2026 MFPRSI ANNUAL REPORT



A report for the pension trust for municipal firefighters and police officers in the State of Iowa.

MFPRSI MUNICIPAL FIRE & POLICE RETIREMENT SYSTEM OF IOWA

Mission & Value Statements

MFPRSI is an independent leader delivering promised retirement and disability benefits to eligible municipal firefighters and police officers through responsible stewardship of assets held in trust.

Independent
To operate as a self-directed system guided by fiduciary-based decision making.

Leader
To seek best practices and innovative ideas through research-driven processes, education, and trustworthy advisors and staff.

Promised
To deliver benefits earned through a 100% targeted funding policy, an investment portfolio that meets liquidity needs and return assumptions with acceptable risk, and quality and timely services.

Responsible
To ensure a durable structure by applying consistent standards, adapting with time, evaluating risk-reward measures, security, staffing, and results-based decision making.

Fiscal Year 2026 Highlights

Membership
4,296 active members[1]
5,168 inactive members[1]

Funding
84.5% funded ratio[*1]

Distributions
$245.5 million in benefits paid[2]
$2.8 million in refunded contributions paid[2]

Investing
$3.8 billion, market value of portfolio[3]
12.8% fiscal year return[3]

Contributions
$39.7 million from members[2]
$92.5 million from employers[2]
$0 from the State of Iowa[2]

Actuarial
$3.6 billion in actuarial value of plan assets[1]
$670 million of unfunded actuarial accrued liability[1]
$4.3 billion of total actuarial accrued liability[1]

*Based on the ratio of the actuarial value of assets to the actuarial accrued liability

Information provided by:
[1] HUB International
[2] Eide Bailly LLP
[3] Marquette Associates

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Chairperson's Letter

To Our Members, City Representatives, and Stakeholders,



Marty Pottebaum
Board Chair

On behalf of the Board of Trustees, I am pleased to share the Municipal Fire and Police Retirement System of Iowa's annual report for fiscal year 2026. This report covers the period from July 1, 2025, through June 30, 2026, and highlights our continued commitment to providing dependable retirement and disability benefits for Iowa's firefighters and police officers.

As America commemorates its 250th anniversary, we reflect on our country's enduring values of service, sacrifice, and commitment – values embodied every day by our member firefighters and police officers. Throughout their careers, our members have dedicated themselves to protecting and strengthening the communities they call home. Many have also answered another call to service through the military, defending the freedoms and principles upon which our nation was built.

We recognize with deep gratitude those who have served both their communities and their country. Their extraordinary contributions are reflected in the theme of this year's report: **Service Beyond the Call**.

Service is at the heart of everything our members do. Beginning on page 9, several members share reflections on their fire or police and military careers. I hope you will be moved, as I was, by their stories of service, sacrifice, and commitment.

Strong Financial Results

Fiscal year 2026 was marked by exceptional investment performance. MFPRSI earned a net return of 12.8 percent, surpassing our long-term actuarial target rate of 7.5 percent and representing the strongest annualized gain in five years. This performance reflects favorable market conditions, the strength of a well-diversified investment portfolio, and our disciplined approach to managing risk.

Starting July 1, 2027, however, contribution rates for participating cities will increase slightly by 0.784 percent to 22.643 percent. While strong investment performance benefits the system, MFPRSI uses a five-year smoothing methodology in its actuarial calculations, which recognizes investment gains and losses gradually rather than all at once. As a result, contribution rates can reflect investment experience from prior years even after a year of strong returns, smoothing significant year-to-year swings, and supporting more predictable long-term funding.

Through prudent oversight, responsible fiscal management, and careful planning we remain focused on maintaining a strong and sustainable retirement system for current and future generations of members.

Responsible Stewardship

As MFPRSI marks its 34th year of operation, we continue to build on a history of stability and reliability. Since the system was established in 1992, every benefit payment has been made in full and on time. This record reflects the dedication of our staff, investment professionals, and Board, as well as the trust placed in us by our members, participating cities, and stakeholders.

During the past fiscal year, the Board continued its efforts to strengthen the retirement system and position MFPRSI for long-term success. We launched the 411 Attraction & Retention Working Group to help educate cities and members, while exploring opportunities to support cities in attracting and retaining quality fire and police personnel.

MFPRSI also continued its re-underwriting of investment managers, providing the Board with greater insight into each manager's individual mandate, investment approach, performance against established objectives, and progress toward achieving them.

In the coming fiscal year, we will seek additional input directly from our members and city representatives through satisfaction surveys designed to help us understand what MFPRSI is doing well and identify opportunities to better serve our stakeholders.

Looking Forward

During my tenure as Board Chair, I have watched MFPRSI navigate changing economic conditions and fluctuating financial markets. Through those changes, I have remained confident in MFPRSI's ability to achieve its mission: delivering promised retirement and disability benefits to our member firefighters and police officers through responsible stewardship of the system's assets.

As we enter fiscal year 2027, I am optimistic about MFPRSI's future and grateful for the dedication of our staff, Board members, investment managers, and participating cities. Together, we will continue building on our strong foundation to promote stability and long-term security for the firefighters and police officers who serve Iowa communities.

Just as our members have embraced a lifelong commitment to service, MFPRSI remains steadfast in its commitment to securing their future.

Sincerely,



Marty Pottebaum
Board Chair

Called to Serve: MFPRSI Members Reflect on Service to Community and Country

For five MFPRSI members, service has never been limited to a single uniform.

They have served as Marines, Rangers, soldiers, and airmen. They have deployed around the world, from Iraq and Afghanistan to Africa and the Pacific. At home in Iowa, they have continued that commitment as firefighters, paramedics, and police officers – protecting their neighbors, mentoring future leaders, and strengthening their communities.

As America celebrates its 250th anniversary, MFPRSI members are reflecting on the many forms service can take. Their stories reflect a shared commitment to something larger than themselves – whether serving their country in uniform, protecting Iowa communities, or helping fellow public safety professionals prepare for the future.

A Childhood Dream Becomes a Life of Service



Eddie Thiphasouk

Born in Laos, Eddie Thiphasouk and his family fled to a Thai refugee camp when he was 8 years old. After six years, the family immigrated to Iowa in 1986 and settled with relatives in Algona. With the help of tutors, Thiphasouk learned English and graduated high school in the upper half of his class.

Years after arriving in Iowa, he enlisted in the U.S. Marine Corps, the fulfillment of a dream that began thousands of miles away.

“Serving is in my blood,” Thiphasouk says. “When I was a child in the refugee camp, I saw the way the police and military held themselves to such high standards and the respect they received. I thought, ‘I want to be like them.’ This was my childhood dream.”



Thiphasouk at home in Iowa on leave while serving in the U.S. Marine Corps.

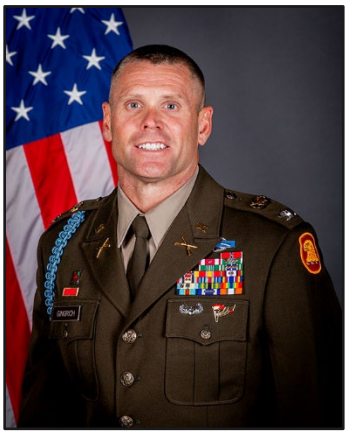
He served six years, first as an infantry machine gunner stationed in Hawaii, where he deployed throughout the Pacific region, including Japan, the Philippines, and Thailand. He later became a Marine Security Guard, serving at U.S. embassies in Moscow, Russia; Bujumbura, Burundi; and Pretoria, South Africa.

After leaving active-duty service, Thiphasouk returned to Iowa and moved to Sioux City. He joined the Iowa Army National Guard in 1997 and then the Army Reserve in 2018. Over the past 25 years, Thiphasouk has served with the Sioux City Police Department as a patrol officer, school resource officer, and technical investigator.

His own experience coming to Iowa has also shaped the way he serves others. He is particularly proud of the relationships he has built in the community – especially with immigrant residents.

"If you have an officer from that culture or from that country representing the police department, the citizens will appreciate you more," Thiphasouk says. "When you see people from your own background, you feel comfortable talking to that officer."

Helping People On Their Worst Day



Garrett Gingrich

For Garrett Gingrich, what started as a way to pay for college grew into his life's calling.

Gingrich, a firefighter and paramedic with Waterloo Fire Rescue, joined the Iowa Army National Guard in 1998. He served as a combat medic during his first deployment to Egypt and later as an infantry officer during deployments to Iraq, Afghanistan, and Qatar.

"It's been a bigger opportunity to serve, to give back, and to do something bigger than yourself," he says.

Nearly three decades later, Gingrich is grateful he made the decision to serve because he has discovered a deep sense of purpose – just as his father, a paramedic and teacher, hoped he would after encouraging him to pursue a career centered on serving others.



Gingrich, left, fits his Infantry Soldiers with firefighter turnout gear in Afghanistan. After a mortar and rocket attack caused a fire that destroyed their combat outpost fuel point and some buildings, Waterloo Fire Rescue saw a need and donated turnout gear that Gingrich's company could use so his soldiers were equipped to respond to fires.

After returning from deployment, Gingrich attended paramedic school and joined Waterloo Fire Rescue in 2008.

For 18 years, he has approached each call with the same mentality and encourages younger colleagues to do the same: Your purpose is to make a difference for people on the worst day of their lives.

"Every day, I get to work in two careers where I genuinely enjoy the people I work with, which is so important since both are all about teamwork," he says. "If I had to start over, I would choose this again."

Pushing Limits, Shaping Future Leaders



Andy Phipps

As a teenager in Des Moines in the 1990s, Andy Phipps set an ambitious goal after seeing news reports about the 75th Ranger Regiment's engagement in Somalia: to become a member of the elite U.S. Army Rangers.

The selection process is rigorous, putting trainees through grueling physical and tactical demands. Phipps began the process alongside 350 others; by the end, he was one of 30. He served for four years with the 1st Ranger Battalion, including live-fire training and airborne jumping, as well as serving in four countries.

"I was in my early 20s and wanted to try some incredible things and push myself to the limit," Phipps says.

He returned to Iowa and joined the Des Moines Police Department in 2005. The size and diversity of the department have provided him with countless opportunities to learn, grow, and lead, including serving in patrol, investigations, traffic enforcement, executive leadership, accreditation efforts, and budgeting.

Since 2012, he has also served in the Iowa Air National Guard and today is preparing for promotion to Chief Master Sergeant, the highest enlisted rank in the Air Force. Over the past decade, Phipps has served in joint military planning roles, participated in emergency response planning, and deployed to Kuwait.

Today, he is proud to mentor the next generation of police officers and military members.

"It's incumbent upon us as military and police leaders to share those experiences and knowledge because we're training future leaders," he says. "My 30-year career is going to be a small ripple in the long history of the police department, but it's our responsibility to teach future leaders to have a positive impact."

Finding Purpose in Helping Others



Trent Swartwoudt

Military service helped Trent Swartwoudt reveal the kind of person and professional he wanted to become.

Swartwoudt started college studying economics but quickly realized he did not want a traditional corporate career. Inspired by friends in the military and motivated by a desire to make a positive impact, he enlisted in the Iowa National Guard in 2019 while still in school.

He deployed to Qatar for a year and focused on security operations, including screening vehicles for explosives and other threats.

"Military training helped me develop myself into the person I want to be: somebody who is calm under stress and a person others can turn to when they need help," he says.

After returning to Iowa, Swartwoudt enrolled in an EMT program while looking for something productive to do over the summer. This chance decision set him on a career path in fire and EMS.

Today, Swartwoudt works for the Urbandale Fire Department as a firefighter and paramedic. He sees a direct correlation between his military service and emergency response work.

“Being able to manage yourself and get the job done in a stressful environment translates really well from the military,” Swartwoudt says. “I find a lot of enjoyment and fulfillment in being somebody's best friend on their worst day.”

Building Community Through Service



Holcombe riding in a U.S. Army Black Hawk while serving as a mortar squad leader with Alpha Company, 1st Battalion, 168th Infantry Regiment, during his deployment to Iraq in 2025-2026.

Service and community have always been closely connected in Ian Holcombe’s life.

Inspired by his father’s military service, Holcombe joined the Iowa National Guard while still in high school through a split-training program. Since 2021, he has worked in several public safety positions in Webster City, including jailer and police dispatcher, before becoming a police officer. He also serves his community as a volunteer firefighter.

While deployed to Iraq, Holcombe served as a mortar squad leader with Alpha Company, 1st Battalion, 168th Infantry Regiment. He returned to Iowa in February 2026.

Back home, community engagement has become the most meaningful part of his work. Holcombe has helped launch or revitalize initiatives, including Coffee with a Cop and National Night Out. Outside of work, he remains highly involved through Rotary Club membership and service as a Chamber of Commerce ambassador.



Holcombe, right, administers oxygen to a cat at a house fire in Webster City.

"You must find the balance of enforcing the law and being there for the people that we serve,” Holcombe says. “In small-town Iowa, it's important to build that sense of community and educate the public."

A Commitment to Those Who Serve

Their careers have taken different paths, but each has built a life around serving others. MFPRSI’s role is to support that commitment by helping ensure Iowa’s firefighters and police officers can count on the retirement benefits they have earned.

Phipps is no stranger to MFPRSI. His mother-in-law worked for the organization for several years, and in his previous role as executive officer to the Des Moines police chief, he regularly helped fellow officers prepare for retirement.

"MFPRSI does a great job of treating each member like they're family," Phipps says. "I don't think people really appreciate it until they work with them. And then when they do, they understand why MFPRSI is held in such high regard."

Thiphasouk has been working closely with MFPRSI's senior pension officers as he plans to retire next year.

"When I walked in, I had 5% knowledge of MFPRSI. When I left, I had 110% knowledge of the plan," he says.

Gingrich is comforted knowing that retirement will be a smooth transition when that day comes.

"MFPRSI makes a huge difference for the people serving our communities," he says. "Every day, we know they're in the background looking after our pension."

For these members, MFPRSI's support provides something meaningful in return for careers spent looking after others: confidence that someone is looking after their future.

Introduction

Retirement System Overview
Accomplishments
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Staff

Retirement System Overview

MFPRSI was created by the Iowa General Assembly in 1990 to establish a statewide retirement system for fire and police personnel covered by the provisions of Iowa Code Chapter 411. Upon its establishment, MFPRSI consolidated 87 local fire and police retirement systems formerly administered by 49 of Iowa's largest cities. The retirement system initiated its formal operations on January 1, 1992, to administer the retirement benefits for fire and police personnel in Iowa's participating cities.

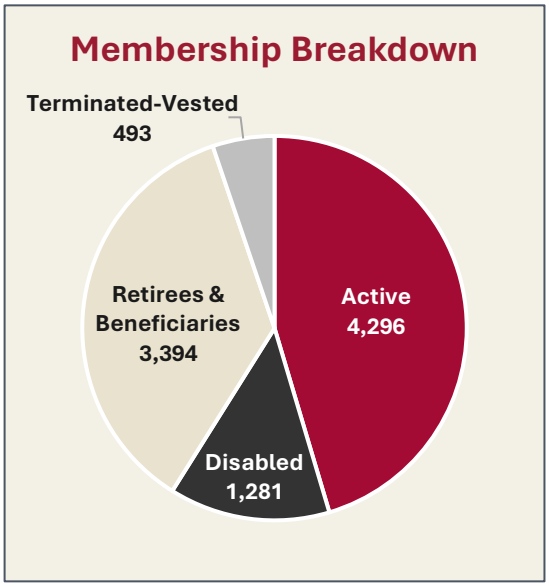
The mission of MFPRSI is to be an independent leader delivering promised retirement and disability benefits to eligible municipal firefighters and police officers through responsible stewardship of assets held in trust. The programs of the retirement system include the payment of pension benefits for service retirement, ordinary disability retirement, accidental disability retirement, survivors of deceased members (e.g., spouse and dependent benefits), and the refund of contributions upon withdrawal by a terminated member.

In its effort to accomplish its goals, MFPRSI administers a contributory defined benefit plan for firefighters and police officers as established in Iowa Code Chapter 411. The benefits available through the retirement system are based on a formula using the average of the highest three years of earned wages as a member and a multiplier based on years of membership service.

In addition to service retirement benefits, MFPRSI offers a comprehensive disability program that includes establishing standards for entrance physical and mental examinations, guidelines for ongoing fitness and wellness, and post-disability retirement compliance requirements.

Firefighters and police officers in the participating cities are granted membership by Iowa Code Chapter 411. Participants are vested upon attaining four years of membership service. Vested status may also be achieved by actively earning service credit at age 55 or older.

The Board of Trustees ("Board") represents the firefighter and police officer memberships, cities, and citizens of Iowa, while the Iowa General Assembly provides the retirement system with direction and oversight. Iowa Code also includes specific authorization to administer each of the following: actuarial services, medical board, legal services, and organization and staff. The individuals comprising the administrative staff are available to assist members, city officials, and interested parties with any questions or concerns about the retirement program.



Membership

MFPRSI had 9,464 members at the end of fiscal year 2026, with 4,296 active members employed by the 49 participating cities. Of the remainder, 1,281 receive benefits due to disability, 3,394 are either retired or a beneficiary, and 493 are terminated-vested members. MFPRSI made over 58,000 accurate and timely benefit payments over the

course of the fiscal year. Approximately 99 percent of those payments were made via electronic funds transfer.

During the year members received annual statements summarizing their contributions as well as a newsletter highlighting news, statistics, and announcements.

Investments

Member benefits are made available through employee contributions, employer contributions, and investment earnings. Of those three sources, the investment portfolio provides the greatest percentage of income. MFPRSI manages an investment portfolio that is well diversified with a long-term investment horizon. The portfolio is designed to capture positive investment returns in public equity, fixed income, real assets, and private markets when the markets are up while minimizing losses during negative investment periods.

Investment Performance

12.8%
1-Year

9.9%
3-Year*

6.3%
5-Year*

8.7%
10-Year*

8.0%
Since Inception*

*Annualized

The fund is monitored by a staff of investment officers at MFPRSI under the direction of the Executive Director and the Chief Investment Officer. Investment recommendations are made by the Executive Director; Chief Investment Officer; Marquette Associates (“Marquette”), MFPRSI’s investment consultant; and investment officers. In turn, the Board uses the information provided by those parties to make final decisions on asset allocation. On an annual basis, and more frequently as necessary, the Board reviews and revises the investment policy.

MFPRSI’s investment portfolio returned 12.8 percent in fiscal year 2026. The long-term target rate of return, as determined by the Board, is 7.5 percent. The target rate is adopted by the Board as the assumed rate of return the investment portfolio can return while taking an acceptable amount of risk. The investment portfolio’s annualized performance since inception in 1992 is 8.0 percent.

Accomplishments

During fiscal year 2026 (July 1, 2025, to June 30, 2026), MFPRSI completed several initiatives related to active and retired members, participating cities, and the financial management of its investment assets. These accomplishments were intended to improve member and employer services and strengthen the investment portfolio.

Administration

The Board adopted a governance manual. The manual outlines the Board's authority, responsibilities, compliance obligations, management structure, and key governance policies for the retirement system.

A data security test was conducted on the retirement system's cloud data.

The administration presented its Interim Report to the Iowa General Assembly. This report is presented to the legislature once every two years and it provides a high-level overview of the retirement system and its components.

The Board celebrated the career of Kathy Fraise who retired after working 10 years as a Senior Pension Officer with the retirement system.

The Board adopted a board manual. The manual delineates the responsibilities of the retirement system's trustees.

The Board adopted Iowa Code Chapter 411 Compliance Requirements Policy, a guidance document that summarizes the Board's statutory responsibilities under Iowa Code Chapter 411 and describes the policies, procedures, reports, contracts, data practices, fiduciary oversight, investment requirements, and administrative actions needed to comply with those requirements.

Enrollment in My411, the retirement system's online portal for members, continued to climb. By the end of the fiscal year, more than 3,700 members had registered, and the administration continued to work with its online account vendor to help ensure safe and secure access for members.

The Board continued to meet with the 411 Attraction and Retention Working Group, which includes board members, city representatives, and MFPRSI members. The following initiatives were completed as a result of the working group:

- MFPRSI Benefits Flyer was created by the administration as a recruitment tool for prospective and new members and as an overview of the retirement system for current members and city officials. The flyer is located on MFPRSI's website, www.mfprsi.org.

- A list of frequently asked questions (FAQs) was added to the retirement system's website focusing on questions commonly asked by employers. The list is posted on MFPRSI's website, www.mfprsi.org.

- MFPRSI introduced a chatbot on its website, www.mfprsi.org, to make finding information faster and easier. The chatbot was implemented to help users locate resources, answer frequent questions, and navigate the site.

Financial and Investments

Community State Bank Wealth Management was selected by the Board to custody the retirement system's DROP (Deferred Retirement Option Plan) certificates of deposit.

The Board's investment consultant, Marquette Associates ("Marquette"), conducted an asset allocation and liability analysis to evaluate and ensure that the investment portfolio can achieve its 7.5% actuarial rate of return and fund future liabilities on an inflation-adjusted basis.

- As a result, the Board modified its asset allocation to 44 percent Core, 33 percent Strategic, and 23 percent Illiquid. The changes reduced core real estate by 3 percent, reduced private closed-end real assets by 2 percent, increased private credit by 3 percent, increased infrastructure by 2 percent, decreased strategic investments by 0.5 percent, and increased absolute return by 0.5 percent.

The Board renewed its contract with its audit services provider, Eide Bailly, for an additional three-year term.

The Board analyzed its relationship with its custodian bank, Principal Trust Company, and renewed its contract for an additional three-year term.

A commitment of $73 million to private equity was approved by the Board. This included $28 million to Siguler Guff Hawkeye Opportunities Fund Co-Investments, $25 million to Adams Street Partners Cyclone Fund Small & Middle Market Buyout, and $20 million to Adams Street Partners Cyclone Fund European Buyout.

The Board terminated its investment contract with Baillie Gifford and its All Cap ACWI ex-US Fund. In its place, the Board selected Lazard Asset Management ACWI ex-US Equity Advantage Fund and MFS Investment Management International Growth Fund. Additionally, the Board evenly distributed the international equity assets among the two previously mentioned managers and Mondrian Investment Partners.

Marquette led an educational session on Factors, Alternative Risk Premia, and CAT (catastrophe) bonds.

Marquette led an educational session on the Basics of Managed Futures. MFPRSI's legal counsel, BrownWinick, the Executive Director, and Chief Investment Officer also provided educational information regarding Absolute Return.

The Board adopted a revised Absolute Return Portfolio Compliance Policies & Manual, as proposed by the MFPRSI Investment Committee.

As part of the annual review of its overall governance of the investment portfolio, the Board adopted its investment policy for the fiscal year.

Marquette provided re-underwriting education on various sections of the investment portfolio across multiple board meetings throughout the fiscal year.

Benefit Plan

The Board approved the city contribution rate at 21.859 percent, effective July 1, 2026.

The Board reviewed the passage of House File 2345 in the Iowa General Assembly. The bill allows MFPRSI to share a member's or beneficiary's legal name and last known city of residence with the Iowa State Treasurer to help locate them.

Board Elections

Duane Pitcher was reappointed as the citizen member of the Board. The citizen member is appointed by the eight voting members, who are appointed by the Iowa Professional Fire Fighters (IPFF), Iowa State Police Association (ISPA), and Iowa League of Cities.

Marty Pottebaum and Duane Pitcher were both reappointed by their peers as Chairperson and Vice Chairperson, respectively.

Jacob Schweitzer, Urbandale firefighter, was appointed by the IPFF as the active firefighter representative on the Board upon Brandon Pflanzer's retirement. Schweitzer was then reappointed for an additional four-year term by IPFF.

Corey Goodenow, Finance Director with the City of Ames, was reappointed by the Iowa League of Cities to a four-year term.

Board of Trustees

The activities of MFPRSI are under the direction of its Board which has nine voting members and four non-voting, legislative representatives. The voting coalition of the Board is comprised of four representatives of the active and retired fire and police memberships, four representatives of the cities, and one private citizen. Individuals are appointed to four-year terms by the fire and police associations and by the Iowa League of Cities. The eight voting members select a private citizen to serve as the ninth voting member. Non-voting members are chosen by the leadership of the Iowa Senate and Iowa House of Representatives and serve two-year terms.

Voting Members



Marty Pottebaum
Chair
Retired Police Officer
Sioux City



Duane Pitcher
Vice Chair
Citizen
Ames



Corey Goodenow
City Representative
Ames



Frank Guihan
Retired Firefighter
Burlington



Laura Schaefer
City Representative
Carroll



Nickolas Schaul
City Representative
Des Moines



Jacob Schweitzer
Active Firefighter
Urbandale



Jennifer Sease
City Representative
Ankeny



Eric Snyder
Active Police Officer
Ames

Non-Voting Members



Christian Hermanson
Representative
House District 59



Kenan Judge
Representative
House District 27



Tim Kraayenbrink
Senator
Senate District 4



Thomas Townsend
Senator
Senate District 36

Staff

The day-to-day management of MFPRSI is delegated to an Executive Director who is appointed by the Board and serves at its discretion. The Executive Director, Deputy Director, Chief Investment Officer, and administrative staff are responsible for the administration of the retirement system.

Staff Responsibilities

The Executive Director, Deputy Director, and Chief Investment Officer act as advisors to the Board on all issues relevant to MFPRSI, establish contracts for professional services, and employ the remaining staff needed to maintain the retirement system.

The Senior Pension Officers administer payrolls and establish and maintain the membership records of the retirement system. Additionally, they communicate with members regarding benefit and membership status.

The Accountant/Investment Officer performs accounting, auditing, and control functions of the retirement system. They also provide analysis for the investment portfolio. The Investment/Communications Officer creates visual/print materials and provides analysis for the investment portfolio.

The Administrative Officer works with management to conduct the overall administration of the retirement system.



Financial Statements

Independent Auditor’s Report
Management's Discussion and Analysis
Statements of Fiduciary Net Position as of June 30, 2026 and 2025
Statements of Changes in Fiduciary Net Position for the Years Ended June 30, 2026 and 2025
Notes to Financial Statements as of and for the Years Ended June 30, 2026 and 2025

Independent Auditor's Report

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

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Municipal Fire and Police Retirement System of Iowa (MFPRSI), which comprise the statements of fiduciary net position as of June 30, 2026 and 2025, and the related statements of changes in fiduciary net position for the years then ended, and the notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of MFPRSI, as of June 30, 2026 and 2025, and the respective changes in fiduciary position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of MFPRSI 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.

Emphasis of Matter

As discussed in Notes 2 and 4 to the financial statements, total system investments include investments valued at $1,451.8 million (37.9% of total assets) and $1,404.9 million (40.0% of total assets) as of June 30, 2026 and 2025, respectively, whose fair values have been estimated by management in the absence of readily determinable values. Management's estimates are based on information provided by the fund managers or the general partners. Our opinion is not modified with respect to that matter.

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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.

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 MFPRSI'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 Audits 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 opinion. 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of MFPRSI'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 MFPRSI'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 27-32 and 59-70 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 GAAS, 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 introduction, actuary, investments, and benefits sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 12, 2026, on our consideration of MFPRSI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of MFPRSI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering MFPRSI's internal control over financial reporting and compliance.

Eide Bailly LLP

Boise, Idaho
October 12, 2026

Management's Discussion and Analysis

The following discussion and analysis of the Municipal Fire and Police Retirement System of Iowa's (MFPRSI or retirement system) financial performance provides an overview of the retirement system's financial activities for the fiscal years ended June 30, 2026, and 2025. Please read in conjunction with the basic financial statements, which follow this discussion. These statements represent the current condition from an accounting perspective, but do not reflect MFPRSI's actuarial status. Refer to MFPRSI's actuarial valuation for its funding status regarding long-term benefit obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The pension plan's financial report contains basic financial statements. Those financial statements present the pension plan's finances at both an overall and detailed level.

This annual financial report consists of two financial statements, the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. These financial statements report information about the financial condition of the retirement system, as a whole, and should help answer the question: Is MFPRSI, as a whole, better off or worse off as a result of this fiscal year's experience? These financial statements include all assets and liabilities using the accrual basis of accounting. Under the accrual basis of accounting, all revenues and expenses are taken into account regardless of when cash is received or paid.

The Statement of Fiduciary Net Position presents all of MFPRSI's assets and liabilities, with the difference between assets and liabilities reported as plan net position restricted for pension benefits. Over time, increases and decreases in plan net position restricted for pension benefits is one method of measuring whether the retirement system's financial position is improving or deteriorating. The Statement of Changes in Fiduciary Net Position presents the changes in plan net position during the respective fiscal year.

The next section of this financial report contains notes to the financial statements which delve deeper into the pension plan's finances as reported in the financial statements. The information in the notes is as important to understanding the pension plan's finances as the information in the financial statements. The pension plan uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements.

DETAILED ANALYSIS

Fiscal Years 2026 and 2025

MFPRSI's assets as of June 30, 2026, and 2025 were approximately $3.83 billion and $3.51 billion, respectively, and were primarily comprised of investments, cash, receivables from brokers, and contributions due from employers. The $319,347,636, or 9.1%, increase in assets from June 30, 2025, to June 30, 2026, was primarily due to the unrealized and realized gains experienced in invested assets due to a strong equity market and were significantly higher than the previous year.

Total liabilities as of June 30, 2026, and 2025 were $18,880,007 and $18,420,888, respectively, and were primarily comprised of obligations under benefits and refunds payable, as well as payable to brokers for unsettled trades. The $459,119, or 2.5%, increase in liabilities from June 30, 2025, to June 30, 2026, was due to an increase in payable to brokers for unsettled trades due to a capital call netted against a distribution received after the custody bank cutoff on the last day of the fiscal year.

During the year ended June 30, 2026, plan net position restricted for pension benefits increased $318,876,428, or 9.1%, from the previous fiscal year, primarily due to the unrealized and realized gains experienced in invested assets. This is in comparison to the previous fiscal year, when net position increased by $184,773,203, or 5.6%, from the prior year.

Fiscal Years 2025 and 2024

MFPRSI's assets as of June 30, 2025, and 2024 were approximately $3.51 billion and $3.34 billion, respectively, and were primarily comprised of investments, cash, receivables from brokers, and contributions due from employers. The $175,415,333, or 5.3%, increase in assets from June 30, 2024, to June 30, 2025, was primarily due to the unrealized gains experienced in invested assets.

Total liabilities as of June 30, 2025, and 2024 were $18,420,888 and $27,835,437, respectively, and were primarily comprised of obligations under benefits and refunds payable, as well as payable to brokers for unsettled trades. The $9,414,549, or 33.8%, decrease in liabilities from June 30, 2024, to June 30, 2025, was due to a decrease in DROP participation and unsettled trades in the Dodge and Cox account.

During the year ended June 30, 2025, plan net position restricted for pension benefits increased $184,773,203, or 5.6%, from the previous fiscal year, primarily due to the unrealized gains experienced in invested assets. This is in comparison to the previous fiscal year, when net position increased by $135,858,516, or 4.3%, from the prior year.

Municipal Fire and Police Retirement System of Iowa
Condensed Statement of Fiduciary Net Position
(In Thousands of $)

	2026	2025	2026/2025 % Change	2024	2025/2024 % Change
Assets:					
Cash	$ 10,844	$ 16,610	-34.7%	$ 13,073	27.1%
Investments	3,806,563	3,492,187	9.0%	3,318,028	5.2%
Receivables	16,480	5,757	186.3%	8,030	-28.3%
Other assets	137	123	11.4%	130	-5.4%
Total assets	$ 3,834,024	$ 3,514,677	9.1%	$ 3,339,261	5.3%
Pension related deferred outflows	166	150	10.7%	202	-25.7%
Liabilities:					
Benefits and refunds payable	13,879	14,077	-1.4%	19,627	-28.3%
Investment management expenses payable	2,572	2,378	8.2%	2,350	1.2%
Administrative expenses payable	512	471	8.7%	393	19.8%
Net pension liability attributed to IPERS	286	420	-31.9%	540	-22.2%
Payable to brokers for unsettled trades	1,631	1,075	51.7%	4,925	-78.2%
Total liabilities	$ 18,880	$ 18,421	2.5%	$ 27,835	-33.8%
Pension related deferred inflows	52	24	116.7%	19	26.3%
Plan net position restricted for pension benefits	$ 3,815,259	$ 3,496,382	9.1%	$ 3,311,609	5.6%

Municipal Fire and Police Retirement System of Iowa
Condensed Statement of Changes in Fiduciary Net Position
(In Thousands of $)

	2026	2025	2026/2025 % Change	2024	2025/2024 % Change
Additions:					
Contributions	$ 132,209	$ 127,095	4.0%	$ 121,439	4.7%
Net investment income	437,632	296,744	47.5%	243,300	22.0%
Other income	69	302	-77.2%	38	694.7%
Total additions	569,910	424,141	34.4%	364,777	16.3%
Deductions:					
Benefits and refund payments	248,289	236,670	4.9%	226,582	4.5%
Administrative and disability expenses	2,744	2,698	1.7%	2,336	15.5%
Total deductions	251,033	239,368	4.9%	228,918	4.6%
Net increase	318,877	184,773	72.6%	135,859	36.0%
Plan net position restricted for pension benefits:					
Beginning of year	3,496,382	3,311,609	5.6%	3,175,750	4.3%
End of year	$ 3,815,259	$ 3,496,382	9.1%	$ 3,311,609	5.6%

REVENUES – ADDITIONS TO FIDUCIARY NET POSITION

Fiscal Years 2026 and 2025

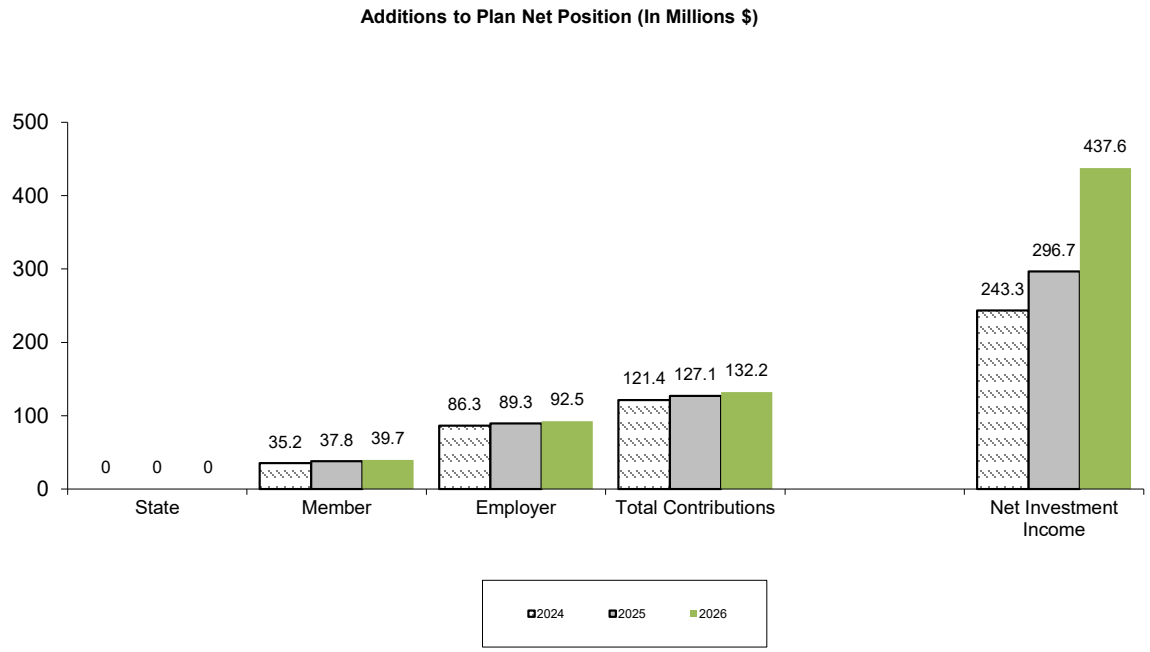
Reserves needed to finance retirement benefits are accumulated through the collection of contributions and earnings on investments. Contributions and net investment income for the fiscal year 2026 totaled $569,841,206.

Contributions increased from the previous year by $5,114,044. This increase is primarily due to an increase in the earnable compensation of members. Net investment income increased from the previous year by $140,888,354. This change is primarily due to a net appreciation in the fair value of assets due to a strong equity market.

Fiscal Years 2025 and 2024

Reserves needed to finance retirement benefits are accumulated through the collection of contributions and earnings on investments. Contributions and net investment income for the fiscal year 2025 totaled $423,838,808.

Contributions increased from the previous year by $5,656,115. This increase is primarily due to an increase in the earnable compensation of members. Net investment income increased from the previous year by $53,443,820. This change is primarily due to a net appreciation in the fair value of assets.



EXPENSES – DEDUCTIONS FROM FIDUCIARY NET POSITION

Fiscal Years 2026 and 2025

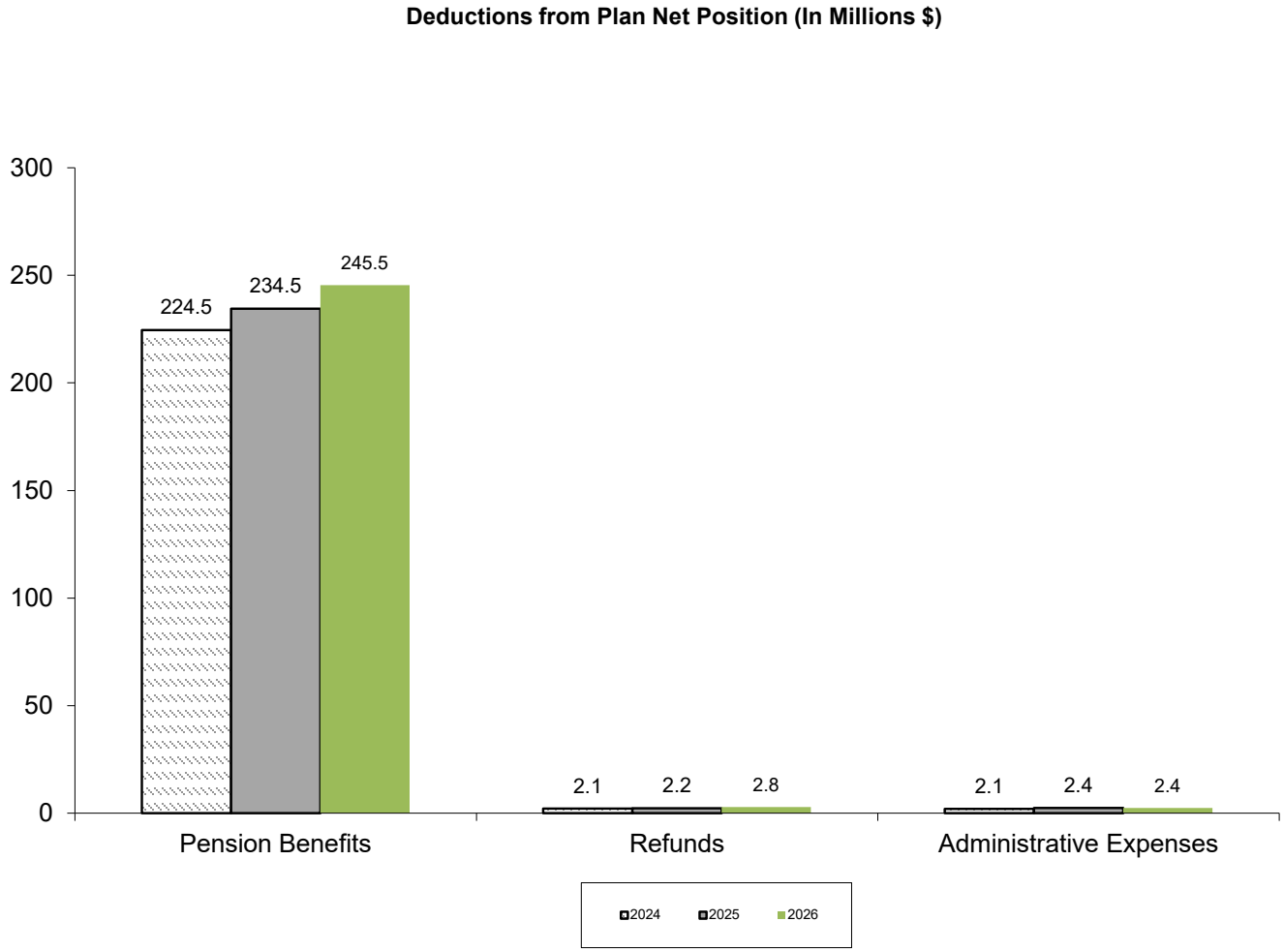
MFPRSI's principal expenses include the payment of pension benefits to retired members and beneficiaries, refund of contributions to former members, and the cost of administering the retirement system. Total deductions for the fiscal year 2026 were $251,033,516, an increase of 4.9% over fiscal year 2025 deductions.

Pension benefit payments increased by $11,032,744, or 4.7%, from the previous year. Refund of contributions increased by $586,319, or 26.6%. These changes are primarily due to the annual escalator of an average of 2.1%, more retirees and beneficiaries, and the average size of each refund in 2026.

Fiscal Years 2025 and 2024

MFPRSI's principal expenses include the payment of pension benefits to retired members and beneficiaries, refund of contributions to former members, and the cost of administering the retirement system. Total deductions for the fiscal year 2025 were $239,367,894, an increase of 4.6% over fiscal year 2024 deductions.

Pension benefit payments increased by $9,939,892, or 4.4%, from the previous year. Refund of contributions increased by $147,879, or 7.2%. These changes are primarily due to the annual escalator and the number of refund applications in 2025.



THE RETIREMENT SYSTEM AS A WHOLE

It is important to note the financial obligations established by the Iowa legislature in Iowa Code Chapter 411 are committed benefits, which are to be funded through the contributions made by the employers and the membership, in concert with the long-term return on investments. The "public policy" within Iowa has always been to meet the benefit commitments of the pension plans. The history of the plan benefits under Chapter 411 traces to 1934. The funding methods established by the legislature in the Iowa Code, whereby contributions are made from the individual employers and members, coupled with the "prudent person" concept for investment policy, provides the financial foundation for this public policy.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

There are no currently known facts, decisions, or conditions of future significance.

CONTACTING MFPRSI

This financial report is designed to provide MFPRSI's Board of Trustees, membership, and cities a general overview of the retirement system's finances and to demonstrate accountability for assets. Questions and additional financial information can be found by contacting MFPRSI's office in writing at 7155 Lake Drive, Suite 201, West Des Moines, IA 50266.

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA

STATEMENTS OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2026, AND 2025

	2026	2025
Assets:		
Cash	$ 10,844,260	$ 16,609,935
Investments, at fair value:		
U.S. government obligations	157,956,986	145,082,130
U.S. corporate fixed income	122,084,091	102,540,162
U.S. equity securities	563,303,008	489,727,437
Foreign equity securities	540,154,404	471,304,147
Commingled fixed income	50,704,080	40,163,933
Multi-strategy commingled investments	77,603,161	60,328,621
Short-term investments and currency positions	17,943,513	19,093,026
Infrastructure	125,667,105	116,481,232
Real estate	226,439,653	253,719,277
Private equity	962,693,048	914,247,067
Private credit	59,380,082	60,134,786
Absolute return	74,141,649	74,928,560
Fund of funds commingled investments	828,491,793	744,436,017
Total investments – at fair value	3,806,562,573	3,492,186,395
Receivables:		
Contributions	3,832,528	3,544,848
Investment income and unsettled trades	12,647,939	2,212,298
Total receivables	16,480,467	5,757,146
Other assets	136,940	123,128
Total assets	3,834,024,240	3,514,676,604
Pension related deferred outflows	165,844	150,469
Liabilities:		
Benefits and refunds payable	13,879,412	14,077,622
Investment management expenses payable	2,571,908	2,377,718
Administrative expenses payable	511,879	471,077
Net pension liability attributed to IPERS	285,825	419,727
Payable to brokers for unsettled trades	1,630,983	1,074,744
Total liabilities	18,880,007	18,420,888
Pension related deferred inflows	51,517	24,053
Plan net position restricted for pension benefits	$ 3,815,258,560	$ 3,496,382,132

See notes to financial statements

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEARS ENDED JUNE 30, 2026, AND 2025

	2026	2025
Additions:		
Contributions:		
Member	$ 39,705,322	$ 37,757,307
Employer	92,503,831	89,337,802
State appropriations	-	-
Total contributions	132,209,153	127,095,109
Investment income:		
Interest	20,006,204	19,360,874
Dividends	70,525,486	21,743,920
Net appreciation in fair value of investments	370,763,369	277,557,391
Net investment income from investment activity	461,295,059	318,662,185
Less investment expenses:		
Management fees and other	23,663,006	21,918,486
Net investment income	437,632,053	296,743,699
Other income	68,738	302,289
Total additions	569,909,944	424,141,097
Deductions:		
Benefit payments	245,500,100	234,467,356
Refund payments	2,788,933	2,202,614
Administrative expenses	2,382,857	2,380,929
Disability expenses	361,626	316,995
Total deductions	251,033,516	239,367,894
Net increase in net position	318,876,428	184,773,203
Plan net position restricted for pension benefits:		
Net Position - Beginning	3,496,382,132	3,311,608,929
Net Position – Ending	$ 3,815,258,560	$ 3,496,382,132

See notes to financial statements

1. PLAN DESCRIPTION

General

MFPRSI was created under Chapter 411.35 of the Code of Iowa to replace 87 separate fire and police retirement systems from 49 cities and one county in Iowa (a collection of "separate systems"). Effective January 1, 1992, the separate systems were terminated, and the respective entities were required to transfer assets to MFPRSI equal to their respective accrued liabilities (as measured by MFPRSI's actuary). Upon transfer of the assets, MFPRSI assumed all membership, benefits rights, and financial obligations of the separate systems.

MFPRSI is the administrator of a multi-employer, cost sharing, defined-benefit pension plan for the exclusive benefit of eligible employees of participating cities (substantially all full-time employees of the respective cities' fire and police departments). It is governed by a nine-member Board of Trustees (Board) who are appointed by police and fire associations and by the Iowa League of Cities. The eight voting members select a private citizen to serve as the ninth voting member. The Board is authorized by the state legislature to make investments, pay benefits, set contributions rates, hire staff and consultants, and perform all necessary functions to carry out the provisions of the Code of Iowa. MFPRSI is separate and apart from state government and is not included in the state's financial statements.

At June 30, 2026, MFPRSI was comprised of 49 cities covering 4,296 active members; 493 terminated members entitled to benefits; and 4,675 retired firefighters, police officers, bailiffs, and eligible beneficiaries across Iowa. At June 30, 2025, MFPRSI was comprised of 49 cities covering 4,254 active members; 504 terminated members entitled to benefits; and 4,596 retired firefighters, police officers, bailiffs, and eligible beneficiaries across Iowa.

Funding

Member - Member contribution rates are set by state statute. In accordance with Iowa Code Chapter 411 as modified by act of the 1994 General Assembly, to establish compliance with the Federal Older Workers Benefit Protections Act, the contribution rate was 9.675% and 9.550% of earnable compensation for the years ended June 30, 2026, and 2025, respectively.

Employer - Employer contribution rates are based upon an actuarially determined normal contribution rate and set by state statute. The required actuarially determined contributions are calculated on the basis of the entry age normal method as adopted by the Board of Trustees as permitted under Chapter 411 of the Code of Iowa. The normal contribution rate is provided by state statute to be the actuarial liabilities of the plan less current plan assets, with such total divided by one percent of the actuarially determined present value of prospective future compensation of all members, further reduced by member contributions and state appropriations. Under the Code of Iowa the employer's contribution rate cannot be less than 17.00% of earnable compensation. The contribution rate was 22.555% and 22.660% for the years ended June 30, 2026, and 2025, respectively.

State Appropriations - State appropriations are approved by the state legislature and may further reduce the employer's contribution rate, but not below the minimum statutory contribution rate of 17.00% of earnable compensation. The State therefore is considered to be a nonemployer contributing entity in accordance with the provisions of the Governmental Accounting Standards Board Statement No. 67 – *Financial Reporting*

for Pension Plans, (GASB 67). There were no State appropriations for the years ended June 30, 2026, and 2025.

Benefits Provided

Participating members are entitled to the benefit provisions in effect on the member's date of termination. The following is a summary of MFPRSI's benefit provisions for the years ended June 30, 2026, and 2025:

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

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

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

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

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

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

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

The balance of the amounts held by the retirement system pursuant to the DROP is $13,490,000 as of June 30, 2026, and $13,623,000 as of June 30, 2025.

Net Pension Liability of the Retirement System – The components of MFPRSI's net pension liability at June 30, 2026, and 2025 were as follows:

	2026	2025
Total pension liability	$ 4,314,837,098	$ 4,142,002,011
Plan fiduciary net position	(3,815,258,560)	(3,496,382,132)
Retirement system's net pension liability	$ 499,578,538	$ 645,619,879
Plan fiduciary net position as a percentage of the total pension liability	88.42%	84.41%

Actuarial Assumptions – The total pension liability was determined by an actuarial valuation as of June 30, 2026 and 2025, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.75 to 15.11 percent including inflation
Investment rate of return	7.5 percent, net of investment expense

Mortality rates as of June 30, 2026, and 2025 were based on RP 2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set-forward two years, and disabled set-forward three years (male only rates) with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

The actuarial assumptions used in the June 30, 2026 valuation was based on the results of an actuarial experience study for the period of July 1, 2012, to June 30, 2022.

The actuarial assumptions used in the June 30, 2025 valuation was based on the results of an actuarial experience study for the period of July 1, 2012, to June 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2026, and 2025 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2026	2025
Broad Fixed Income	4.7%	4.7%
Broad U.S. Equity	7.2%	7.2%
Global Equity	7.2%	7.2%
Broad Non-US Equity	7.2%	7.3%
Managed Futures	5.3%	5.2%
Core Real Estate	6.7%	6.4%
Opportunistic Real Estate	10.7%	10.0%
Global Infrastructure	7.3%	6.9%
Private Credit	8.9%	9.0%
Private Equity	9.8%	9.9%

Discount rate – The discount rate used to measure the total pension liability was 7.5 percent, net of investment expenses. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that city employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents MFPRSI's net pension liability calculated using the discount rate of 7.5 percent, as well as what the retirement system's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

2026

MFPRSI's Net Pension Liability (Asset)	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
	$1,032,058,727	$ 499,578,538	$59,263,267

2025

MFPRSI's Net Pension Liability (Asset)	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
	$1,155,891,362	$ 645,619,879	$223,439,088

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

MFPRSI prepared its financial statements using the accrual basis of accounting. It recognizes member and employer contributions as revenues in the month member earnings are paid. Benefits and refunds are recognized as expenses when payable. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made.

Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts in the financial statements. MFPRSI's estimates are primarily related to the valuation of various investment instruments, including real estate, infrastructure, private equity, and the multi-strategy commingled fund, as well as the total pension liability. Actual results could differ from those estimates.

Investments

MFPRSI's securities are reported at fair value. Where appropriate, the fair value includes estimated disposition costs. Certificates of deposit are recorded at amortized cost which approximates fair value. Interest income is recognized when earned. Dividend income is recognized on the ex-dividend date. Gains or losses on stocks and bonds are recognized on an average cost basis calculated separately for each investment manager. Other gains and losses are recognized on an identified cost basis. Gains and losses on sales and exchanges are recognized on the trade date. The fair values of marketable securities held at June 30 are determined by using the closing price listed on national securities exchanges and quoted market prices are provided by independent pricing services. For commingled funds, the net asset value is determined and certified by the commingled fund manager. Investments in real estate, infrastructure, private equities, and the multi-strategy commingled fund which invest in both publicly and privately owned securities are valued based on estimates and assumptions of general partners, partnership valuation committees, or third party appraisal firms in the absence of readily determined fair values. Such valuations generally reflect cash flows, discounts for illiquidity and consider variables such as financial performance of investments, recent sales prices of investments, and other pertinent information.

Investment Policy

The retirement system's policy in regard to the allocation of invested assets is established and may be amended by the Board by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through prudent diversification of the portfolio across a broad selection of distinct asset classes. The retirement system's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2026:

Asset Class	Target Allocation
Core Investments	44.0%
Strategic Investments	33.0%
Illiquid Investments	23.0%
Total	100%

The following was the Board's adopted asset allocation policy as of June 30, 2025:

Asset Class	Target Allocation
Core Investments	44.5%
Strategic Investments	33.5%
Illiquid Investments	22.0%
Total	100%

Rate of Return

For the years ended June 30, 2026, and 2025, the annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 12.91% and 9.30%, respectively. The money-weighted rate of return, calculated arithmetically, expresses investment performance net of investment expense adjusted for the changing amounts actually invested.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of fiduciary net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. MFPRSI has only one item related to pensions which qualifies for reporting in this category. See Note 6 for additional details.

In addition to liabilities, the statement of fiduciary net position will sometimes report a separate section for deferred inflow of resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net assets that applies to future periods, so will not be recognized as an inflow of resources (revenue) until that time. MFPRSI has only one item related to pensions which qualifies for reporting in this category. See Note 6 for additional details.

Pensions

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

3. CASH

For cash deposits, custodial credit risk is the risk that in the event of a bank failure, MFPRSI's deposits may not be returned. The table below presents a summary of cash balances of the retirement system at June 30, 2026, and 2025:

	2026	2025
Insured	$ 250,000	$ 250,000
Collateralized	10,832,878	16,526,318
Bank balance ---- June 30	11,082,878	16,776,318
Less:		
Pending Bank Transactions	238,618	166,383
Cash – Statement of Fiduciary Net Position	$ 10,844,260	$ 16,609,935

4. INVESTMENTS

Investment Policy

The investment authority, as prescribed by the Code of Iowa, is governed by the "prudent person rule." This rule requires that an investment be made with the care, skill, prudence, and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an entity of a like character with like aims. Within the prudent person framework the Board has adopted investment guidelines for the retirement system's investment program.

Due to state statute, MFPRSI is prohibited from holding direct investments in the Sudan, Iran, China, and companies that boycott Israel.

The following investment vehicles are permitted by MFPRSI's investment policy and may be considered for the retirement system's funds:

Stocks and Bonds (Domestic, International & Emerging Markets):

- Securities issued by and the obligations of or guaranteed by the United States of America or U.S. government sponsored enterprises or by the Dominion of Canada or any province thereof, financial futures and options;
- Bonds issued by the State of Iowa or its political subdivisions;
- Common stock, American depository receipts, corporate bonds or other evidences of indebtedness issued under the laws of the Dominion of Canada or any province thereof;
- Common stock, bonds or other evidences of indebtedness issued under the laws of selected foreign countries or their political subdivisions;
- Debt instruments issued by multinational organizations, on behalf of selected nations or groups of nations, such as Brady bonds, whether in U.S. dollars or foreign currencies;
- Mutual funds, commingled funds, or private equity which are, comprised of stocks, equity and or debt instruments, including those which hold positions in emerging markets, whether in U.S. dollars or foreign currencies;
- Derivative instruments, such as futures and options, can be utilized as an alternative to a stock or bond position, as specified.

Other Asset Classes

MFPRSI's currency positions include the currency of a group of selected nations, which have well established and stable economic and political structures. Currency positions are only taken in countries or in multinational currencies (for example, euros) in which MFPRSI has determined to invest its assets. MFPRSI's currency assets are represented within the individual portfolios of the investment managers, which have mandates, and may include international bonds or stocks. The benchmark against which these managers compare their portfolios includes a zero percent hedged position to the U.S. dollar for the international portions of the mandate.

Derivative Instruments

Derivative instruments, such as futures and options, may be utilized in selected portfolios for the following purposes:

1) As an alternative to maintaining a selected asset position,
2) To maintain the duration of securities in a portfolio,
3) To gain exposure in a time of dollar strength to a foreign bond market with minimal exposure to the currency of the country,
4) To hedge or otherwise protect existing or anticipated portfolio positions,
5) To establish and maintain the currency positions for the currency overlay portfolio and for the individual currency activities of the individual portfolios, and
6) Not to leverage (i.e., "gear-up") the portfolio.

Derivative instruments are generally defined as contracts whose value depends on ("derives" from) the value of an underlying asset, reference rate, or index. Derivative instruments include both of the following:

1) "Over the counter" (OTC) derivatives: privately negotiated contracts provided directly by dealers to end-users. This includes swaps, futures and options based upon interest rates, currencies, equities, and commodities; and,
2) Standardized contracts sold on exchanges: futures and options.

Real Estate

The real estate positions of the retirement system may include domestic or international real estate investments in individual properties or groups of properties, through one or more of the following: direct purchase or mortgage of individual properties, participation in a commingled fund (open-ended or closed-ended) or in a trust or a partnership, which has positions in one or more properties.

MFPRSI's real estate positions may include investment in securitized real estate via publicly-traded or privately-held real estate investment trusts (REITs).

Fund of Funds Commingled Investments

As of June 30, 2026, and 2025, MFPRSI was invested in fund of funds commingled investments, which can be broken down into the following asset classes:

	2026	2025
INVESTMENTS – At fair value:		
U.S. equity securities	$ 366,899,490	$ 330,729,717
Foreign equity securities	205,560,651	172,565,475
Fixed income	196,109,433	232,929,063
Alternative investments	21,566,301	24,084,420
Short-term investments and currency positions	38,355,918	(15,872,658)
Total fund of funds commingled investments	$ 828,491,793	$ 744,436,017

Investment Risk Disclosure: Credit Risk

The quality ratings of investments in fixed income securities as described by nationally recognized statistical rating organizations as of June 30, 2026, and 2025 are as follows:

2026 Quality Rating		Fair Value	Percentage of Portfolio
AAA	$	10,626,460	3.21 %
AA		209,479,596	63.33 %
A		21,587,127	6.53 %
BBB		65,705,821	19.87 %
BB		16,629,816	5.03 %
NR		6,716,337	2.03 %
Total fixed income securities	$	330,745,157	100.00 %

2025		Fair Value	Percentage of Portfolio
AAA	$	5,227,045	1.82 %
AA		175,229,321	60.89 %
A		13,825,809	4.80 %
BBB		67,284,042	23.38 %
BB		18,007,001	6.26 %
B		4,156,398	1.44 %
NR		4,056,609	1.41 %
Total fixed income securities	$	287,786,225	100.00 %

MFPRSI does not have a formal policy that limits the quality grade in which it may invest.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, MFPRSI will not be able to recover the value or collateral securities that are 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 name of the retirement system, and are held by either the counterparty or the counterparty's trust department or agent but not in MFPRSI's name.

Iowa Code 411.7 establishes the secretary of the Board as the custodian of the fund and provides for MFPRSI to select master custodian banks to provide custody of its assets. MFPRSI has arranged for Principal Bank to act as the master custodian bank. The master custodian bank may hold MFPRSI's property in the name of its nominee, bearer form, or in book entry form so long as the custodian's records clearly indicate that such property is held as part of the retirement system's account.

Concentration of Credit Risk

MFPRSI is guided by statute and policy in the selection of security investments. No investments in any one organization represent five percent or more of plan assets.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. The following table discloses the fair value and average duration of fixed income investments as of June 30, 2026, and 2025.

2026

	Fair Value	Duration
Investment Type:		
Short-term	$ 5,007,269	0.0950
Fixed Income	280,041,077	5.1604
Commingled	50,704,080	9.2538
Total fair value	$ 335,752,426	
Portfolio Modified Duration		5.7030

2025

	Fair Value	Duration
Investment Type:		
Short-term	$ 5,434,902	0.0977
Fixed Income	247,622,292	5.4331
Commingled	40,163,933	8.0696
Total fair value	$ 293,221,127	
Portfolio Modified Duration		5.6954

Duration is a measure of interest rate risk. The greater the duration of a bond, or portfolio of bonds, the greater its price volatility will be in response to a change in interest rates and vice versa. Duration is the measure of a bond price's sensitivity to a 100-basis point (or, one percent) change in interest rates. A duration of eight would mean that, given a 100-basis point change up/down in rates, a bond's price would move up/down by 8%.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The System had exposure to foreign currency fluctuations as follows as of June 30, 2026, and 2025:

2026

	Fair Value	Percentage of Holdings
Currency:		
Australian Dollar	$ (80,611)	3.69 %
Japanese Yen	94,484	(4.32) %
Euro Currency Unit	(361,101)	16.51 %
British Pound Sterling	(1,839,677)	84.12 %
Total foreign currency holdings	$ (2,186,905)	100 %

2025

	Fair Value	Percentage of Holdings
Currency:		
Australian Dollar	$ (87,751)	17.22 %
Japanese Yen	688,240	(135.03) %
Euro Currency Unit	(182,859)	35.88 %
British Pound Sterling	(927,318)	181.93 %
Total foreign currency holdings	$ (509,688)	100 %

Commitments

MFPRSI is committed, as of June 30, 2026, and 2025 to invest approximately $538,000,000 and $571,000,000, respectively, in certain private equity, private credit, real estate partnerships, and real estate commingled funds.

Fair Value Measurements

MFPRSI categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value (NAV) per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

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

Investments Measured at Fair Value on a Recurring Basis	2026			
		Fair Value Measurement Using		
	Balance at June 30, 2026	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt Securities				
U.S. Treasury securities	$ 34,884,569	$ 34,884,569	$ -	$ -
Mortgage-Related securities	113,466,423	-	113,466,423	-
Government-Related securities	9,605,994	-	9,605,994	-
Corporate securities	122,084,091	-	122,084,091	-
Total debt securities	280,041,077	34,884,569	245,156,508	-
Equity securities				
Preferred Stock	2,505,419	2,505,419	-	-
Total equity securities	2,505,419	2,505,419	-	-
Total investments by fair value level	$282,546,496	$ 37,389,988	$245,156,508	$ -

Investments measured at the NAV:	
Domestic equity funds	538,952,590
International equity funds	527,082,267
Global equity funds	34,917,136
Global bond funds	50,704,080
Private credit funds	59,380,082
Infrastructure funds	125,667,105
Real estate funds	221,080,603
Private equity funds	962,693,048
Multi-strategy commingled investments	77,603,161
Absolute return	74,141,649
Fund of funds commingled investments	828,491,793
Real estate held as investment	5,359,050
Total investments measured at the NAV	3,506,072,564
Total investments measured at fair value*	$ 3,788,619,060

*Short-term investments and currency positions are recorded at cost and are therefore excluded from this table.

Investments Measured at Fair Value on a Recurring Basis	2025			
		Fair Value Measurement Using		
	Balance at June 30, 2025	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level:				
Debt Securities				
U.S. Treasury securities	$ 28,635,303	$ 28,635,303	$ -	$ -
Mortgage-Related securities	110,524,678	-	110,524,678	-
Government-Related securities	5,922,149	-	5,922,149	-
Corporate securities	102,540,162	-	102,540,162	-
Total debt securities	247,622,292	28,635,303	218,986,989	-
Equity securities				
Preferred Stock	2,563,806	2,563,806	-	-
Total equity securities	2,563,806	2,563,806	-	-
Total investments by fair value level	$250,186,098	$ 31,199,109	$218,986,989	$ -
Investments measured at the NAV:				
Domestic equity funds	466,068,866			
International equity funds	458,921,156			
Global equity funds	33,477,757			
Global bond funds	40,163,933			
Private credit funds	60,134,786			
Infrastructure funds	116,481,232			
Real estate funds	248,354,157			
Private equity funds	914,247,067			
Multi-strategy commingled investments	60,328,621			
Absolute return	74,928,560			
Fund of funds commingled investments	744,436,017			
Real estate held as investment	5,365,119			
Total investments measured at the NAV	3,222,907,271			
Total investments measured at fair value*	$ 3,473,093,369			

*Short-term investments and currency positions are recorded at cost and are therefore excluded from this table.

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities.

The fair value of mortgage-related securities, corporate securities and government-related securities at June 30, 2026, and 2025, was determined primarily based on Level 2 inputs. Principal Bank estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Investments in Entities that Calculate Net Asset Value per Share

MFPRSI holds shares or interest in investment companies where the fair value of the investments are measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At year end, the fair value, unfunded commitments, and redemption rules of those investments is as follows:

Investments Measured at the NAV
($ in millions)

	2026			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equity funds	$ 539	$ -	Daily	1-5 days
International equity funds	527	-	Daily, Monthly	1 week/15th
Global equity funds	35	-	Daily	2 days
Global bond funds	51	-	Daily	1 day
Private credit funds	59	6	Monthly	3 days
Infrastructure funds	126	-	Quarterly	90 days
Real estate funds	221	11	N/A	N/A
Private equity funds	963	521	N/A	N/A
Multi-strategy hedge funds	78	-	Monthly	2 weeks
Absolute return	74	-	Daily	1 day
Fund of funds commingled investments	828	-	Daily	1 day
Real estate held as investment	5	-	N/A	N/A
Total investments measured at the NAV	$ 3,506			

Investments Measured at the NAV
($ in millions)

	2025			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Domestic equity funds	$ 466	$ -	Daily	1-5 days
International equity funds	459	-	Daily, Monthly	1 week/15th
Global equity funds	34	-	Daily	2 days
Global bond funds	40	-	Daily	1 day
Private credit funds	60	5	Monthly	3 days
Infrastructure funds	117	-	Quarterly	90 days
Real estate funds	249	11	N/A	N/A
Private equity funds	914	555	N/A	N/A
Multi-strategy hedge funds	60	-	Monthly	2 weeks
Absolute return	75	-	Daily	1 day
Fund of funds commingled investments	744	-	Daily	1 day
Real estate held as investment	5	-	N/A	N/A
Total investments measured at the NAV	$ 3,223			

MFPRSI does not anticipate restrictions, other than those outlined in the table, on the ability to sell individual investments at the measurement date. Additionally, MFPRSI does not anticipate that NAV driven investments will become redeemable at valuations materially different from the corresponding NAV listed above. On average, distributions received through the liquidation of underlying investments/assets can occur over the span of 8-15 years. MFPRSI has no prescribed time frame to liquidate the investments.

The multi-strategy hedge funds class invests in hedge funds that pursue multiple strategies to diversify risks and reduce volatility. The underlying portfolios hold both long and short positions in various asset classes and may also employ leverage. The investments of the underlying portfolios will likely include, but will not be limited to, common stocks, depository receipts, bank loans, bonds (including sovereign debt of emerging market countries), notes, commodities, currencies, forwards, futures, options and swap agreements.

5. DERIVATIVES

MFPRSI's investment managers may invest in derivative securities as permitted by their contracts. Derivatives are generally defined as contracts whose values depend on, or derive from, the value of an underlying asset, reference rate, or index. MFPRSI is exposed to various derivative products through the investment management of the MFPRSI and its external managers. All of MFPRSI's derivatives are classified as investment derivatives. The fair values of all derivative financial instruments are reported in the Statement of Fiduciary Net Position as 'Absolute Return.' Changes in the values of derivative financial instruments are reported in the Statement of Changes in Fiduciary Net Position as 'Net appreciation in fair value of investments.' Derivative financial instruments involve, to varying degrees, credit risk and market risk.

Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. To limit credit risk, each investment manager screens potential counter-parties and establishes and maintains an approved list of acceptable firms which meet a high level of credit-worthiness.

Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is managed by imposing contractual requirements on the investment managers as to the types, amounts and degree of risk they may undertake. Investment managers' derivative activities are reviewed on a periodic basis by MFPRSI as well as the Board to monitor compliance with the contracts. The retirement system does not purchase derivatives with borrowed funds and does not allow the leveraging of the portfolios.

MFPRSI's derivative investments may include foreign currency forward contracts, options, futures, and collateralized mortgage obligations. Derivative securities may also be used to improve yield, adjust the duration of the fixed income portfolio, or to hedge changes in interest rates.

Futures Contracts

A futures contract is a contract to buy or sell units of an index or financial instrument at a specified future date at a price agreed upon when the contract is originated. MFPRSI enters into these certain derivative instruments as investments primarily to enhance the performance and reduce the volatility of its portfolio. Upon entering into such a contract, MFPRSI pledges to the broker cash or U.S. government securities equal to the minimum initial margin requirement of the futures exchange. Additionally, MFPRSI receives or pays a daily variation margin, which is an amount of cash equal to the daily fluctuation in value of the contract. The change in fair value of the futures contracts is presented in the statement of changes in fiduciary net position as "Net appreciation in fair value of investments." MFPRSI holds futures contracts in the absolute return portfolio. The net change in fair value from the absolute return portfolio for fiscal year ended June 30, 2026 was $(786,911) and for fiscal year ended June 30, 2025 was $1,809,216.

Futures contract positions at June 30, 2026 were as follows:

DESCRIPTION	EXPIRATION DATE	OPEN POSITION	NUMBER OF CONTRACTS	NOTIONAL CONTRACT SIZE	FAIR VALUE
ASX 200 Index	Sep-26	Short	19	AUD 25 X Index	$ (2,884,588)
DAX Index	Sep-26	Short	4	EUR 25 X Index	(2,871,034)
Euro Bund	Sep-26	Long	8	EUR 100,000	1,163,582
10-Year Long Gilt	Sep-26	Long	1	GBP 100,000, 4% coupon	118,301
FTSE 100 Index	Sep-26	Short	12	GBP 10 X Index	(1,677,490)
10-Year Japanese Government Bond	Sep-26	Short	7	JPY 100,000,000, 6% coupon	(5,501,125)
Nikkei Index	Sep-26	Short	10	JPY 500 X Index	(2,191,187)
Australian Dollar	Sep-26	Long	3	AUD 100,000	207,330
British Pound	Sep-26	Short	69	GBP 62,500	(5,716,219)
Canadian Dollar	Sep-26	Short	50	CAD 100,000	(3,532,000)
Euro Currency Unit	Sep-26	Short	62	EUR 125,000	(8,878,788)
Japanese Yen	Sep-26	Short	103	JPY 12,500,000	(7,965,763)
Brazilian Real	Aug-26	Long	37	BRL 100,000	710,400
Mexican Peso	Sep-26	Long	59	MXN 500,000	1,676,190
Swiss Franc	Sep-26	Short	27	SF 125,000	(4,210,481)
Cocoa	Sep-26	Short	3	10 metric t (22,046 lbs)	(152,340)
Crude Oil WTI	Sep-26	Long	4	1,000 U.S. Barrels	277,080
Cotton #2	Dec-26	Long	14	50,000 lbs (100 bales)	537,600
U.S. Dollar Index	Sep-26	Long	74	$1,000 X Index	7,470,818
S&P 500 E-Mini	Sep-26	Short	18	$50 X Index	(6,793,425)
Gold	Aug-26	Long	1	100 fine troy ounces	403,850
Lean Hogs	Oct-26	Short	18	40,000 lbs	(590,400)
High Grade Copper	Sep-26	Long	7	25,000 lbs	1,094,450
Heating Oil	Sep-26	Long	3	42,000 gallons	398,173
Coffee	Sep-26	Short	6	37,500 lbs (approximately 283.50 bags of 60 Kgs)	(667,013)
Live Cattle	Oct-26	Long	8	40,000 lbs	757,280
Natural Gas	Oct-26	Long	1	10,000 MMBtu	32,130
Platinum	Oct-26	Long	1	50 troy ounces	78,290
Gasoline RBOB	Sep-26	Long	5	42,000 gallons	573,531
Russell 2000 E-mini	Sep-26	Short	25	$50 X Index	(3,807,000)
Sugar #11	Oct-26	Short	25	112,000 lbs	(414,960)
Silver	Sep-26	Long	1	5,000 troy ounces	299,610
VIX Volatility Index	Jul-26	Long	46	$1,000 X Index	825,732
VIX Volatility Index	Sep-26	Long	85	$1,000 X Index	1,675,019
30 Year T-Bond	Sep-26	Long	5	$100,000	567,500
Corn	Dec-26	Short	50	5,000 bushels	(1,090,000)
Soybean Oil	Dec-26	Long	21	60,000 lbs	823,410
Soybean Meal	Dec-26	Long	11	100 tons	333,410
10 Year T-Note	Sep-26	Short	42	$100,000	(4,615,406)
Soybeans	Nov-26	Long	4	5,000 bushels	228,750
Wheat	Dec-26	Short	7	5,000 bushels	(211,575)

Futures contract positions at June 30, 2025 were as follows:

DESCRIPTION	EXPIRATION DATE	OPEN POSITION	NUMBER OF CONTRACTS	NOTIONAL CONTRACT SIZE	FAIR VALUE
ASX 200 Index	Sep-25	Short	20	AUD 25 X Index	$ (2,809,057)
DAX Index	Sep-25	Short	1	EUR 25 X Index	(708,724)
Euro Bund	Sep-25	Short	24	EUR 100,000	(3,682,100)
10-Year Long Gilt	Sep-25	Short	20	GBP 100,000, 4% coupon	(2,555,348)
FTSE 100 Index	Sep-25	Short	15	GBP 10 X Index	(1,810,725)
10-Year Japanese Government Bond	Sep-25	Short	4	JPY 100,000,000, 6% coupon	(3,860,863)
Nikkei Index	Sep-25	Short	5	JPY 500 X Index	(699,421)
Australian Dollar	Sep-25	Long	13	AUD 100,000	856,635
British Pound	Sep-25	Long	97	GBP 62,500	8,320,781
Canadian Dollar	Sep-25	Long	33	CAD 100,000	2,431,440
Euro Currency Unit	Sep-25	Long	46	EUR 125,000	6,805,700
Japanese Yen	Sep-25	Long	21	JPY 12,500,000	1,836,056
Brazilian Real	Aug-25	Long	31	BRL 100,000	566,835
Mexican Peso	Sep-25	Long	76	MXN 500,000	2,010,200
Swiss Franc	Sep-25	Long	10	SF 125,000	1,590,813
Cocoa	Sep-25	Long	2	10 metric t (22,046 lbs)	180,000
Crude Oil WTI	Oct-25	Long	1	1,000 U.S. Barrels	62,760
Cotton #2	Dec-25	Short	27	50,000 lbs (100 bales)	(919,755)
U.S. Dollar Index	Sep-25	Short	67	$1,000 X Index	(6,465,031)
S&P 500 E-Mini	Sep-25	Short	4	$50 X Index	(1,250,750)
Gold	Oct-25	Long	4	100 fine troy ounces	1,323,080
Lean Hogs	Aug-25	Long	27	40,000 lbs	1,161,000
High Grade Copper	Sep-25	Long	11	25,000 lbs	1,397,688
Heating Oil	Oct-25	Long	2	42,000 gallons	188,076
Coffee	Sep-25	Short	1	37,500 lbs (approximately 283.50 bags of 60 Kgs)	(112,538)
Live Cattle	Aug-25	Long	10	40,000 lbs	855,500
Natural Gas	Sep-25	Short	14	10,000 MMBtu	(488,600)
Platinum	Oct-25	Long	15	50 troy ounces	1,007,250
Gasoline RBOB	Oct-25	Long	2	42,000 gallons	158,794
Russell 2000 E-mini	Sep-25	Short	3	$50 X Index	(328,755)
Sugar #11	Oct-25	Short	46	112,000 lbs	(834,624)
Silver	Sep-25	Long	10	5,000 troy ounces	1,808,600
VIX Volatility Index	Aug-25	Long	114	$1,000 X Index	2,291,126
30 Year T-Bond	Sep-25	Short	25	$100,000	(2,886,719)
Corn	Dec-25	Short	3	5,000 bushels	(63,825)
Soybean Oil	Dec-25	Long	22	60,000 lbs	696,300
Soybean Meal	Dec-25	Short	42	100 tons	(1,215,060)
10 Year T-Note	Sep-25	Short	13	$100,000	(1,457,625)
Soybeans	Nov-25	Short	8	5,000 bushels	(410,800)
Wheat	Dec-25	Short	27	5,000 bushels	(756,000)

6. IOWA PUBLIC EMPLOYEES PENSION SYSTEM (IPERS)

IPERS Plan Description

IPERS membership is mandatory for employees of MFPRSI. Pensions are provided to employees of MFPRSI through a cost-sharing, multiple employer defined benefit pension plan administered by IPERS. IPERS issues a stand-alone financial report which is available to the public by mail at 7401 Register Drive, P.O. Box 9117, Des Moines, Iowa 50306-9117 and at www.ipers.org.

IPERS benefits are established under Iowa Code chapter 97B and the administrative rules thereunder. Chapter 97B and the administrative rules are the official plan documents. The following brief description is provided for general informational purposes only. The plan documents contain more information.

IPERS Pension Benefits

A regular member may retire at normal retirement age and receive monthly benefits without an early-retirement reduction. Normal retirement age is age 65, anytime after reaching age 62 with 20 or more years of covered employment, or when the member's years of service plus the member's age at the last birthday equals or exceeds 88, whichever comes first (these qualifications must be met on the member's first month of entitlement to benefits). Members cannot begin receiving retirement benefits before age 55.

The formula used to calculate a regular member's monthly IPERS benefit includes:

- A multiplier (based on years of service).
- The member's highest five-year average salary (For members with service before June 30, 2012, the highest three-year average salary as of that date will be used if it is greater than the highest five-year average salary).

If a member retires before normal retirement age, the member's monthly retirement benefit will be permanently reduced by an early-retirement reduction. The early-retirement reduction is calculated differently for service earned before and after July 1, 2012. For service earned before July 1, 2012, the reduction is 0.25 percent for each month that the member receives benefits before the member's earliest normal retirement age. For service earned starting July 1, 2012, the reduction is 0.50 percent for each month that the member receives benefits before age 65.

Generally, once a member selects a benefit option, a monthly benefit is calculated and remains the same for the rest of the member's lifetime. However, to combat the effects of inflation, retirees who began receiving benefits prior to July 1990 receive a guaranteed dividend with their regular November benefit payments.

IPERS Disability and Death Benefits

A vested member who is awarded federal Social Security disability or Railroad Retirement disability benefits is eligible to claim IPERS benefits regardless of age. Disability benefits are not reduced for early retirement. If a member dies before retirement, the member's beneficiary will receive a lifetime annuity or a lump-sum payment equal to the present actuarial value of the member's accrued benefit or calculated with a set formula, whichever is greater. When a member dies after retirement, death benefits depend on the benefit option the member selected at retirement.

IPERS Contributions

As a result of a 2010 law change effective July 1, 2012, the contribution rates are established by IPERS following the annual actuarial valuation, which applies IPERS' Contribution Rate Funding Policy and

Actuarial Amortization Method. Statute limits the amount rates can increase or decrease each year to one percentage point.

IPERS Contribution Rate Funding Policy requires that the actuarial contribution rate be determined using the "entry age normal" actuarial cost method and the actuarial assumptions and methods approved by the IPERS Investment Board. The actuarial contribution rate covers normal cost plus the unfunded actuarial liability payment. The payment to amortize the unfunded actuarial liability is determined as a level percentage of payroll, based on the Actuarial Amortization Method adopted by IPERS' Investment Board.

In fiscal years 2026 and 2025, pursuant to the required rate, Regular members contributed 6.29 percent of pay and MFPRSI contributed 9.44 percent for a total rate of 15.73 percent.

MFPRSI's total contributions to IPERS for the years ended June 30, 2026, and 2025, were $113,593 and $108,707, respectively.

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

At June 30, 2026, MFPRSI reported a liability of $285,825 for its proportionate share of the IPERS net pension liability. The IPERS net pension liability was measured as of June 30, 2025, and the IPERS total pension liability used to calculate the IPERS net pension liability was determined by an actuarial valuation as of that date. At June 30, 2025, MFPRSI reported a liability of $419,727 for its proportionate share of the IPERS net pension liability. IPERS net pension liability was measured as of June 30, 2024, and the IPERS total pension liability used to calculate the IPERS net pension liability was determined by an actuarial valuation as of that date. The MFPRSI's proportion of the IPERS net pension liability was based on the MFPRSI's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2025, the MFPRSI's proportion was 0.011705 percent, which was an increase from 0.011366 percent, its proportion measured as of June 30, 2024.

For the year ended June 30, 2026, MFPRSI recognized pension (offset) of $(13,782). At June 30, 2026, MFPRSI reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2026	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 42,147	$ -
Changes of assumptions	-	4
Net difference between projected and actual earnings on pension plan investments	-	34,471
Changes in proportion and differences between MFPRSI contributions and proportionate share of contributions	10,104	17,042
MFPRSI contributions subsequent to the measurement date of June 30, 2025	113,593	-
Total	$ 165,844	$ 51,517

Deferred outflows of resources related to pensions resulting from MFPRSI contributions of $113,593 reported subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2027. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2027	$	79,157
2028		(21,611)
2029		(37,995)
2030		(21,190)
2031		2,373
Thereafter		-

For the year ended June 30, 2025, MFPRSI recognized pension expense of $44,712. At June 30, 2025, MFPRSI reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

2025	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 33,398	$ 261
Changes of assumptions	-	6
Net difference between projected and actual earnings on pension plan investments	5,250	-
Changes in proportion and differences between MFPRSI contributions and proportionate share of contributions	3,114	23,786
MFPRSI contributions subsequent to the measurement date of June 30, 2024	108,707	-
Total	$ 150,469	$ 24,053

Deferred outflows of resources related to pensions resulting from MFPRSI contributions of $108,707 reported subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$	(59,363)
2027		96,477
2028		(1,371)
2029		(17,216)
2030		(818)
Thereafter		-

There were no non-employer contributing entities at IPERS.

IPERS Actuarial assumptions – The total pension liability in the June 30, 2025, and 2024 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurements:

Rate of inflation (effective June 30, 2017)	2.60 per annum
Rates of salary increase (effective June 30, 2017)	3.25 to 16.25 percent, average, including inflation. Rates vary by membership group.
Long-term investment rate of return (effective June 30, 2017)	7.00 percent, compounded annually, net of investment expense, including inflation.

The IPERS actuarial assumptions used in the June 30, 2025, and 2024 valuations were based on the results of actuarial experience studies with dates corresponding to those listed above.

Mortality rates were based on the PubG-2010 Employee and Healthy Annuitant Tables, using MP-2021 generational adjustments.

The actuarial assumptions used in the June 30, 2025, and 2024 valuations are based on the results of the most recent actuarial experience studies. An experience study of IPERS's demographic assumptions was presented to the Investment Board in June 2022. This study included information on mortality, retirement, disability and termination rates, as well as salary trends, for the period of July 1, 2017 – June 30, 2021. The findings of the experience study, along with the resulting recommendations, are included in the report dated June 16, 2022.

Several factors are considered in evaluating the actuarial assumed investment return including long-term historical data, estimates inherent in current market data, along with estimates of variability and correlations for each asset class, and an analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) were developed by IPERS's investment consultant. These ranges were combined to develop the actuarial assumed investment return by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The actuarial assumed investment return reflects the anticipated returns on current and future plan assets and provides a discount rate to determine the present value of future benefit payments.

Best estimates of geometric real rates of return for each major asset class included in IPERS' target asset allocation as of June 30, 2025, and 2024, are shown in the following table.

	IPERS Target Allocation		IPERS Long-Term Expected Real Rate of Return	
Asset Class	2025	2024	2025	2024
Domestic equity	21%	21%	3.33%	3.52%
International equity	13	13	4.99	5.18
Global smart beta equity	5	5	3.87	4.12
Core-plus fixed income	25	25.5	2.84	3.04
Public credit	3	3	4.21	4.53
Cash	1	1	1.24	1.69
Private equity	17	17	7.68	8.89
Private real assets	9	9	4.62	4.25
Private credit	6	5.5	6.23	6.62
Total	100%	100%		

IPERS - Discount Rate. The discount rate used to measure the Total Pension Liability (TPL) is 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from employees and employers will be made at contractually required rates, which are set by the Contribution Rate Funding Policy and derived from the actuarial valuation. Based on those assumptions, IPERS' fiduciary net position is projected to be available to make all projected future benefit payments of current plan members. Therefore, the actuarial assumed investment return was applied to all periods of projected benefit payments to determine the TPL.

Sensitivity of MFPRSI's proportionate share of the IPERS net pension liability to changes in the discount rate. The following presents MFPRSI's proportionate share of the IPERS net pension liability calculated using the discount rate of 7.0 percent, as well as what MFPRSI's proportionate share of the IPERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate.

2026	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
MFPRSI's proportionate share of the IPERS net pension liability (asset)	$ 939,629	$ 285,825	$ (261,329)

2025	1% Decrease 6.0%	Current Discount Rate 7.0%	1% Increase 8.0%
MFPRSI's proportionate share of the IPERS net pension liability (asset)	$ 1,030,002	$ 419,727	$ (91,382)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued IPERS financial report which is available on IPERS' website at www.ipers.org.

Payables to IPERS

At June 30, 2026, MFPRSI reported payables to the defined benefit pension plan of $8,070 for legally required employer contributions and $5,378 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

At June 30, 2025, MFPRSI reported payables to the defined benefit pension plan of $8,035 for legally required employer contributions and $5,353 for legally required employee contributions which had been withheld from employee wages but not yet remitted to IPERS.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN MFPRSI'S NET PENSION LIABILITY
Last 10 Fiscal Years

	2026	2025	2024	2023
Total pension liability				
Service cost	$ 71,147,666	$ 68,020,131	$ 65,495,151	$ 61,347,565
Interest	306,843,710	294,316,186	281,715,121	270,511,939
Changes of Benefit Terms	-	616,915	3,211,535	-
Differences between expected and actual experience	43,132,744	43,327,367	46,602,311	30,734,937
Changes of assumptions	-	-	-	3,924,038
Benefit payments, including refunds	(248,289,033)	(236,669,970)	(226,582,199)	(216,186,354)
Net change in total pension liability	172,835,087	169,610,629	170,441,919	150,332,125
Total pension liability – beginning	4,142,002,011	3,972,391,382	3,801,949,463	3,651,617,338
Total pension liability - ending	4,314,837,098	4,142,002,011	3,972,391,382	3,801,949,463
Plan fiduciary net position				
Contributions – employer	92,503,831	89,337,802	86,264,868	86,664,231
Contributions – member	39,705,322	37,757,307	35,174,126	34,165,042
Net investment income	437,632,053	296,743,699	243,299,879	182,866,808
Benefit payments, including refunds	(248,289,033)	(236,669,970)	(226,582,199)	(216,186,354)
Administrative expense	(2,374,937)	(2,357,028)	(2,032,561)	(1,969,805)
Other	(300,808)	(38,607)	(265,597)	163,629
Net change in plan fiduciary net position	318,876,428	184,773,203	135,858,516	85,703,551
Plan fiduciary net position – beginning	3,496,382,132	3,311,608,929	3,175,750,413	3,090,046,862
Plan fiduciary net position – ending	$3,815,258,560	$3,496,382,132	$3,311,608,929	$3,175,750,413
MFPRSI net pension liability - ending	$ 499,578,538	$ 645,619,879	$ 660,782,453	$ 626,199,050

*See Notes to Required Supplementary Information

SCHEDULE OF CHANGES IN MFPRSI'S NET PENSION LIABILITY
Last 10 Fiscal Years

	2022	2021	2020	2019
Total pension liability				
Service cost	$ 58,814,108	$ 56,807,678	$ 55,133,707	$ 53,017,674
Interest	260,633,217	251,348,980	242,467,141	233,282,508
Changes in Benefit Terms	-	-	-	-
Differences between expected and actual experience	21,515,283	14,881,260	9,638,175	16,177,781
Changes of assumptions	-	-	-	-
Benefit payments, including refunds	(207,529,673)	(195,202,243)	(185,942,113)	(178,457,619)
Net change in total pension liability	133,432,935	127,835,675	121,296,910	124,020,344
Total pension liability – beginning	3,518,184,403	3,390,348,728	3,269,051,818	3,145,031,474
Total pension liability - ending	3,651,617,338	3,518,184,403	3,390,348,728	3,269,051,818
Plan fiduciary net position				
Contributions – employer	88,421,910	82,245,851	77,551,461	78,766,019
Contributions – member	31,631,033	30,587,481	29,808,835	28,472,627
Net investment income	(113,965,317)	785,156,295	60,250,246	136,635,233
Benefit payments, including refunds	(207,529,673)	(195,202,243)	(185,942,113)	(178,457,619)
Administrative expense	(1,902,581)	(1,894,969)	(1,887,579)	(1,797,284)
Other	(218,778)	(30,576)	(157,670)	(121,714)
Net change in plan fiduciary net position	(203,563,406)	700,861,839	(20,376,820)	63,497,262
Plan fiduciary net position – beginning	3,293,610,268	2,592,748,429	2,613,125,249	2,549,627,987
Plan fiduciary net position – ending	$3,090,046,862	$3,293,610,268	$2,592,748,429	$2,613,125,249
MFPRSI net pension liability - ending	$ 561,570,476	$ 224,574,135	$ 797,600,299	$ 655,926,569

*See Notes to Required Supplementary Information

SCHEDULE OF CHANGES IN MFPRSI'S NET PENSION LIABILITY
Last 10 Fiscal Years

	2018	2017
Total pension liability		
Service cost	$ 56,128,110	$ 53,423,772
Interest	224,678,250	213,069,288
Changes of Benefit Terms	-	-
Differences between expected and actual experience	(9,748,387)	12,891,275
Changes of assumptions	21,266,192	39,751,096
Benefit payments, including refunds	(170,663,862)	(163,571,586)
Net change in total pension liability	121,660,303	155,563,845
Total pension liability – beginning	3,023,371,171	2,867,807,326
Total pension liability - ending	3,145,031,474	3,023,371,171
Plan fiduciary net position		
Contributions – employer	74,641,639	73,411,163
Contributions – member	27,493,680	26,625,022
Net investment income	183,182,098	259,812,040
Benefit payments, including refunds	(170,663,862)	(163,571,586)
Administrative expense	(1,781,886)	(1,767,657)
Other	(139,793)	(159,263)
Net change in plan fiduciary net position	112,731,876	194,349,719
Plan fiduciary net position – beginning	2,436,896,111	2,242,546,392
Plan fiduciary net position – ending	$2,549,627,987	$2,436,896,111
MFPRSI net pension liability - ending	$ 595,403,487	$ 586,475,060

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S NET PENSION LIABILITY
Last 10 Fiscal Years

	2026	2025	2024	2023
Total pension liability	$4,314,837,098	$4,142,002,011	$3,972,391,382	$3,801,949,463
Plan fiduciary net position	3,815,258,560	3,496,382,132	3,311,608,929	3,175,750,413
MFPRSI's net pension liability	$ 499,578,538	$ 645,619,879	$ 660,782,453	$ 626,199,050
Plan fiduciary net position as a percentage of the total pension liability	88.42%	84.41%	83.37%	83.53%
Covered payroll	$ 410,132,141	$ 394,251,665	$ 375,391,071	$ 362,613,585
MFPRSI's net pension liability as a percentage of covered payroll	121.81%	163.76%	176.03%	172.69%

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S NET PENSION LIABILITY
Last 10 Fiscal Years

	2022	2021	2020	2019
Total pension liability	$3,651,617,338	$3,518,184,403	$3,390,348,728	$3,269,051,818
Plan fiduciary net position	3,090,046,862	3,293,610,268	2,592,748,429	2,613,125,249
MFPRSI's net pension liability	$ 561,570,476	$ 224,574,135	$ 797,600,299	$ 655,926,569
Plan fiduciary net position as a percentage of the total pension liability	84.62%	93.62%	76.47%	79.94%
Covered payroll	$ 337,741,039	$ 324,953,814	$ 317,709,825	$ 302,713,506
MFPRSI's net pension liability as a percentage of covered payroll	166.27%	69.11%	251.05%	216.68%

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S NET PENSION LIABILITY
Last 10 Fiscal Years

	2018	2017
Total pension liability	$3,145,031,474	$3,023,371,171
Plan fiduciary net position	2,549,627,987	2,436,896,111
MFPRSI's net pension liability	$ 595,403,487	$ 586,475,060
Plan fiduciary net position as a percentage of the total pension liability	81.07%	80.60%
Covered payroll	$ 290,660,576	$ 283,222,057
MFPRSI's net pension liability as a percentage of covered payroll	204.84%	207.07%

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S CONTRIBUTIONS
Last 10 Fiscal Years

	2026	2025	2024	2023
Actuarially determined contribution	$ 92,503,831	$ 89,337,802	$ 86,264,868	$ 86,664,231
Contributions in relation to the actuarially determined contribution	92,503,831	89,337,802	86,264,868	86,664,231
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Reported covered payroll	$ 410,132,141	$ 394,251,665	$ 375,391,071	$ 362,613,585
Contributions as a percentage of covered payroll	22.555%	22.66%	22.98%	23.90%

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S CONTRIBUTIONS
Last 10 Fiscal Years

	2022	2021	2020	2019
Actuarially determined contribution	$ 88,421,910	$ 82,245,851	$ 77,551,461	$ 78,766,019
Contributions in relation to the actuarially determined contribution	88,421,910	82,245,851	77,551,461	78,766,019
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
Reported covered payroll	$ 337,741,039	$ 324,953,814	$ 317,709,825	$ 302,713,506
Contributions as a percentage of covered payroll	26.18%	25.31%	24.41%	26.02%

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S CONTRIBUTIONS
Last 10 Fiscal Years

	2018	2017
Actuarially determined contribution	$ 74,641,639	$ 73,411,163
Contributions in relation to the actuarially determined contribution	74,641,639	73,411,163
Contribution deficiency (excess)	$ -	$ -
Reported covered payroll	$ 290,660,576	$ 283,222,057
Contributions as a percentage of covered payroll	25.68%	25.92%

*See Notes to Required Supplementary Information

SCHEDULE OF INVESTMENT RETURNS
Last 10 Fiscal Years

Fiscal Year	Annual money-weighted rate of return, net of investment expense
2026	12.91%
2025	9.30%
2024	7.93%
2023	5.92%
2022	-3.80%
2021	29.90%
2020	2.35%
2019	5.32%
2018	7.59%
2017	11.72%

SCHEDULE OF MFPRSI'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

	2025	2024	2023	2022	2021
MFPRSI's proportion of the net pension liability (asset)	0.011705%	0.011366%	0.011712%	0.012061%	0.012214%
MFPRSI's proportionate share of the net pension liability (asset)	$285,825	$419,727	$540,401	$478,702	$17,123
MFPRSI's covered payroll	$1,203,316	$1,151,557	$1,063,570	$1,051,430	$1,020,466
MFPRSI's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	23.75%	36.45%	50.81%	45.53%	1.68%
Plan fiduciary net position as a percentage of the total net pension liability	94.64%	91.60%	89.18%	90.34%	99.60%

*The amounts presented for each fiscal year were determined as of June 30.

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

	2020	2019	2018	2017	2016
MFPRSI's proportion of the net pension liability (asset)	0.012038%	0.011991%	0.011874%	0.012415%	0.012738%
MFPRSI's proportionate share of the net pension liability (asset)	$839,724	$699,044	$751,182	$819,626	$794,389
MFPRSI's covered payroll	$991,326	$948,686	$892,161	$988,443	$902,363
MFPRSI's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	84.71%	73.69%	84.20%	82.92%	88.03%
Plan fiduciary net position as a percentage of the total net pension liability	82.90%	85.45%	83.62%	82.21%	81.82%

*The amounts presented for each fiscal year were determined as of June 30.

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S CONTRIBUTIONS

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

	2026	2025	2024	2023	2022
Actuarially determined contribution	$ 113,593	$ 108,707	$ 100,401	$ 99,255	$ 96,332
Contributions in relation to the actuarially determined contribution	113,593	108,707	100,401	99,255	96,332
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Reported covered payroll	$ 1,203,316	$ 1,151,557	$ 1,063,570	$ 1,051,430	$ 1,020,466
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	9.44%	9.44%

*See Notes to Required Supplementary Information

SCHEDULE OF MFPRSI'S CONTRIBUTIONS

Iowa Public Employees' Retirement System
Last 10 Fiscal Years

	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 93,581	$ 89,556	$ 86,727	$ 79,670	$ 88,268
Contributions in relation to the actuarially determined contribution	93,581	89,556	86,727	79,670	88,268
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Reported covered payroll	$ 991,326	$ 948,686	$ 918,718	$ 892,161	$ 988,443
Contributions as a percentage of covered payroll	9.44%	9.44%	9.44%	8.93%	8.93%

*See Notes to Required Supplementary Information

MUNICIPAL FIRE AND POLICE RETIREMENT SYSTEM OF IOWA

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Methods and Assumptions used in Calculations of Actuarially Determined Contributions. The actuarially determined contribution rates in the schedule of MFPRSI's contributions are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions used for Accounting Results.

Valuation date	July 1, 2026
Actuarial cost method	Entry age normal
Amortization method	Level Dollar, Closed, Layered
Remaining amortization period	25 years
Asset valuation method	5 year smoothed market
Actuarial assumptions:	
Investment rate of return	7.50 percent
Projected salary increases	3.75 to 15.11 percent
Post-retirement mortality table:	
Ordinary	RP 2014 Blue Collar Healthy Annuitant table with males set-forward zero years, females set-forward two years, with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.
Disabled	RP 2014 Blue Collar Healthy Annuitant Mortality Table – Male, set-forward three years, with generational projection of future mortality improvement with 50% of Scale BB beginning in 2017.

Changes to Benefit Terms.

Legislation passed in 2025 included:

- Expansion of the eligibility for an accidental disability and death benefits by revising the definition of cancer from 14 presumed cancers to include all types of cancers.
- An increase in the active member contribution rate from 9.550% to 9.675% of earnable compensation to pay for the benefit change.

Legislation passed in 2024 included:

- While applying for a disability benefit, members will remain in good standing until the member has exhausted all appeals available.
- Members retired on an ordinary disability will be able to apply for accidental disability up to three years following retirement.
- To establish a mental injury is eligible for an accidental disability benefit, the member must be able to trace the injury to a readily identifiable work event.
- An increase in the active member contribution rate from 9.40% to 9.55% of earnable compensation to pay for the benefit change.

Changes to Actuarial Assumptions:

Based on the results of a 10-year experience study the following actuarial assumptions were changed in 2023:

- Changed withdrawal rates to be 10% higher for ages below age 40 for actives.
- Increased ordinary disability rates to be 50% higher for actives ages 35 to 54.
- Increased accidental disability rates to be 50% higher for actives age 35 to 49.
- Increased DROP participation rates to 60% for ages 55 to 56 for actives.
- Increased DROP voluntary premature withdrawal rates to 30% for ages 55 to 56 for actives.

Actuary

Actuarial Valuation's Purpose
Cities' Recommended Contribution Rate
Actuarial Report Highlights

Actuarial Valuation's Purpose

Provided by HUB International

The actuarial data in this section was determined by MFPRSI's actuarial services provider, HUB International ("HUB"). The information in this section presents a portion of the annual actuarial valuation, which was determined in accordance with Iowa Code Chapter 411. The complete actuarial valuation report as of July 1, 2026, can be accessed on the retirement system's website, www.mfprsi.org.

The costs developed and presented in this section are based on asset values as of June 30, 2026, member census data as of July 1, 2026, and current retirement system provisions, all of which were supplied by MFPRSI.

The purposes of the actuarial valuation are:

1. To determine the normal contribution rate that is payable by the Cities under Chapter 411 of the Code of Iowa;
2. To determine the funded status of the retirement system; and
3. To provide information relating to the disclosure requirements of the Governmental Accounting Standards Board (GASB) Statement No. 67 – Financial Reporting for Defined Benefit Pension Plans (an amendment of GASB Statement No. 25).

All costs and liabilities were determined in accordance with generally accepted actuarial principles and procedures and are based on the actuarial assumptions and methods prescribed by the Board of Trustees in accordance with Iowa Code Section 411.5.10-11. The information supplied in this section is complete and accurate and the assumptions are reasonably related to the experience of MFPRSI and to reasonable expectations under MFPRSI in the opinion of HUB.

Cities' Recommended Contribution Rate

Preliminary Total Contribution	As of July 1, 2025	2026
1. Annual Normal Cost	$71,147,666	$74,328,548
2. Estimated Member Contributions	39,507,258	41,460,168
3. Unfunded Actuarial Accrued Liability Amortization Payment	57,620,053	64,163,179
4. Total (Cities plus State) Contribution = (1) – (2) + (3)	89,260,461	97,031,559
Cities' Contribution		
5. Preliminary Total Contribution = (4)	89,260,461	97,031,559
6. Estimated State Contribution	0	0
7. Preliminary Cities' Contribution = (5) – (6)	89,260,461	97,031,559
8. Covered Payroll	408,343,756	428,528,870
9. Cities' Contribution as a percent of payroll = (7) / (8)	21.859%	22.643%
10. Minimum required contribution rate for Cities	17.000%	17.000%
11. Cities' Contribution = [Greater of (9) or (10)] x (8)	89,259,862	97,031,792

MFPRSI's total contribution rate increased from 21.859% for 2025 to 22.643% for 2026. MFPRSI's contribution rate before any adjustment to the minimum required rate changed as follows:

July 1, 2025 Normal Contribution Rate*		21.859%
• Effect of different State contribution		0.000%
• Effect of Cities' contribution different than actuarially determined		(0.061%)
• MFPRSI experience less favorable than assumed		
• Salary increases more than assumed	0.274%	
• Investment experience less favorable than assumed	0.687%	
• Effect of new members	(0.573%)	
• Effect of DROP experience	0.021%	
• Other population changes	0.436%	
		0.845%
• Changes in MFPRSI provisions		0.000%
• Changes in actuarial assumptions		0.000%
• Change in actuarial methods		0.000%
Preliminary Normal Contribution Rate		22.643%
• Increase to meet minimum required contribution rate of 17.00%		0.000%
July 1, 2026 Normal Contribution Rate		22.643%

* Before adjustment for minimum contribution rate, if applicable.

Description of Changes in Normal Contribution Rate

A brief description of each event leading to a change in the normal contribution rate is discussed below:

Effect of Different State Contribution 0.000%

The state's contribution remained unchanged at $0 for 2025 and $0 for 2026.

Effect of Cities' Contribution Different than Actuarially Determined (0.061%)

The Cities' actual contribution rate as a percent of covered payroll was 22.555% for the period ended June 30, 2026. The actuarially determined rate for the same period was 21.859% of covered payroll. This had the effect of producing larger contributions than expected and decreased the Cities' contribution rate by 0.061%.

Salary Increases More than Assumed 0.274%

The actual weighted average salary increase for active members included in the valuation was 6.94% compared to an expected weighted average increase of 5.28%. Actual salaries paid in the prior plan year ended June 30, 2026 were reported for the July 1, 2026 valuation. This had the effect of increasing the Cities' contribution rate by 0.274%.

Investment Experience Less Favorable than Assumed 0.687%

The actuarial value of assets realized a return of 6.49% compared to the assumed investment return of 7.50%. This had the effect of increasing the Cities' contribution rate by 0.687%.

Effect of New Members (0.573%)

New members are generally younger and lower-paid than the ongoing members. Thus, these new members require a lower contribution rate from the Cities due to the longer period of time over which to fund their benefits. This had the effect of decreasing the Cities' contribution rate by 0.573%.

Effect of DROP Experience 0.021%

The expected number of active members who choose to participate, the age at which the members chose to participate, the duration of the DROP period selected and the number of members who prematurely withdraw from DROP do not exactly match the actual incidences. In addition, the investment earnings on the DROP accounts differ from that assumed. These variances in participation rates, age at participation, duration of participation, premature withdrawals and investment earnings caused a decrease in the Cities' contribution rate.

However, the cumulative effect since inception of the DROP on the Cities' contribution rate reveals an overall decrease in the Cities' contribution rate as follows:

Initial Decrease in Rate at July 1, 2007	(0.53%)
Increase in Rate for 2007	0.04%
Increase in Rate for 2008	0.01%
Increase in Rate for 2009	0.02%
Increase in Rate for 2010	0.03%
Increase in Rate for 2011	0.02%
Increase in Rate for 2012	0.03%
Increase in Rate for 2013	0.01%
Increase in Rate for 2014	0.04%
Increase in Rate for 2015	0.03%
No Change in Rate for 2016	0.00%
Increase in Rate for 2017	0.01%
Increase in Rate for 2018 – Assumption Change	0.20%
No Change in Rate for 2018	0.00%
No Change in Rate for 2019	0.00%
Decrease in Rate for 2020	(0.01%)
Decrease in Rate for 2021	(0.01%)
Decrease in Rate for 2022	(0.01%)
Decrease in Rate for 2022 – Assumption Change	(0.21%)
Increase in Rate for 2023	0.04%
Increase in Rate for 2024	0.043%
Increase in Rate for 2025	0.021%
Cumulative Increase/(Decrease) in Rate to July 1, 2026	(0.226%)

Other Population Changes 0.436%

The expected rates of disability, death, retirement and withdrawal do not exactly match the actual incidences. These variances will cause a gain or loss each year. For example, there were fewer active members' deaths (1) than assumed (3) during the period ended June 30, 2026. In addition, there were more service retirements (59) than assumed (53) and more withdrawals (140) than assumed (116) during the period ended June 30, 2026. Finally, there were more disability retirements (57) than assumed (36) and fewer inactive member deaths (159) than assumed (164) during the period ended June 30, 2026. These variances in active member deaths, service retirements, disability retirements and inactive member deaths caused an actuarial loss which increased the Cities' contribution rate by 0.436%.

Changes in MFPRSI Provisions 0.000%

There were no changes in MFPRSI benefit provisions from the prior year valuation.

Changes in Actuarial Assumptions 0.000%

In accordance with Iowa State Code Section 411.5.10-11, the Board of Trustees prescribes the actuarial assumptions used in the actuarial valuation. Per the Code Section, MFPRSI's actuary conducts a formal investigation, or experience study, of the primary assumptions every five years. The most recent investigation was completed in the spring of 2023 for the 10-year period ending June 30, 2022.

There were no changes in actuarial assumptions from the prior year valuation.

Changes in Actuarial Methods 0.000%

There were no changes in actuarial methods from the prior year valuation.

Actuarial Report Highlights

	As of July 1, 2024	2025	2026
Cities Recommended Contribution	$ 88,611,618	$ 89,259,862	$ 97,031,792
Normal Contribution Rate	22.680%	21.859%	22.643%
Plan Assets			
Market Value	3,311,608,929	3,496,382,132	3,815,258,560
Actuarial Value	3,355,469,275	3,538,125,209	3,645,011,571
Prior Year Investment Return			
Market Value	7.79%	9.12%	12.73%
Actuarial Value	7.84%	8.94%	6.49%
Actuarial Accrued Liability	3,972,391,382	4,142,002,011	4,314,837,098
Funded Ratio*	84.47%	85.42%	84.48%
Annual Participating Payroll	390,703,785	408,343,756	428,528,870
Annual Normal Cost	68,020,131	71,147,666	74,328,548
Percent of Payroll	17.41%	17.42%	17.35%
Annual Pension Benefits			
Service Retirement	120,146,832	126,686,208	132,070,224
Disabled Retirement	65,382,768	68,923,800	73,030,572
Vested Retirement	11,864,292	12,628,344	13,855,092
Beneficiaries	26,231,076	27,221,316	28,386,420
Total	223,624,968	235,459,668	247,342,308
Number of Members			
Active	4,253	4,254	4,296
Disabled	1,236	1,255	1,281
Retirees and Beneficiaries	3,276	3,341	3,394
Vested Terminated	485	504	493
Total	9,250	9,354	9,464

* Based on the ratio of the Actuarial Value of Assets to Actuarial Accrued Liability.

Actuarial Value of Assets - Year Ending June 30, 2026

1.	Actuarial Value of Assets at July 1, 2025	$3,538,125,209
2.	Contributions for 2025 Plan Year (Members, Cities and State)	132,209,153
3.	Benefit distributions and refunds for 2025 plan year	(248,289,033)
4.	Noninvestment Expenses	
	a. Administrative Expenses	(2,374,937)
	b. Disability Expenses	(361,626)
	c. Other Expenses	(7,920)
	d. Total	(2,744,483)
5.	Expected return on Market Value of Assets for year at 7.5%	257,853,300
6.	Asset gains/(losses) for prior five plan years	

	(i) Asset gain or (loss)	Years Recognized	Years Remaining	(ii) Recognition Percentage	(i) x (ii) Recognized Amount
a. 2025	$ 179,847,491	1	4	20.000%	35,969,498
b. 2024	52,809,434	2	3	20.000	10,561,887
c. 2023	9,114,702	3	2	20.000	1,822,940
d. 2022	(44,808,205)	4	1	20.000	(8,961,641)
e. 2021	(357,676,297)	5	0	20.000	(71,535,259)
f. Total					(32,142,575)

7.	Asset gains/(losses) to be recognized = (6f)	(32,142,575)
8.	Actuarial Value of Assets at July 1, 2026 = (1) + (2) + (3) + (4d) + (5) + (7)	3,645,011,571
9.	Market Value of Assets at July 1, 2026	3,815,258,560
10.	Ratio of Actuarial Value to Market Value at July 1, 2026 = (8) / (9)	95.54%

Unfunded Actuarial Accrued Liability

The unfunded actuarial accrued liability is the amount the actuarial accrued liability exceeds the actuarial value of plan assets determined as of the actuarial valuation date. The unfunded actuarial accrued liability is reduced during a year when MFPRSI funding exceeds the annual normal cost and interest accrued on the prior year unfunded accrued liability. The unfunded actuarial accrued liability is also reduced (increased) when the investment return on MFPRSI assets exceeds (is less than) the assumed investment return. The actuarial accrued liability is increased if there are amendments that revise benefits payable from MFPRSI. The actuarial accrued liability may be increased or decreased as the result of MFPRSI experience or if there are changes in the actuarial assumptions used to determine annual contributions.

	As of July 1, 2025	As of July 1, 2026
1. Actuarial Accrued Liability before changes		
a. Active members		
Service retirements/DROP	$1,263,050,894	$1,299,256,151
Ordinary disability	37,653,498	39,496,733
Accidental disability	141,172,413	148,150,686
Ordinary death	3,620,152	3,804,597
Accidental death	6,799,717	7,332,086
Withdrawal	45,138,195	47,846,990
Total Active	1,497,434,869	1,545,887,243
b. Inactive members		
Members receiving benefits	2,565,875,113	2,693,244,051
Deferred vested terminations	76,749,082	74,355,399
Refund of member contributions due	1,326,032	1,350,405
Total Inactive	2,643,950,227	2,768,949,855
c. Total Actuarial Accrued Liability	4,141,385,096	4,314,837,098
2. Actuarial Value of Plan Assets	3,538,125,209	3,645,011,571
3. Unfunded Actuarial Accrued Liability before changes =[Excess of (1) over (2)]	603,259,887	669,825,527
4. Change in Unfunded Actuarial Accrued Liability		
a. Change in MFPRSI Provisions	616,915	0
b. Change in Actuarial Assumptions	0	0
5. Unfunded Actuarial Accrued Liability after changes	603,876,802	669,825,527

Unfunded Accrued Liability Payments

One of the components included to determine the recommended contribution is the Unfunded Accrued Liability Payment (UAL). The UAL Payment is an annual amount that will amortize over 25 years on a closed, layered level dollar basis:

- The initial UAL established as of July 1, 2013.
- An increase in UAL if benefits are improved through amendments.
- An increase or decrease in the UAL associated with a change in actuarial assumptions.
- An increase or decrease in the UAL resulting from actuarial gains or losses due to experience.

Amortization Base	Date Established	Source of Base
$ 657,280,700	July 1, 2013	Initial Unfunded
(101,748,328)	July 1, 2014	Actuarial Gain
32,616,664	July 1, 2014	Assumption Change
(64,447,420)	July 1, 2015	Actuarial Gain
17,508,411	July 1, 2015	Assumption Change
21,275,521	July 1, 2016	Actuarial Loss
(10,467,574)	July 1, 2016	Assumption Change
(7,154,241)	July 1, 2017	Actuarial Gain
39,751,096	July 1, 2017	Assumption Change
(15,920,159)	July 1, 2018	Actuarial Gain
21,266,192	July 1, 2018	Assumption Change
63,348,299	July 1, 2019	Actuarial Loss
63,889,229	July 1, 2020	Actuarial Loss
(77,624,458)	July 1, 2021	Actuarial Gain
(17,602,441)	July 1, 2022	Actuarial Gain
28,830,747	July 1, 2023	Actuarial Loss
3,924,038	July 1, 2023	Assumption Change
35,979,725	July 1, 2024	Actuarial Loss
3,211,535	July 1, 2024	Plan Amendment
(4,075,272)	July 1, 2025	Actuarial Gain
616,915	July 1, 2025	Plan Amendment
78,406,051	July 1, 2026	Actuarial Loss

Initial Charge Amortization Base	Initial Term-Years	Remaining Term on Valuation Date	Amortization Payment
$ 657,280,700	25	12	$54,851,250
32,616,664	25	13	2,721,919
17,508,411	25	14	1,461,109
21,275,521	25	15	1,775,480
39,751,096	25	16	3,317,300
21,266,192	25	17	1,774,702
63,348,299	25	18	5,286,529
63,889,229	25	19	5,331,671
28,830,747	25	22	2,405,978
3,924,038	25	22	327,468
35,979,725	25	23	3,002,572
3,211,535	25	23	268,008
616,915	25	24	51,483
78,406,051	25	25	6,543,125
		Total	89,118,594

Initial Credit Amortization Base	Initial Term-Years	Remaining Term on Valuation Date	Amortization Payment
$ 101,748,328	25	13	$ 8,491,080
64,447,420	25	14	5,378,253
10,467,574	25	15	873,538
7,154,241	25	16	597,035
15,920,159	25	17	1,328,565
77,624,458	25	20	6,477,900
17,602,441	25	21	1,468,955
4,075,272	25	24	340,089
		Total	24,955,415

Net Amortization Payment	$64,163,179

Actuarial Gain/(Loss)

Expected Unfunded Actuarial Accrued Liability

1. Expected Actuarial Accrued Liability	
a. Actuarial Accrued Liability on July 1, 2025	$4,142,002,011
b. Normal Cost	71,147,666
c. Benefit Distributions	(248,289,033)
d. Interest on above at 7.50% to June 30, 2026	306,843,710
e. Total	4,271,704,354
2. Expected Assets	
a. Actuarial Value of Assets on July 1, 2025	3,538,125,209
b. Contributions	132,209,153
c. Benefit Distributions and Noninvestment Expenses	(251,033,516)
d. Interest on above at 7.50% to June 30, 2026	260,984,032
e. Total	3,680,284,878
3. Expected Unfunded Actuarial Accrued Liability on June 30, 2026	591,419,476

Actual Unfunded Actuarial Accrued Liability

4. Actuarial Accrued Liability Before Changes	4,314,837,098
5. Actuarial Value of Assets	3,645,011,571
6. Actual Unfunded Actuarial Accrued Liability on July 1, 2026 (4) – (5)	669,825,527

Actuarial Gain or (Loss)

7. Expected Unfunded Actuarial Accrued Liability	591,419,476
8. Actual Unfunded Actuarial Accrued Liability	669,825,527
9. Actuarial Gain or (Loss) for 2026 Fiscal Year (7) – (8)	(78,406,051)
10. Investment Gain or (Loss) (5) – (2e)	(35,273,307)
11. Other Gain or (Loss) (1e) – (4)	(43,132,744)

Actuarial Present Value of Accrued Benefits

	As of July 1, 2025	As of July 1, 2026
1. Present value of vested accrued benefits		
a. Present value of vested accrued benefits for active members	$1,162,564,593	$1,193,720,761
b. Present value of benefits for terminated members	78,075,114	75,705,804
c. Present value of benefits for retirees, beneficiaries and disableds	2,565,875,113	2,693,244,051
Total	$3,806,514,820	$3,962,670,616
2. Present value of accrued nonvested benefits	42,683,848	43,827,754
3. Present value of all accrued benefits = (1) + (2)	$3,849,198,668	$4,006,498,370
4. Market value of assets	$3,496,382,132	$3,815,258,560
5. Ratio of market value of assets to the present value of all accrued benefits = (4) ÷ (3)	90.83%	95.23%
6. Ratio of market value of assets to the present value of vested accrued benefits = (4) ÷ (1)	91.85%	96.28%

Change in Actuarial Present Value of Accrued Benefits

The change in actuarial present value of accrued benefits due to various factors including benefits accumulated, the passage of time, benefits paid, changes in assumptions and changes in MFPRSI provisions is displayed below.

Actuarial present value of accrued benefits on July 1, 2025	$3,849,198,668
Change in present value of accrued benefits from July 1, 2025 to July 1, 2026 due to:	
• Additional benefits accumulated and net gain or loss	$ 126,041,350
• Interest due to passage of time	279,547,385
• Benefits paid	(248,289,033)
• Change in assumptions	0
• Changes in MFPRSI provisions	0
Actuarial present value of accrued benefits on July 1, 2026	$4,006,498,370

Investments

Investment Consultant's Report
Performance
Overview

Investment Consultant's Report

Provided by David H. Smith, CFA, Managing Director and
Doug Oest, CAIA, Managing Partner
Marquette Associates



David H. Smith, CFA
Managing Director
Marquette Associates



Doug Oest, CAIA
Managing Partner
Marquette Associates

Despite sharp market volatility in March following the late-February onset of the U.S.–Iran conflict, the MFPRSI Portfolio ("Portfolio") grew during the last twelve months to $3.8 billion, an all-time high, as of June 30, 2026.

The Portfolio is geographically diversified across both public and private market investments, which has helped minimize volatility over the fiscal year and over the longer term. The Portfolio returned 12.8% net of fees for the fiscal year and 8.7% annualized over the trailing ten years, compared with benchmark returns of 14.2% and 8.6%, respectively. The Portfolio is measured against a benchmark of 60% global stocks and 40% domestic bonds.

With the labor market cooling, the Federal Reserve reduced short-term interest rates by a total of seventy-five basis points from September to December 2025, bringing the federal funds rate to a range of 3.50% to 3.75%. In late February 2026, U.S. strikes on Iran pushed oil prices sharply higher, and headline inflation reaccelerated to 4.2% year-over-year in May. The Federal Reserve has held rates steady in the first half of 2026, and the market is focused on rate increases for the remainder of the year.

After the Bloomberg U.S. Aggregate Index posted its best calendar year in five years in 2025, bond returns flattened in the first calendar quarter of 2026 as the 10-year Treasury yield rose nearly fifty basis points from its February low. For the fiscal year, the index returned 3.8%. Credit spreads recovered from the first-quarter sell-off to end June near all-time levels, and compelling starting yields should help provide the Portfolio with a cushion to safeguard against economic shocks.

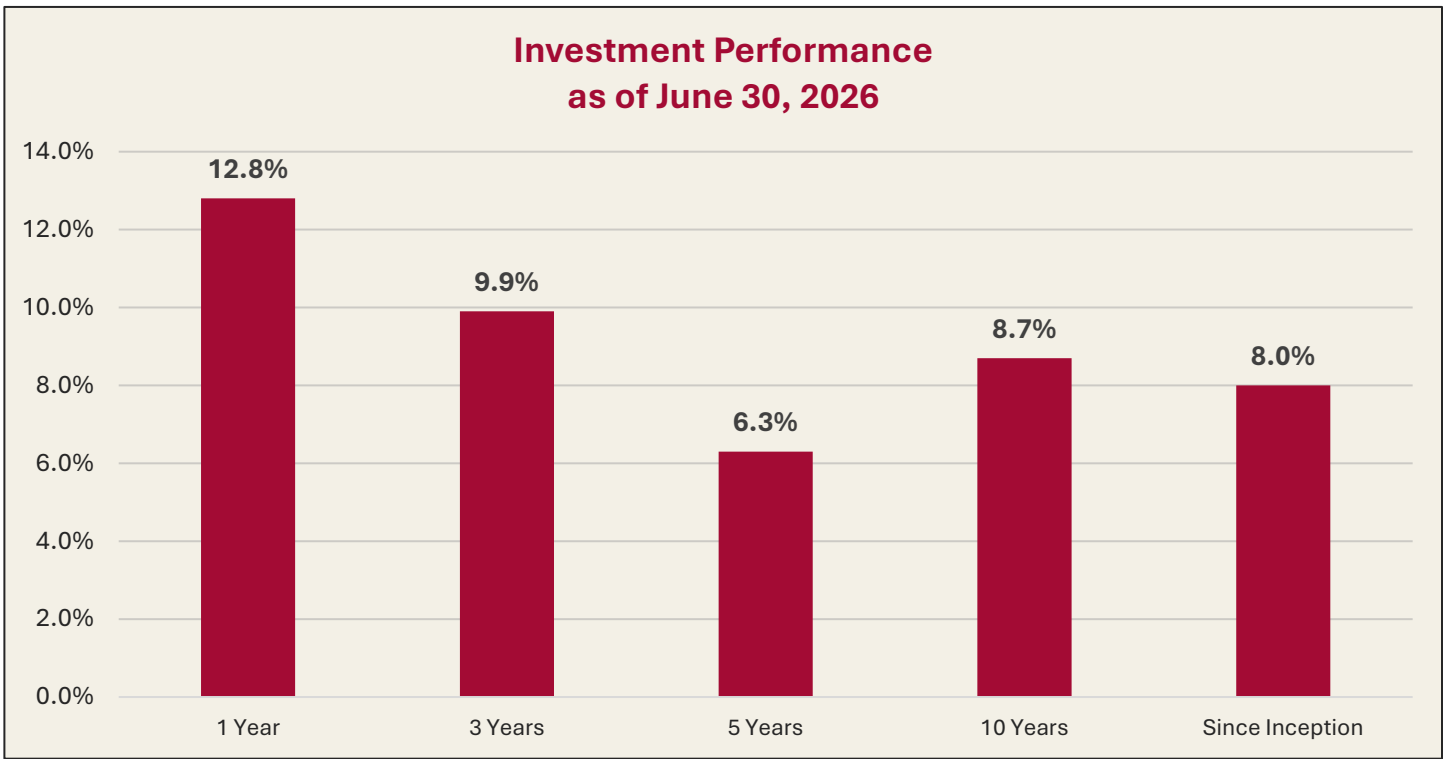
Supported by AI-related investment and robust corporate earnings, the S&P 500 Index returned 22.3% over the trailing twelve months ending June 30, 2026, including a 15.2% gain in the second quarter, its strongest quarterly return since 2020. Market leadership also broadened, with the Russell 2000 Index returning 40.8% for the fiscal year. Non-U.S. equity outpaced domestic stocks, as the MSCI ACWI ex-USA returned 27.7%, aided by a weaker U.S. dollar and strong demand for AI-related semiconductors.

Core real estate values appear to have largely stabilized, with steady income anchoring returns; the NFI-ODCE Index returned 3.6% for the fiscal year. Improved financing conditions helped global private equity deal value exceed $1 trillion in 2025 for only the second time on record, and exit activity strengthened. Still, the private equity recovery remains gradual and uneven, and the asset class has trailed the strong rally in public equity markets.

Inflation, geopolitical developments in the Middle East, and the path of Federal Reserve policy are key themes to watch in the upcoming year. While equities closed the fiscal year at record highs, earnings

expectations are demanding and AI-related valuations are elevated. The Portfolio remains thoughtfully diversified and strategically allocated to optimize income, liquidity, and long-term asset growth.

Performance



Inception date is January 1, 1992. The 3-years, 5-years, 10-years, and since inception returns are annualized. It is important to note that historical performance is not a guarantee of future performance of the portfolio due to the cyclical nature of markets and the individual components thereof.

Overview

In order to maximize the important role that investment returns play in the funded status of MFPRSI's investment portfolio, the Board has adopted its *Investment Policy* as its investment guidelines. This document is designed to provide the framework necessary to guide the investment portfolio toward the retirement system's ongoing requirements of the benefit plan. The complete *Investment Policy* is available on MFPRSI's website, www.mfprsi.org.

MFPRSI's overall investment performance goal is to exceed an annualized actuarial assumed rate of return of 7.5 percent over a long-term time horizon. The actuarial assumed rate of return is the rate of return which will meet or exceed the benefits and administrative funding requirements of the retirement system. While the investment portfolio will exceed or fall short of that goal in shorter time periods, it is designed to withstand all market environments and outpace the actuarial assumed rate of return over the long term.

MFPRSI's investments are managed by professional investment management firms who have full discretion to direct the investment and reinvestment of the assets in their respective accounts in accordance with MFPRSI's investment policies applicable to federal and state statutes and regulations, and the executed and detailed investment management agreements.

The net investment market values reported in this section differ from those shown in the Financial Statements and Actuary sections of this report. The values used in this section are the appropriate industry standard basis for investment return calculations.

Asset Allocation and Diversification

Asset allocation is a process designed to construct an optimal long-term mix that achieves a specific set of investment objectives. The Board's *Investment Policy* establishes the retirement system's asset allocation policy to meet those objectives. The asset allocation policy is adopted to provide diversification of assets to maximize returns within appropriate levels of market and economic risks.

MFPRSI pursues diversification in the investment portfolio by varying its investment assets and style. The success of any individual investment style tends to be cyclical, and diversification of assets within the investment portfolio enhances the potential to achieve MFPRSI's long-term goal of meeting a 7.5 percent annualized actuarial assumed rate of return.

Risk

Investing in any asset involves the possibility that the asset's actual return will differ from its expected return. Investment risk can be defined as the potential occurrence of a loss relative to the expected return on investment.

Risk is a vital element when determining the forecast of an investment. MFPRSI and Marquette carefully consider investment risk when implementing its investment strategy. The investment portfolio is tasked with achieving a long-term 7.5 percent actuarially assumed rate of return. To do so, the investment portfolio must take on risk as simply investing in low-risk or no-risk assets would make it difficult for the investment portfolio to achieve its 7.5 percent benchmark. Therefore, a moderate amount of risk must be accepted to surpass the actuarial assumed rate of return.

One common tool to measure risk is standard deviation which is a statistical measure of the amount an investment's returns differ from the mean of its returns. The lower the standard deviation, the closer an investment's actual returns tend to be to its average returns, and the higher the standard deviation, the further its actual returns tend to be from its average returns.

In its measurement using data as of October 2025, Marquette reported the retirement system's expected 10-year annualized volatility for its investment portfolio at 9.44 percent. This is the level of uncertainty the retirement system accepts to achieve its actuarial assumed rate of return. This is a relatively low-risk expectation given the task of building an investment portfolio is to provide annual returns of 7.5 percent.

MFPRSI and Marquette regularly review the investment portfolio's level of risk and will make changes as necessary to mitigate the investment portfolio's risk profile. This is done as part of the Board's commitment to being a sound retirement system.

Types of Assets

The retirement system's overall investment portfolio is separated into three main categories:

Core Investments

The Core Portfolio is comprised of a diversified mix of global public equity, fixed income, core real estate, absolute return, and infrastructure portfolios. The aggregate Core Portfolio's allocation and underlying investment manager makeup are determined by the Board, with the intention of out-performing a specified composite index on both an absolute and risk-adjusted basis and over a full market cycle. This index is also determined and reviewed by the Board in an attempt to meet or exceed the retirement system's actuarial rate of return over time.

Strategic Investments

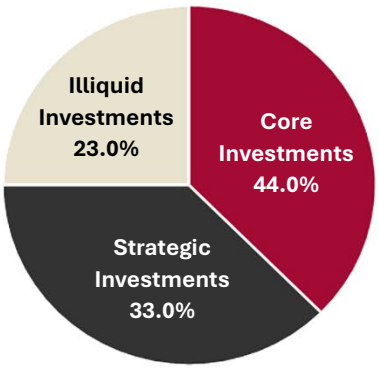
The Strategic Portfolio is comprised of multi-asset investment managers that invest in global securities including, but not limited to, public debt and equity, real assets, currencies, derivatives, and cash. The intent of the Strategic Portfolio is to outperform a specified composite index on both an absolute and risk-adjusted basis over a full market cycle. The composite index is currently weighted 75 percent to global equity and 25 percent to fixed income. This index is determined and reviewed by the Board in an attempt to meet or exceed the retirement system's actuarial rate of return over time. Individual managers in the Strategic Portfolio are granted the flexibility to tactically adjust their underlying asset allocations to take advantage of market opportunities they believe will benefit the retirement system.

Illiquid Investments

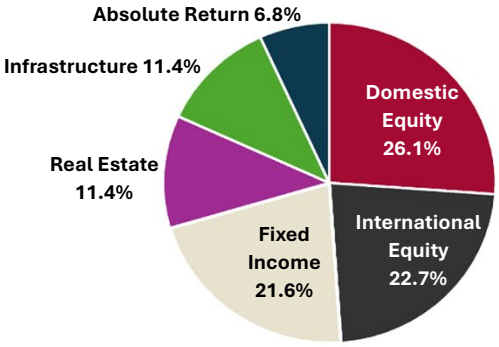
The fund may hire various investment managers who invest in private illiquid investment opportunities including, but not limited to, venture, buyout, opportunistic, secondary market, credit and debt-related, closed-end real estate, and direct investment. These opportunities will consist of investing in private companies that do not offer equity and fixed income securities on public markets.

Asset Allocation

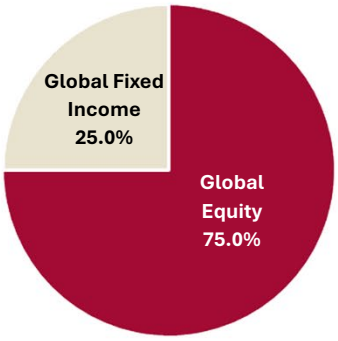
Asset Class	Portfolio Target Percentage
Core Investments[1]	44.0%
Strategic Investments[2]	33.0%
Illiquid Investments[3]	23.0%
Total	100.0%



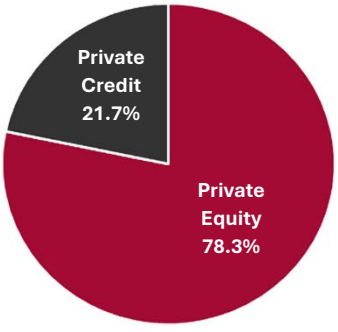
[1]Core Investments Asset Class	Portfolio Target Percentage
Domestic Equity	26.1%
International Equity	22.7%
Fixed Income	21.6%
Real Estate	11.4%
Infrastructure	11.4%
Absolute Return	6.8%
Total	100.0%



[2]Strategic Investments Asset Class	Portfolio Target Percentage
Global Equity	75.0%
Global Fixed Income	25.0%
Total	100.0%

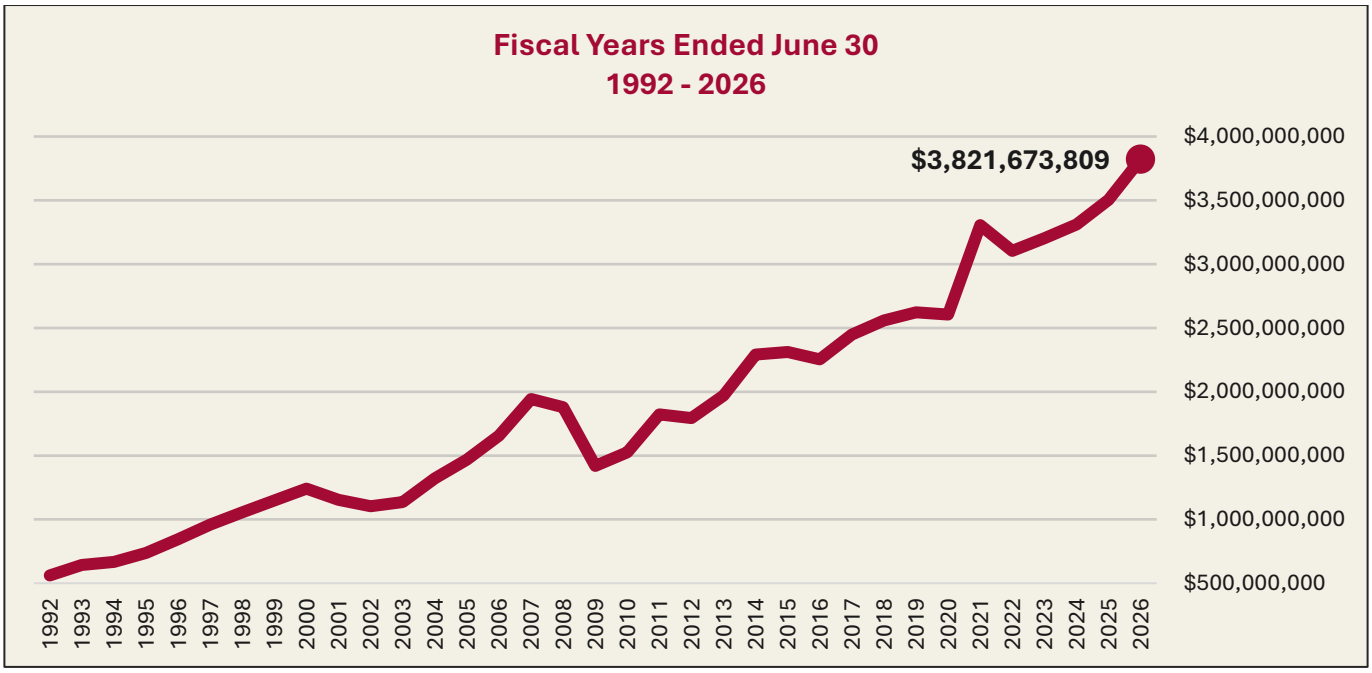


[3]Illiquid Investments Asset Class	Portfolio Target Percentage
Private Equity	78.3%
Private Credit	21.7%
Total	100.0%

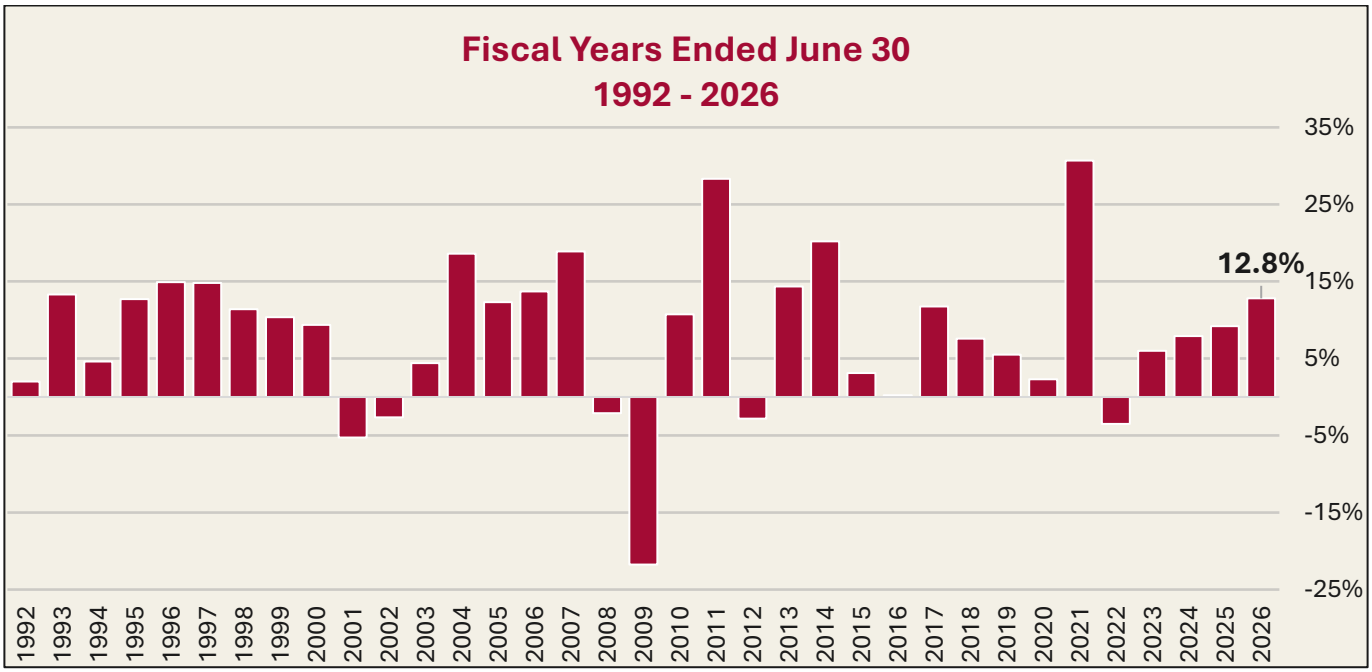


Caveats: In the absence of suitable opportunities within a specific market, the funds shall be directed to the other components within the debt or equity category. Due to the fluctuation of market values, positioning within ±7.5% of the Core and Strategic Investments target and within ±15% of Illiquid Investments shall constitute compliance with the policy. A review of the asset allocation shall occur periodically to allow the Board of Trustees to consider the effect of any changes in market conditions or of the expectations for the retirement system.

Growth of Net Investment Portfolio Assets



Annual Investment Returns



Benefits

Description of Benefit Plan
Optional Forms of Retirement
DROP - Deferred Retirement Option Plan
Membership Data

Description of Benefit Plan

Benefit formulas are established by Iowa Code Chapter 411, and revisions to the benefit program can only be instituted by the Iowa General Assembly. The Board and staff are required to administer retirement benefits in compliance with the statutory provisions. Questions concerning an individual's eligibility should be directed to the administration.

Retirement Age

To qualify for a full service retirement, the member must be age 55 or older with a minimum of 22 years of service at termination of employment. Death and disability benefits do not have specific age or length of service requirements. Retirement under the ordinary disability or accidental disability programs of MFPRSI are available to members who become permanently disabled (while there are no age or length of service requirements, "permanently disabled" is defined as a duration of one year or longer) while employed as a firefighter or police officer.

Benefit Amounts

Current benefit amounts are based upon a percentage of the member's average monthly earnable compensation. The average monthly earnable compensation is calculated by adding the member's earnable compensation for the highest three years of service and dividing it by 36. The percentage multiplier varies by type of retirement and the length of the member's service. For service retirements, the benefit percentage is 66 percent with 22 years of service and 82 percent with 30 years of service.

Refund of Contributions

Since July 1, 1990, members who terminate service, other than by death or disability, may withdraw their contributions in total from their date of hire through their termination date. If a member withdraws contributions, the member waives any claim to benefits for the period of membership for which the withdrawal is made.

Members who terminate service also have the option to rollover the eligible portion of their refund to another qualified retirement plan or to an individual retirement account (IRA). Such rollovers must be approved in advance by MFPRSI. The contributions being withdrawn are credited with an annualized simple interest rate determined by the Board, currently set at 5 percent.

Vesting

When a member earns at least 4 years of credited service or reaches age 55 while performing membership service, the member becomes vested in the retirement system. Once vested, the member is entitled to a monthly benefit.

Optional Forms of Retirement

Members retiring through a service or vested service retirement have the opportunity to select either the "basic benefit" as provided by Chapter 411, or one of six optional forms of benefits. The basic benefit is a lifetime benefit based on the member's average monthly compensation and number of years of service. Each option is actuarially adjusted and based on the basic benefit.

1. **The Basic Benefit -** The member's spouse is entitled to 50 percent of the gross benefit at the time of the member's passing, but not less than 20 percent of the average earnable compensation of the active membership as reported by the actuary.

   Please visit www.mfprsi.org for more information about the basic benefit.

The optional forms of benefits below are calculated using actuarial tables which consider the age of the member at retirement, the age of the member's beneficiary, and the assumed life expectancy of both. The beneficiary receives this amount for his or her lifetime.

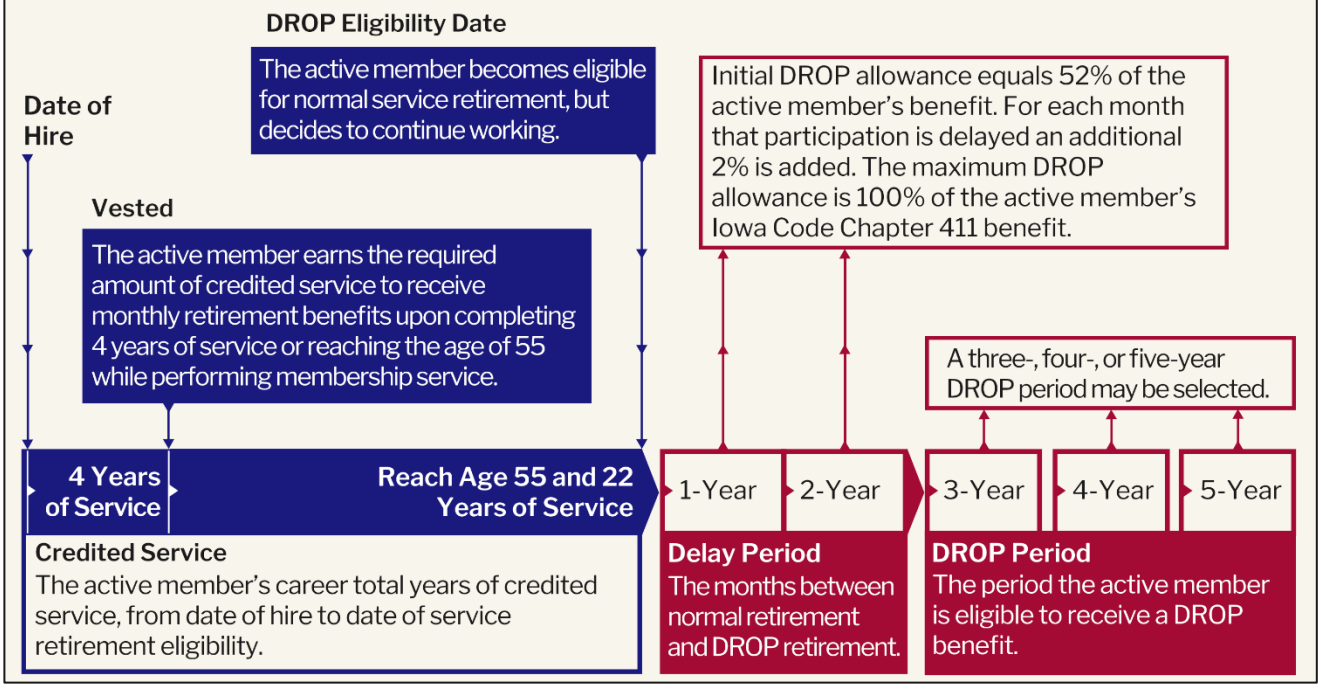
2. **Joint & 75 Percent Survivor Annuity -** The designated beneficiary receives 75 percent of the gross amount of the member's retirement at the time of the member's passing. If the beneficiary passes before the member, then the benefits end upon the member's passing.
3. **Joint & 75 Percent Survivor Annuity with Pop-Up -** The designated beneficiary receives 75 percent of the gross amount of the member's retirement at the time of the member's passing. Should the beneficiary pass before the member, the benefit will increase to the amount of the basic benefit and no survivor benefit is payable following the member's passing.
4. **Joint & 100 Percent Survivor Annuity -** The designated beneficiary receives 100 percent of the gross amount of the member's retirement at the time of the member's passing. If the beneficiary passes before the member, then the benefits end upon the member's passing.
5. **Joint & 100 Percent Survivor Annuity with Pop-Up -** The designated beneficiary receives 100 percent of the gross amount of the member's retirement at the time of the member's passing. Should the beneficiary pass before the member, the benefit will increase to the amount of the basic benefit and no survivor benefit is payable following the member's passing.
6. **Single-Life Annuity with Designated Lump Sum -** The designated beneficiary receives a one-time, lump-sum payment upon the passing of the member. If the beneficiary passes prior to the member, the lump sum is paid to the member's estate.
7. **Straight-Life Annuity -** Following the member's passing, no further benefits are payable.

DROP - Deferred Retirement Option Plan

Active members, at least 55 years old with 22 or more years of service, have the option to participate in DROP (Deferred Retirement Option Plan). This program is an arrangement for members who are otherwise eligible to retire and begin benefits, but continue working. Members can elect a three-, four-, or five-year DROP period. Members will sign a contract indicating they will retire at the end of the selected DROP period by electing to participate in the program.

During the member's DROP period the member's retirement benefit is frozen and a DROP benefit is credited to an account established for the member. The DROP benefit is equal to 52 percent of the member's retirement benefit at the member's earliest date eligible and 100 percent if the member delays enrollment for 24 months. At the member's actual date of retirement, the member's DROP account will be distributed in the form of a lump sum or rolled over to an eligible plan.

DROP Timeline - The graphic below provides a general timeline of a member's career and participation in DROP. Following the member's DROP eligibility date, which is the date the member would normally be qualified to retire yet they have decided to continue working, completing two additional full years before officially enrolling in the plan earns the member 100 percent of their Chapter 411 benefit. Upon completion of the DROP period (three, four, or five years) and termination of employment, the member will receive their benefit accrued through the DROP plan in the form of a one-time, lump-sum payout.



Membership Data

Summary of System Members

	July 1,		
	2024	**2025**	**2026**
Active Members			
Number	4,253	4,254	4,296
Average Attained Age	39.7	39.4	39.2
Average Past Service	12.4	12.2	12.0
Total Annual Compensation	$390,703,785	$408,343,756	$428,528,870
Average Annual Compensation	91,865	95,991	99,751
Non-Active Members in Pay Status			
Number	4,512	4,596	4,675
Average Age (excluding children)	70.3	70.4	70.4
Total Annual Benefits	$223,624,968	$235,459,668	$247,342,308
Average Annual Benefit	49,562	51,231	52,907
Non-Active Members with Deferred Benefits			
Number*	485	504	493
Average Age	43.5	43.7	43.7
Total Annual Benefits	$ 10,981,116	$ 11,493,252	$ 11,417,292
Average Annual Benefit	22,641	22,804	23,159

* Excludes 120, 130 and 141 terminated nonvested members who had not yet received a refund of contributions as of 2024, 2025 or 2026 respectively.

Participating Cities

Ames
Ankeny
Bettendorf
Boone
Burlington
Camanche
Carroll*
Cedar Falls
Cedar Rapids
Centerville
Charles City
Clinton
Clive*
Council Bluffs
Creston
Davenport
Decorah
Des Moines
DeWitt*
Dubuque
Estherville*
Evansdale*
Fairfield
Fort Dodge
Fort Madison
Grinnell
Indianola*
Iowa City
Keokuk
Knoxville*
Le Mars*
Maquoketa*
Marion
Marshalltown
Mason City
Muscatine
Newton
Oelwein
Oskaloosa
Ottumwa
Pella*
Sioux City
Spencer
Storm Lake
Urbandale
Waterloo
Waverly*
Webster City
West Des Moines

*Police department only.

Benefits by Type

Service Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
55-59	188	$ 15,141,384	$ 80,539
60-64	308	23,371,980	75,883
65-69	314	23,111,652	73,604
70-74	375	26,900,424	71,734
75-79	326	22,587,888	69,288
80-84	195	12,221,532	62,675
Over 84	160	8,735,364	54,596
Total	1,866	$132,070,224	$ 70,777

Vested Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
55-59	126	$ 4,345,812	$ 34,491
60-64	114	3,117,360	27,345
65-69	108	2,537,052	23,491
70-74	93	2,025,060	21,775
75-79	67	1,247,076	18,613
80-84	29	440,328	15,184
Over 84	15	142,404	9,494
Total	552	$13,855,092	$ 25,100

Accidental Disability Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	19	$ 955,944	$ 50,313
40-44	36	1,968,504	54,681
45-49	52	2,761,632	53,108
50-54	67	3,894,432	58,126
55-59	160	10,530,348	65,815
60-64	141	9,600,180	68,086
65-69	150	9,154,728	61,032
70-74	158	9,040,752	57,220
75-79	142	7,794,276	54,889
80-84	90	4,737,552	52,639
Over 84	52	2,517,696	48,417
Total	1,067	$62,956,044	$ 59,003

Ordinary Disability Retirements

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	11	$ 372,948	$ 33,904
40-44	13	534,696	41,130
45-49	22	926,724	42,124
50-54	26	1,185,768	45,606
55-59	31	1,611,276	51,977
60-64	19	945,372	49,756
65-69	25	1,305,876	52,235
70-74	21	1,051,476	50,070
75-79	28	1,324,644	47,309
80-84	14	627,768	44,841
Over 84	4	187,980	46,995
Total	214	$10,074,528	$ 47,077

Beneficiaries (Spouse)

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	1	$ 26,460	$ 26,460
40-44	7	240,444	34,349
45-49	11	388,176	35,289
50-54	15	535,668	35,711
55-59	36	1,284,816	35,689
60-64	40	1,235,940	30,899
65-69	79	2,542,596	32,185
70-74	125	4,049,520	32,396
75-79	174	5,478,816	31,487
80-84	167	4,675,632	27,998
Over 84	277	7,586,700	27,389
Total	932	$28,044,768	$ 30,091

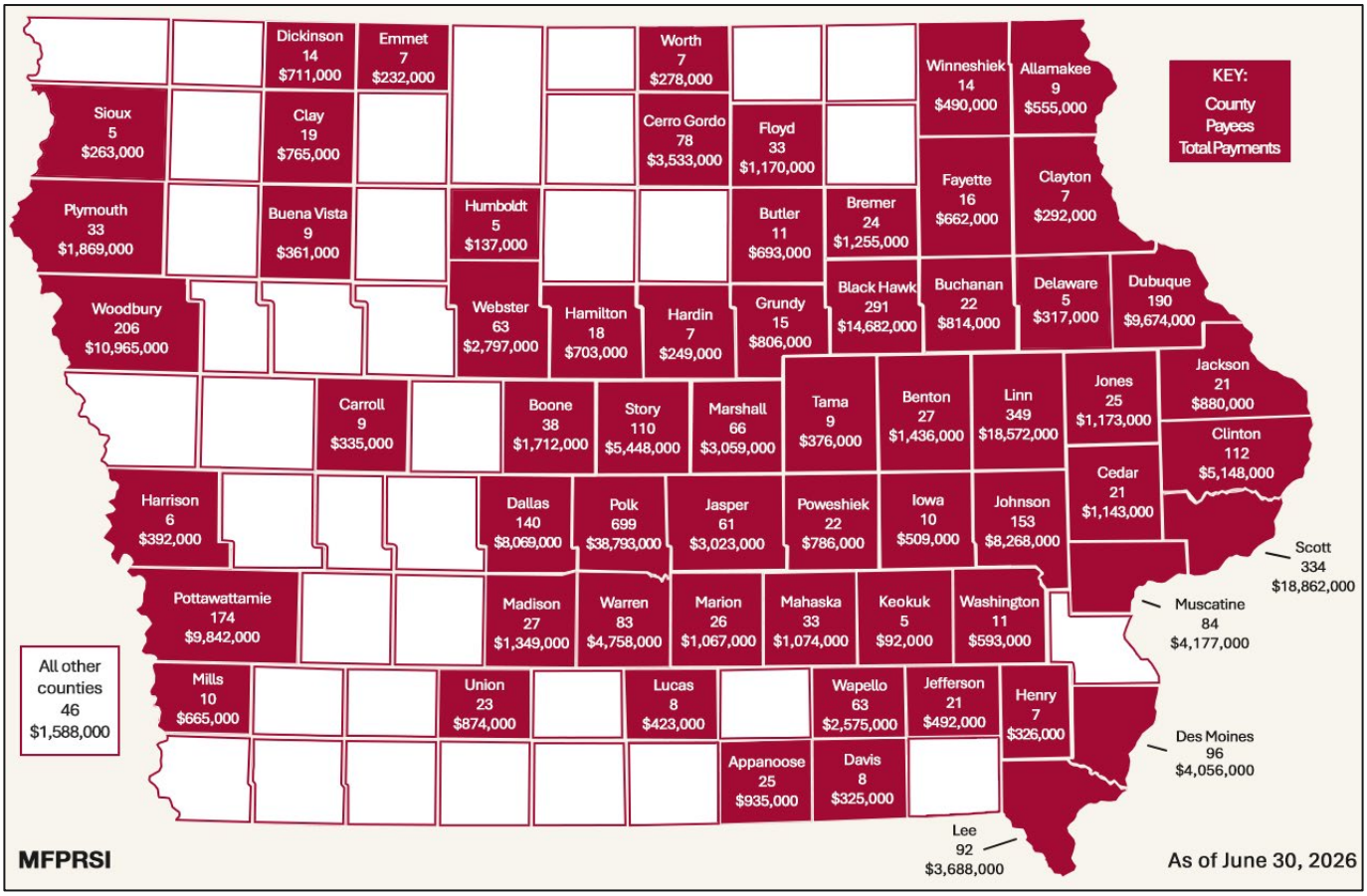
Beneficiaries (Children)

Age	Number	Total Annual Benefit	Average Annual Benefit
Under 3	0	$ 0	$ 0
3-5	0	0	0
6-8	0	0	0
9-11	4	25,092	6,273
12-14	6	40,404	6,734
15-17	10	63,828	6,383
18-20	11	78,552	7,141
Over 20	13	133,776	10,290
Total	44	$ 341,652	$ 7,765

Terminated Vested

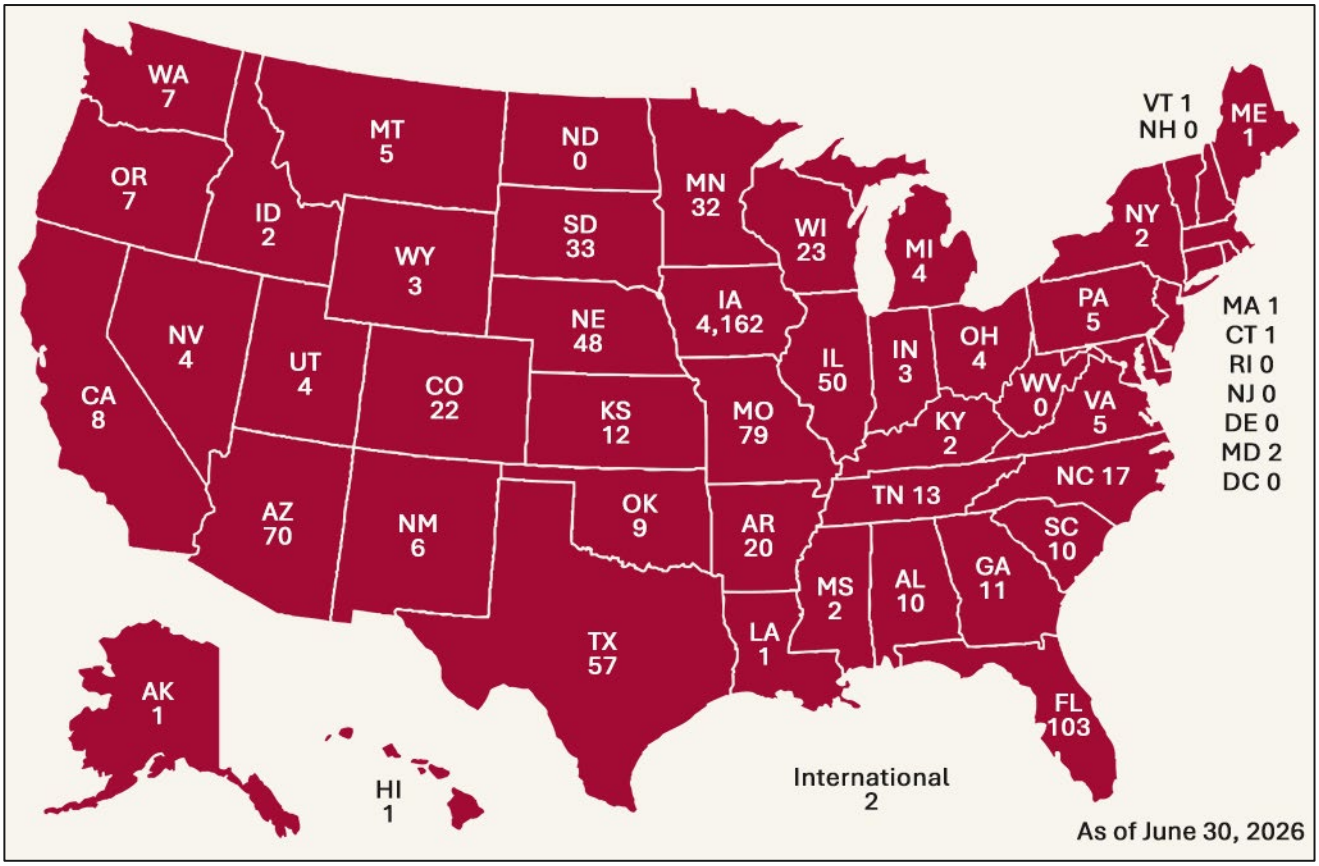
Age	Number	Total Annual Benefit	Average Annual Benefit
Under 40	143	$ 2,112,432	$14,772
40-44	111	2,236,656	20,150
45-49	115	3,224,040	28,035
50-54	117	3,757,608	32,116
Over 54	7	86,556	12,365
Total	493	$11,417,292	$23,159

Payees and Total Benefit Payments by Counties in Iowa



The map above illustrates the number of benefit payments made to members with mailing addresses residing in the State of Iowa as of June 30, 2026. Approximately 86% of all members receiving a monthly benefit from MFPRSI reside in Iowa.

Number of Benefit Payments to Members by U.S. State



The map above illustrates the number of benefit payments made to members with mailing addresses residing in the individual states and internationally as of June 30, 2026. Approximately 99% of all monthly benefit payments are made via ACH.

Preparation of Annual Report

The preparation of this report and financial statements was the result of the combined efforts of the retirement system's staff under the direction of the Executive Director, Deputy Director, and Chief Investment Officer.

MFPRSI's annual report for fiscal year 2026 was prepared by MFPRSI staff using data gathered from various sources including MFPRSI's actuarial services provider, HUB International, investment consultant, Marquette Associates, and communications consultant, Wixted & Co. The feature article, "Called to Serve: MFPRSI Members Reflect on Service to Community and Country," was written by Wixted & Co.

The firm Eide Bailly LLP conducted an audit for the period ending June 30, 2026. A copy of the audit report has been provided to each of the employing cities and is viewable at www.mfprsi.org. Copies of the report are also available at MFPRSI's office in West Des Moines, Iowa.

This report is intended to provide reliable information as a basis for management decisions, legal compliance, and stewardship of the retirement system's assets. The Board and staff appreciate the efforts

extended by city officials as well as the support given to MFPRSI by the active and retired memberships and city representatives.

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