,827	\$ 5,787,231	\$ 7,578,058
2012	\$ 1,674,091	\$ 3,813,062	\$ 5,487,153

## *EXPENSES BY TYPE*

<u>YEAR</u>	<u>BENEFITS</u>	<u>ADMINISTRATIVE EXPENSES</u>	<u>INVESTMENT FEES</u>	<u>TOTAL</u>
2023	\$ 3,825,741	\$ 244,454	\$ 53,335	\$ 4,123,530
2022	\$ 3,626,773	\$7,478,182	\$ 55,055	\$11,160,010
2021	\$ 3,507,329	\$ 427,074	\$ 63,943	\$ 3,998,346
2020	\$ 3,169,024	\$ 285,708	\$ 59,596	\$ 3,514,328
2019	\$ 3,213,971	\$ 448,072	\$ 58,673	\$ 3,720,716
2018	\$ 3,149,815	\$ 385,193	\$ 58,437	\$ 3,593,445
2017	\$ 2,884,583	\$ 295,097	\$ 57,421	\$ 3,237,101
2016	\$ 2,444,156	\$ 224,885	\$ 54,960	\$ 2,724,001
2015	\$ 2,574,786	\$ 254,217	\$ 54,108	\$ 2,883,111
2014	\$ 2,451,130	\$ 278,488	\$ 54,291	\$ 2,783,909
2013	\$ 2,404,985	\$ 276,759	\$ 50,858	\$ 2,732,602
2012	\$ 2,271,246	\$ 180,336	\$ 48,468	\$ 2,500,050



*Missouri  
Sheriffs' Retirement  
System*

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