

Jackson County, Missouri
Revised Pension Plan



Jackson County, Missouri
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Annual Comprehensive Financial Report
A Pension Trust Fund of
Jackson County, Missouri

For the Years Ended
June 30, 2022 and 2021

Jackson County, Missouri
Revised Pension Plan

Annual Comprehensive Financial Report
A Pension Trust Fund of
Jackson County, Missouri



For the Years Ended
June 30, 2022 and 2021

Prepared by:

Department of Finance and Purchasing

Jackson County, Missouri

**Jackson County, Missouri
Revised Pension Plan
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Jackson County, Missouri
Revised Pension Plan

Introductory Section





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Jackson County, Missouri
Revised Pension Plan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrell

Executive Director/CEO

December 2, 2022

Board of Trustees
Jackson County, Missouri
Revised Pension Plan

We are pleased to transmit to you the 2022 Annual Comprehensive Financial Report of the Jackson County, Missouri Revised Pension Plan for the fiscal year ended June 30, 2022. State law requires that divisions of all local governments publish, within six months of the close of each fiscal year, a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The objective of this report is to inform the members of the Board of Trustees of the Jackson County, Missouri Revised Pension Plan of the financial condition of the Plan.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Plan. The Board of Trustees has delegated management to the Finance Department of Jackson County, Missouri (The County). We believe that the data, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Plan as measured by the financial activity of its fund, and that all disclosures necessary to enable the reader to gain the maximum understanding of the Plan's financial affairs have been included.

The financial statements of the Plan have been audited by the independent auditors of RSM US LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Plan for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Plan's financial statements for the year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Governmental accounting standards require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. Jackson County, Missouri Revised Pension Plan's MD&A can be found immediately following the report of the independent auditors. The accuracy and completeness of the data contained in this report is the sole responsibility of the management of the Plan.

Profile of the Plan

The Jackson County, Missouri Revised Pension Plan (Plan) was created and established by ordinance of the Jackson County Legislature in 1967. The governance of the Plan was reorganized with an Ordinance dated February 17, 2009. This Ordinance created an independent Board of Trustees which holds the Plan assets in trust separate from the assets of Jackson County. The purpose of the Plan is to provide for the retirement of employees who become members of the Plan, to provide benefits for totally and permanently disabled members, and death benefits for spouses and beneficiaries of deceased members subject to Plan provisions.

At year-end (June 30, 2022), the Plan had 1,180 active members and a total of 1,553 members or their beneficiaries currently receiving benefits. The Plan covers those employees of Jackson County, Missouri, the Little Blue Valley Sewer District, the Kansas City Board of Election Commissioners, the Jackson County Law Library, Inc., and the Jackson County Sports Complex Authority.

Local Economy

Jackson County, Missouri promotes and supports local economic development through collaboration with municipalities, development agencies, the private sector and community organizations. The County's continued efforts to develop and build on those partnerships has helped to ensure that Jackson County continues to be an attractive environment for economic growth.

Jackson County is home to the Kansas City region's central business district which is experiencing a resurgence in both employment and population growth. The western part of the County is mostly urbanized Kansas City, Missouri, while eastern Jackson County is made up of growing suburban communities.

Major employers include Cerner Corporation, St. Luke's Health System, Children's Mercy Hospital and Clinics, as well as Hallmark Cards and Honeywell.

Significant transit investment in the city center is attracting considerable private investment in commercial and residential development.

Long-Term Financial Planning

The investment portfolio of the Plan is normally a major source of funds to the Plan. However, net investment income from both long-term and short-term investments amounted to a loss of \$40.8 million, representing -139.4% of total additions. This loss was primarily due to decreases in appreciation of \$12.3 million, \$12.0 million, \$8.1 million, and \$6.5 million in the fair value of the International Equity Fund, the corporate stocks, the Emerging Markets Equity Fund, and the Bond Collective Trust Fund, respectively. Employer and employee contributions totaling \$11.5 million represent 39.4% of total additions. Investment losses and investment expenses exceeded interest, dividends, and contributions by \$29.3 million. The supporting schedules reflect the changes in the portfolio during the year. The total yield on investments was -11.6%, down from the 2021 total yield of 20.5%. The Plan's investments are managed by independent investment

managers and are held by the current custodian, BMO Harris Bank N.A. (BMO), except for the commingled investments which are held by the custodian chosen by such commingled fund, and maintained, for reporting purposes only, at BMO.

Employer contributions are subject to annual appropriation by the employers participating in the Plan. Annual contributions consist of the service cost and a payment toward funding past service liability. The ten year history of employer contributions as a percent of the actuarially determined contribution level ranged from a high of 140.4% in the fiscal year ended 2022 to a low of 89.3% in 2014. As indicated above, employer contributions during this reporting period were \$11.5 million, and 140.4% of the actuarially determined contribution level.

Relevant Financial Policies

Jackson County is responsible for establishing and maintaining internal control designed to ensure the protection of assets from loss, theft, or misuses, and to ensure the accounting information generated is adequate to prepare financial statements in conformity with accounting principles generally accepted in the United States of America. As a Pension Trust Fund of Jackson County, Missouri, the Revised Pension Plan is subject to this internal control. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. Internal control over financial reporting is a process that involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of such limitations, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk. In addition, the County and the Plan are subject to annual audits.

This report is prepared in accordance with the principles of governmental accounting and reporting pronounced by the Governmental Accounting Standards Board (GASB). The accrual basis of accounting is used to record assets, liabilities, revenues and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date.

The Pension Plan Board of Trustees has set out the following investment objectives and policy guidelines:

Investment Objectives:

1. To earn a rate of return after all expenses that equals or exceeds the actuarial investment rate assumption of 6.75%, with a total return of at least GNP Deflator plus 4.5%.
2. A relative return objective to outperform a policy index comprised of the following:

20%	Standard & Poor's 500 Stock Index	10%	Russell 2500 Index
23%	MSCI ACWI ex U.S. Index	10%	MSCI ACWI
27%	Bloomberg Barclays Capital Aggregate Index	10%	NFI ODCE (net) Index
3. A relative Total Plan return objective of median or greater in a manager universe with comparable equity allocations.

- Each manager's individual guidelines shall establish separate performance objectives consistent with this total performance objective. The expectation for each asset class is to rank in the upper half of its peer universe (except for Stabilized Fixed Income, Long/Short Equity, and Real Estate) and meet or exceed its applicable benchmark as listed below. Long/Short Equity should also approximate the total return of the MSCI ACWI Index.

<u>Asset Class</u>	<u>Performance Benchmark</u>
Stabilized Fixed Income	90 Day T-Bill
Intermediate Fixed Income	Bloomberg Barclays Capital Intermediate Gov't/Credit Index
Core Plus Fixed Income	Bloomberg Barclays Capital Aggregate Index
Large Capitalization:	
Growth Equity	Russell 1000 Growth Index
Value Equity	Russell 1000 Value Index
Core Index Equity	S&P 500 Index
Small/Mid Capitalization Equity	Russell 2500 Index
International Equity	MSCI ACWI ex U.S. Index
International Equity Small Cap	MSCI World ex U.S. Small Cap Index
Emerging Markets Equity	MSCI Emerging Market Index
Long/Short Equity	HFRI Strategic Index
Real Estate	NFI ODCE (net) Index

Policies:

- The Board has established the following asset-mix guidelines for the Plan:

<u>Asset Class</u>	<u>Pension Plan Target</u>	<u>Range</u>
Domestic Large Cap Equities	20%	15-25%
Domestic Small/Mid Cap Equities	10%	5-15%
International Equity Investments	18%	13-23%
Emerging Market Equity Investments	5%	0-10%
Long/Short Equity	10%	5-15%
Fixed Income Investments	27%	22-32%
Real Estate	10%	5-15%

Should the fund move outside the ranges listed above, the Board, with the advice of the Investment Consultant, will review the allocations and shall have the authority to bring the asset allocation back within allowable ranges.

- The portfolio will generally be invested in marketable securities.
- Generally, equity portfolios will be comprised of common stocks or securities having characteristics of common stocks (such as convertible securities or warrants).
- Fixed income portfolios will be comprised of treasury, agency, mortgage, corporate, asset-backed and full-faith-and-credit guaranteed loan securities of investment grade quality.
- Assets may be held in commingled (mutual) funds as well as privately managed separate accounts. Assets held in commingled accounts should be managed in style/strategy consistent with the fund's stated objective and constraints. If assets are held in a commingled account, the Board will make its best efforts to utilize funds that are managed in strategies

that are generally consistent with the investment policies adopted by the Board.

6. Derivative instruments will only be used in ways that reduce risk or transfer risk and not to increase risk and are consistent with the fund's investment objectives. They will not be used to add leverage to the fund. Counterparty risk arising from derivative transactions will be limited to credits rated "A" or better. Instruments used may include, but are not limited to, futures, options, swaps, and structured notes.
7. Each asset manager's portfolio should be fully invested at all times, although cash may be held briefly when a security is sold prior to deciding which new security should be purchased. In no case shall cash comprise more than ten (10) percent of the portfolio without prior written approval of the Board.
8. Not less than annually, the Board will review investment results, manager performance, asset allocations, and investment policies and objectives.

Funding:

The bottom line for a retirement plan is the level of funding. The better the level of funding, the larger the ratio of assets accumulated and investment income potential. A better level of funding gives the participants a higher degree of assurance that their pension benefits are secure. The advantage of a well-funded plan is that the participants can look at assets that are irrevocably committed to the payment of benefits. Although the historical level of funding for the Plan is good, the Board and the employers continue to make a constant effort to improve that level, thereby assuring the participants of a financially sound retirement plan. The Plan fiduciary net position as a percentage of total pension liability was 87.2% in 2022. This represents a decrease of 4.1% in the past ten years and a decrease of 12.6% from the 2021 ratio of 99.8%. The fair value of plan assets decreased 12.4%, while the total pension liability increased by 0.3%. The liabilities for the years of 2013 through 2022 have increased 50%. Employer contributions have increased 46.1% in the past ten years, while actuarially determined contributions have increased 14.6%. Every effort is being made to increase employer contributions in order to match or exceed the actuarially determined contribution.

Professional Services:

Professional consultants retained by the Plan are essential to the effective and efficient operation of the Plan. The firm of Cheiron, Inc. provides actuarial consultation. The investment consulting firm of Asset Consulting Group, Inc. (ACG) has been retained as a professional co-fiduciary to assist the Board of Trustees with evaluating prospective investment managers, as well as risk and return potential within the investment portfolios. ACG also monitors the investment performance of the Plan and the capabilities of the investment managers retained by the Board. Custodial services, ancillary plan administration, and cash management services are provided by the BMO Harris Bank N.A. (BMO).

Awards and Acknowledgments

Certificate of Achievement:

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Jackson County, Missouri for its annual comprehensive financial report of the Jackson County, Missouri Revised Pension Plan Trust Fund for the fiscal year ended June 30, 2021. This was the 29th consecutive year that

the Jackson County, Missouri Revised Pension Plan has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

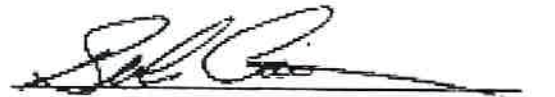
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements:

The compilation of this report reflects the combined effort of the staff of Jackson County, Missouri. The intent is to provide complete and reliable information as a basis for making management decisions, to present evidence of compliance with legal provisions and demonstrate responsible stewardship for the assets contributed by the members and their employers.

On behalf of the board, I would like to express our gratitude to the staff, the advisors, and to the many people who have worked so diligently to assure the successful operation of the Plan. I would also like to personally thank the members of the Jackson County, Missouri Pension Plan Board of Trustees, whose work has helped assure the members of the Plan can rely on future benefits.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bob Crutsinger', is written over a horizontal line.

Bob Crutsinger
Director of Finance
Jackson County

**Jackson County, Missouri
Revised Pension Plan
Plan Administration
June 30, 2022**

County ordinance provides that the administration of the plan be vested in a Pension Plan Board of Trustees appointed by the County Executive, subject to the disapproval of the County Legislature. The composition and membership of the Pension Plan Board of Trustees shall be established as follows:

- (i) Jackson County Chief Administrative Officer
- (ii) Jackson County Director of Human Resources
- (iii) One (1) active Member of the Plan who is an employee of the Circuit Court
- (iv) One (1) active Member of the Plan from the bargaining unit within the Office of the Prosecuting Attorney and with which the Office of the Prosecuting Attorney has a valid Memorandum of Understanding
- (v) Two (2) other active Members of the Plan, but not more than one member from any one department
- (vi) Four (4) independent business executives with special consideration to be given to those with investment experience
- (vii) One (1) labor leader or union representative affiliated with a labor organization or union with which the Employer has a current Memorandum of Understanding

The Investment Section, Schedule of Brokerage Commissions Paid, provides information on investment professionals who provide services to the Plan (see pages 55-56).

**Jackson County, Missouri
Revised Pension Plan
Board of Trustees Members
June 30, 2022**

Chairperson:
Michael Martin
Independent Business Executive

Secretary:
Michelle Chrisman
Director of Human Resources

Sylvia Stevenson
Chief Administrative Officer

Scott M. Brinkman
Active Member
Jackson County Circuit Court - Legal Counsel

Crispin Rea
Active Member
Assistant Prosecuting Attorney

Dianne Kimzey
Active Member
Deputy Director of Park Enterprise Operations

Whitney Miller
Active Member
Director of Collection

B. Stephen Gillis
Independent Business Executive

Carolyn Watley
Independent Business Executive

Mary Rogan-Barnes
Independent Business Executive

Patrick Dujakovich
AFL-CIO
Labor Leader

**Jackson County, Missouri
Revised Pension Plan
Consulting Services
June 30, 2022**

Auditor

RSM US LLP

Certified Public Accountants
Kristen Hughes, Senior Director
Kansas City, Missouri

Consultant/Actuary

Cheiron, Inc.

Stephen T. McElhaney
McLean, Virginia

Custodian

BMO Retirement Services

Tricia Zimmer
Milwaukee, WI

Investment Advisor

Asset Consulting Group, LLC

Patricia Haffner, Vice President
St. Louis, Missouri

Investment Manager

ABS Investment Management, LLC

Jestine Roberts
Greenwich, Connecticut

Investment Manager

Allspring-Global Investments

Paul Luedtke
Menomonee Falls, WI

Investment Manager

Atlanta Capital Management

Michael Jaje
Atlanta, Georgia

Investment Manager

BMO Retirement Services

Luke Michalski
Milwaukee, WI

Investment Manager

Brown Investment Advisory, Inc.

Mary Gregory
Baltimore, Maryland

**Jackson County, Missouri
Revised Pension Plan
Consulting Services
June 30, 2022**

Investment Manager
Financial Counselors, Inc.
Jon Lewis
Overland Park, KS

Investment Manager
Hotchkis & Wiley Capital Management, LLC
Kristin Smith
Los Angeles, California

Investment Manager
Ninety One Asset Management
Lorena Cabezas
New York, NY

Investment Manager
J.P. Morgan Asset Management
Steve Harrigan
Columbus, OH

Investment Manager
Loomis Sayles & Co., LP
Joseph Beauparlant
Boston, Massachusetts

Investment Manager
Mondrian Investment Partners (U.S.), Inc.
Patricia Karolyi
Philadelphia, Pennsylvania

Investment Manager
Northern Trust Asset Management
Mike Nieves
Chicago, Illinois

Investment Manager
Principal Global Investors
Doug Vander Beek
Des Moines, Iowa

Legal Counsel
Arnold, Newbold, Sollars & Hollins, P.C.
Simone J. Hollins, Attorney at Law
Kansas City, Missouri

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Jackson County, Missouri
Revised Pension Plan

Financial Section





Independent Auditor's Report

RSM US LLP

Plan Participants and Members of the Jackson County, Missouri
Pension Plan Board of Trustees of the
Jackson County, Missouri Revised Pension Plan

Opinion

We have audited the financial statements of the Jackson County, Missouri Revised Pension Plan (the Plan), a pension trust fund of Jackson County, Missouri, as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Jackson County, Missouri Revised Pension Plan, as of June 30, 2022 and 2021, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of changes in net pension liability and related ratios, contributions and investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The schedule of expenses, listed in the table of contents as other supplementary information, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of expenses is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, investment section and statistical section 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 audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Kansas City, Missouri
December 2, 2022

Jackson County, Missouri
Revised Pension Plan
Management's Discussion and Analysis
June 30, 2022 and 2021

As management of the Jackson County, Missouri Revised Pension Plan, we offer readers of the Plan's financial statements this narrative overview and analysis of the financial activities of the Plan for the fiscal years ended June 30, 2022 and 2021.

Financial Highlights (in Thousands)

The Plan's fiduciary net position was \$327,766; reflecting a decrease of \$46,441. This change in fiduciary net position is the result of several key factors: depreciation of \$41,317 in the fair value of assets; benefits paid to participants of \$16,838; and expenses paid of \$2,018; and an offset of contributions to the Plan of \$11,530; and interest and dividend income of \$2,201; (refer to page 21). The change in fiduciary net position reflects a decrease of \$112,403 from the 2021 increase of \$59,478; which is primarily due to the \$39,014 and \$28,095 depreciation of the fair value of corporate stocks and the International Equity Fund, respectively. Although the Plan's fiduciary net position sustained a decrease of \$46,441 for the plan year, we are confident the Plan will still be able to meet ongoing obligations to Plan participants and their beneficiaries.

Revenues (additions to fiduciary net position) for the year were (\$29,286); this reflects a decrease of \$111,152 from 2021. The net investment income (loss) of (\$40,817) reflects a decrease of \$110,698 from 2021. This is primarily due to the depreciation of the fair value of corporate stocks and the International Equity Fund as discussed above. Employer contributions to the plan were \$11,501, a decrease of \$454 from 2021 (refer to page 21).

Benefits and administrative expenses (deductions from fiduciary net position) increased \$1,252 from \$15,903 in 2021 to \$17,155. Pension benefits paid to retirees, survivors, and disabled former employees totaled \$16,838 an increase of \$1,156 from 2021, due to a net increase of 106 pensioners receiving benefits (refer to page 21). Administrative expenses increased \$95.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Jackson County, Missouri Revised Pension Plan. The financial section of the Jackson County, Missouri Revised Pension Plan is comprised of three components: (1) Basic Financial Statements, (2) Required Supplementary Information, and (3) Other Supplementary Information.

Basic Financial Statements: (1) The Statements of Fiduciary Net Position are a snapshot of account balances at fair value as of the end of the reporting period whereby fiduciary net position equals assets less liabilities at fiscal year-end. It indicates the assets available for future payments to retirees. (2) The Statements of Changes in Fiduciary Net Position provide a view of current and prior year additions to and deletions from the Plan whereby the net change in fiduciary net position equals additions less deductions. Both statements are in compliance with all Government Accounting Standard Board (GASB) pronouncements for state and local governments. (3) The Notes to Basic Financial Statements provide additional information not readily evident in the statements themselves. The notes are an integral part of the financial statements.

**Jackson County, Missouri
Revised Pension Plan
Management's Discussion and Analysis
June 30, 2022 and 2021**

Overview of the Financial Statements (continued)

Required Supplementary Information: Consists of a Schedule of Changes in Net Pension Liability and Related Ratios, a Schedule of Employer Contributions, and a Schedule of Investment Returns.

Other Supplementary Information, Schedule of Expenses: The Schedules of Administrative Expenses, Investment Expenses and Payments to Vendors are presented immediately following the required supplementary information. These schedules provide historical and additional detailed information considered useful in evaluating the condition of the Plan.

Financial Analysis

Investments

Defined Benefit Pension Trust Fund Changes in Fiduciary Net Position

The investment policy is set by the Pension Plan Board of Trustees. The policy states the composition of investments of the fund will not exceed the range of 38% to 88% in equities, 22% to 32% in fixed income investments, and 5% to 15% in real estate. The following chart represents the composition of the fiduciary net position at June 30, 2022, 2021, and 2020, respectively. As of June 30, 2022, corporate stocks represented 21.4% of the portfolio, while the Bond Collective Trust and the International Equity Fund accounted for 16.8% and 12.7%, respectively. The remaining funds were in U.S. government securities, a limited partnership, a long-short equity fund, an emerging markets equity fund, a S&P 500 index fund, corporate bonds and debentures, municipal bonds, a money market fund, a real estate pooled separate account, and a special situations property fund.

Jackson County, Missouri
Revised Pension Plan
Management's Discussion and Analysis
June 30, 2022 and 2021

Summary Comparative Statements of Fiduciary Net Position (in Thousands)

	June 30,		Change		June 30,		Change	
	2022	2021	Amount	%	2021	2020	Amount	%
U.S. Government Securities	\$ 17,165	\$ 19,265	(2,100)	-10.9%	\$ 19,265	\$ 16,544	2,721	16.5%
Bond Collective Trust Fund	55,073	61,573	(6,500)	-10.6%	61,573	66,228	(4,655)	-7.0%
Limited Partnership	5,562	7,658	(2,096)	-27.4%	7,658	5,482	2,176	39.7%
International Equity Fund	41,688	53,946	(12,258)	-22.7%	53,946	38,109	15,837	41.6%
Long-Short Equity Fund	30,835	34,133	(3,298)	-9.7%	34,133	28,500	5,633	19.8%
Emerging Markets Equity Fund	16,223	24,328	(8,105)	-33.3%	24,328	17,239	7,089	41.1%
S&P 500 Index Fund	23,256	26,020	(2,764)	-10.6%	26,020	18,485	7,535	40.8%
Corporate Stocks:								
Common Stocks	37,599	49,747	(12,148)	-24.4%	49,747	33,468	16,279	48.6%
Regional Stocks	32,639	35,030	(2,391)	-6.8%	35,030	25,153	9,877	39.3%
Total Corporate Stocks	70,238	84,777	(14,539)	-17.2%	84,777	58,621	26,156	44.6%
Corporate Bonds & Debentures	18,080	18,758	(678)	-3.6%	18,758	21,388	(2,630)	-12.3%
Municipal Bonds	111	143	(32)	-22.4%	143	170	(27)	-15.9%
Money Market Fund	4,558	8,408	(3,850)	-45.8%	8,408	4,519	3,889	86.1%
Real Estate Pooled Separate Account	23,477	18,401	5,076	27.6%	18,401	17,050	1,351	7.9%
Special Situations Property Fund	21,756	17,138	4,618	27.0%	17,138	15,851	1,287	8.1%
Total Investments	328,022	374,548	(46,526)	-12.4%	374,548	308,186	66,362	21.5%
Accrued Interest & Dividends	289	299	(10)	-3.3%	299	275	24	8.7%
Contributions receivable	12	10	2	20.0%	10	238	(228)	-95.8%
Total Assets	328,323	374,857	(46,534)	-12.4%	374,857	308,699	66,158	21.4%
Accrued Expense	557	650	(93)	-14.3%	650	454	196	43.2%
Fiduciary Net Position	\$ 327,766	\$ 374,207	(46,441)	-12.4%	\$ 374,207	\$ 308,245	65,962	21.4%

2022

Fiduciary net position decreased \$46,441. The most significant factors were decreases of \$14,539, \$12,258, \$8,105, and \$6,500 in the valuation of corporate stocks, the International Equity Fund, the Emerging Markets Equity Fund, the Bond Collective Trust Fund, respectively.

2021

Fiduciary net position increased \$65,962. The most significant factors were increases of \$26,156, \$15,837, \$7,535, and \$7,089 in the valuation of corporate stocks, the International Equity Fund, the S&P 500 Index Fund, and the Emerging Markets Equity Fund, respectively.

Jackson County, Missouri
Revised Pension Plan
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Summary Comparative Statements of Changes in Fiduciary Net Position (in Thousands)

	June 30,		Change		June 30,		Change	
	2022	2021	Amount	%	2021	2020	Amount	%
Net Appreciation (Depreciation)	\$ (41,317)	\$ 69,619	\$ (110,936)	-159.4%	\$ 69,619	\$ 10,669	\$ 58,950	552.5%
Interest & Dividends	2,201	1,897	304	16.0%	1,897	2,071	(174)	-8.4%
Investment Expense	(1,701)	(1,635)	(66)	4.0%	(1,635)	(1,422)	(213)	15.0%
Net Investment Income (Loss)	(40,817)	69,881	(110,698)	-158.4%	69,881	11,318	58,563	517.4%
Employee Contributions	30	29	1	3.5%	29	29	-	0.0%
Employer Contributions	11,501	11,955	(454)	-3.8%	11,955	10,319	1,636	15.9%
Total Additions	(29,286)	81,865	(111,151)	-135.8%	81,865	21,666	60,199	277.9%
Benefits Paid	16,839	15,682	1,157	7.4%	15,682	14,957	725	4.9%
Administrative Expenses	316	221	95	43.0%	221	225	(4)	-1.8%
Total Deductions	17,155	15,903	1,252	7.9%	15,903	15,182	721	4.8%
Net Increase (Decrease) in Fiduciary Net Position	(46,441)	65,962	(112,403)	-170.4%	65,962	6,484	59,478	917.3%
Fiduciary Net Position								
Beginning of Year	374,207	308,245	65,962	21.4%	308,245	301,761	6,484	2.2%
End of Year	327,766	374,207	(46,441)	-12.4%	374,207	308,245	65,962	21.4%

2022

The appreciation of the fair value of investments decreased from \$69,619 in 2021 to (\$41,317) in 2022, a decrease of (\$110,936). This is most notably due to depreciation of \$39,014, \$28,095, \$15,194 and \$10,301 in the fair value of corporate stocks, the International Equity Fund, the Emerging Markets Equity Fund, and the S&P 500 Index Fund, respectively.

The decrease of (\$110,698) in net investment income is primarily due to the \$110,936 decrease in appreciation of the fair value of investments. The appreciation of the fair value of corporate stocks decreased \$39,014, the largest decrease by category from 2021 to 2022.

Employer contributions to the plan decreased \$454 and 3.8%. This is partially due to a decrease in the County General Fund's contribution rate from 13.35% in 2021 to 11.52% in 2022.

Benefits paid to retirees, survivors, and disabled former employees increased \$1,157 and 7.4%. Part of the increase was due to a net increase of 69 participants receiving benefits during the reporting period.

Administrative expenses were \$316 for 2022, an increase of \$95 and 43% from 2021. A \$28 increase in legal fees, \$40 for an experience study, benefit calculations and veteran buyback calculations, along with \$25 paid for services to research missing participants and death searches contributed to the increase of expenses.

Investment expense increased \$66 and 4.0% from 2021. Investment fees are based on the fair value of each portfolio.

**Jackson County, Missouri
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Management's Discussion and Analysis
June 30, 2022 and 2021**

2021

The appreciation of the fair value of investments increased from \$10,669 in 2020 to \$69,619 in 2021, an increase of \$58,950. This is most notably due to increases in appreciation of \$27,795, \$16,294, \$6,251 and \$5,896 in the fair value of corporate stocks, the International Equity Fund, the S&P 500 Index Fund, and the Emerging Markets Equity Fund, respectively.

The increase of \$58,563 in net investment income is primarily due to the \$58,950 increase in appreciation of the fair value of investments. The appreciation of the fair value of corporate stocks increased \$27,795, the largest increase by category from 2020 to 2021.

Employer contributions to the plan increased \$1,636 and 15.9%. This is partially due to an increase in the County General Fund's contribution rate from 9% in 2019 to the actuarially determined rate of 13.35% in 2020 and 13.18% in 2021. In addition, salaries were increased in 2021 in response to a salary study commissioned by Jackson County.

Benefits paid to retirees, survivors, and disabled former employees increased \$725 and 4.9%. Part of the increase was due to a net increase of 39 participants receiving benefits during the reporting period.

Administrative expenses were \$221 for 2021, a decrease of \$4 and 1.8% from 2020, which is considered insignificant.

Investment expense increased \$213 and 15.0% from 2020. Investment fees are based on the fair value of each portfolio, which increased \$66,362 from the previous year.

Economic Factors (in Thousands)

2022

Employer contributions to the Plan for the 2021-2022 fiscal year decreased 3.8%.

The assets of Jackson County exceeded its liabilities at the close of fiscal year 2021 by \$427,440 (net position). Of this amount, \$281,456 was invested in capital assets (net of related debt).

Restricted net position was comprised of \$23,603 for debt service, \$5,525 for capital projects, and \$694 for workers' compensation claims. The remaining balance of \$116,161 is unrestricted and may be used to meet the government's ongoing obligations to its citizen and creditors.

The total debt of Jackson County decreased \$69,161 in fiscal year 2021.

The real and personal property assessed value of \$13,422,795 in 2021 reflected an increase in the base of \$1,079,909 and 8.8% from 2020.

Revenue for Jackson County in 2021 was \$343,086 a decrease of 6.0% from 2020.

**Jackson County, Missouri
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2021

Employer contributions to the Plan for the 2020-2021 fiscal year increased 15.9%.

The assets of Jackson County exceeded its liabilities at the close of fiscal year 2020 by \$388,217 (net position). Of this amount, \$264,976 was invested in capital assets (net of related debt).

Restricted net position was comprised of \$21,338 for debt service, \$9,016 for capital projects, and \$711 for workers' compensation claims. The remaining balance of \$92,176 is unrestricted and may be used to meet the government's ongoing obligations to its citizen and creditors.

The total debt of Jackson County decreased \$26,571 in fiscal year 2020.

The real and personal property assessed value of \$12,342,886 in 2020 reflected a decrease in the base of \$512,262 and -4.0% from 2019.

Revenue for Jackson County in 2020 was \$364,915 an increase of 29.4% from 2019.

Jackson County, Missouri
Revised Pension Plan
Statements of Fiduciary Net Position
June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Assets:		
Investments:		
U.S. Government Securities	\$ 17,165,258	\$ 19,264,953
Bond Collective Trust Fund	55,073,137	61,572,666
Limited Partnership	5,561,349	7,658,152
International Equity Fund	41,687,985	53,946,009
Long-Short Equity Fund	30,834,839	34,132,752
Emerging Markets Equity Fund	16,223,278	24,328,231
S&P 500 Index Fund	23,255,840	26,019,556
Corporate Stocks	70,238,293	84,776,625
Corporate Bonds & Debentures	18,079,904	18,758,447
Municipal Bonds	111,276	143,143
Money Market	4,557,685	8,407,822
Real Estate Pooled Separate Account	23,477,391	18,401,147
Special Situations Property Fund	21,755,728	17,138,279
Total Investments	328,021,963	374,547,782
Contributions receivable	11,545	10,299
Accrued Interest and Dividends	289,319	298,662
Total Assets	<u>328,322,827</u>	<u>374,856,743</u>
Liabilities:		
Accrued Expenses	556,922	649,688
Net Position Restricted for Pensions	<u>\$ 327,765,905</u>	<u>\$ 374,207,055</u>

See Notes to Basic Financial Statements.

Jackson County, Missouri
Revised Pension Plan
Statements of Changes in Fiduciary Net Position
For the Fiscal Years Ended June 30, 2022 and 2021

	2022	2021
Additions:		
Net Investment Income (Loss):		
Net Appreciation/(Depreciation) of Fair Value		
U.S. Government Securities	\$ (1,397,497)	\$ (469,208)
Bond Collective Trust Fund	(6,499,529)	2,144,344
Limited Partnership	(2,212,882)	2,086,993
International Equity Fund	(12,258,024)	15,837,216
Long-Short Equity Fund	(3,297,913)	5,632,687
Emerging Markets Equity Fund	(8,104,952)	7,089,220
S&P 500 Index Fund	(2,760,991)	7,540,055
Corporate Stocks	(11,960,760)	27,053,428
Corporate Bonds and Debentures	(2,798,577)	(187,350)
Municipal Bonds	(6,867)	(2,434)
Real Estate Pooled Separate Account	5,076,244	1,351,100
Special Situations Property Fund	4,905,181	1,543,416
	<u>(41,316,567)</u>	<u>69,619,467</u>
Interest and Dividends	2,201,174	1,897,190
Investment Expense	<u>(1,701,422)</u>	<u>(1,635,058)</u>
Net Investment Income (Loss)	<u>(40,816,815)</u>	<u>69,881,599</u>
Employee Contributions	29,563	28,984
Employer Contributions	11,500,879	11,954,596
Total Contributions	<u>11,530,442</u>	<u>11,983,580</u>
Total Additions	<u>(29,286,373)</u>	<u>81,865,179</u>
Deductions:		
Benefits paid directly to participants	16,838,482	15,682,065
Administrative Expenses	<u>316,295</u>	<u>220,928</u>
Total Deductions	<u>17,154,777</u>	<u>15,902,993</u>
Net Increase (Decrease) in Fiduciary Net Position	(46,441,150)	65,962,186
Net Position Restricted for Pensions:		
Beginning of Year	<u>374,207,055</u>	<u>308,244,869</u>
End of Year	<u>\$ 327,765,905</u>	<u>\$ 374,207,055</u>

See Notes to Basic Financial Statements.

Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021

(1) Summary of Significant Accounting Policies

Measurement Focus, Basis of Accounting, and Basis of Presentation

The Jackson County, Missouri Revised Pension Plan (The Plan) uses a fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The Plan's fund is classified as a Pension Trust Fund of fiduciary fund type. Pension Trust Funds account for assets held by the Plan in a trustee capacity or as an agent on behalf of others and are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Employee contributions are recognized in the plan year applicable to the pay period they are withheld from the employee's pay. Employer contributions are recognized in the plan year to which the underlying payroll applies, if received within 30 days of the plan year-end. Interest and dividend income are recorded when earned. Expenses are recorded when the corresponding liabilities are incurred. Benefits are recognized when due and payable in accordance with the terms of the Plan.

Investment Valuation and Income Recognition

Investments are recorded at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-specific measurement. For some assets and liabilities, observable market transactions or market information might be available; for others, it might not be available. However, the objective of a fair value measurement in both cases is the same—that is, to determine the price at which an orderly transaction to sell the asset or transfer the liability would take place between market participants at the measurement date under current market conditions. Fair value is an exit price at the measurement date from the perspective of a market participant that controls the asset or is obligated for the liability. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. See Note (3) for additional information regarding fair value measures.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying footnotes. Actual results could differ from these estimates.

Administrative Expenses

Actuarial, investment management and bank trustee fees and expenses are included in the Plan's expenses when incurred. Expenses applicable to the Plan year that have not been paid, are accrued and reflected in the total expense reported.

Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021

(2) Plan Description

Plan Administration

The Jackson County, Missouri Revised Pension Plan (the Plan) is considered a cost-sharing multiple-employer defined benefit plan providing for retirement, disability and death benefits for all eligible employees of Jackson County (the County), the Little Blue Valley Sewer District, the Kansas City Board of Election Commissioners, the Jackson County Sports Complex Authority, and the Jackson County Law Library, Inc. The benefit provisions are provided under the authority of Section 50.337, RSMo. The Pension Plan Board of Trustees is responsible for the overall governance of the Pension Plan, including all administrative, operational, and investment functions. The Board shall have all the powers and duties that are necessary and proper to enable it to fully and effectively carry out its responsibilities. The Board consists of eleven members—the Jackson County Chief Administrative Officer, the Jackson County Director of Human Resources, one active plan member employed by the Circuit Court, one active plan member from the Prosecuting Attorney's bargaining unit, two other active plan members from other departments, four independent business executives, and a labor leader or union representative from one of the County's bargaining units (see page 8 for additional information). Day-to-day administration of the Plan is performed by employees of the Jackson County Human Resources and Finance Departments.

The employers listed in the paragraph above, have agreed to voluntarily contribute such amounts as are necessary to provide assets sufficient to meet benefits to be paid to Plan members. The Plan is included in the County's financial reports as a Pension Trust Fund, however, these financial statements present only the Pension Trust Fund. The County, by action of the County Legislature, has the right under the Plan to discontinue contributions at any time and terminate the Plan. In the event of Plan termination, the Plan's net position is to be distributed in the following order:

1. To provide for the distribution of non-refunded participants contributions.
2. To provide for the continuance of benefits to those receiving such prior to plan termination.
3. To provide benefits for those eligible, but not yet receiving benefits as of the plan termination date.
4. To provide benefits to participants at normal retirement date eligible for termination benefits whether or not they have actually terminated, without reference to the order they shall reach normal retirement date.
5. To provide for subsequent normal retirement benefits for members upon reaching normal retirement date.

**Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021**

(2) Plan Description (continued)

Plan Membership

As of June 30, 2022 and 2021, the Jackson County, Missouri Revised Pension Plan membership consisted of:

	<u>2022</u>	<u>2021</u>
Retirees and beneficiaries currently receiving benefits	1,555	1,484
Terminated employees entitled to benefits but not yet receiving them	1,099	1,155
Current employees:		
Vested	840	862
Non Vested	340	383
Total	<u>3,834</u>	<u>3,884</u>

Benefits Provided

Plan benefit terms may be amended by the Jackson County Legislature.

Eligibility: Employees become eligible for the plan on the January 1st after completion of one year of full-time service.

Vesting: The participant is 100% vested after five years of service. No partial vesting is allowed.

Normal Retirement: The Plan calls for the normal retirement benefit at age sixty-five of 1.5% of the average monthly earnings for each year of credited service (computed average monthly earnings for the highest thirty-six consecutive months, from the previous one hundred twenty months). Effective December 15, 1997, the Plan was amended to also provide a normal retirement benefit to those active employees who have reached the age of fifty-five and whose years of age and credited service total eighty years.

Normal Retirement (Elected Officials): Effective November 5, 2003, the Plan was amended to provide a benefit schedule applicable to Elected Officials. The Plan allows for a normal retirement benefit calculation of 4.167% of the Average Monthly Earnings for each year of the first twelve years of credited service plus 5% of Average Monthly Earnings times years of credited service from years 12 to 16.

Early Retirement: Early retirement is available at age fifty-five and five years of service, subject to certain reductions from the normal benefit. No benefits are available before age fifty-five, exclusive of disability benefits.

Disability Retirement: The participant shall receive the accrued benefit, if the participant has five years of service and the disability is total and permanent as defined by the Social Security Act.

Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021

(2) Plan Description (continued)

Pre-Retirement Death Benefit: If any active member should die being vested in the plan, a lump sum death benefit equal to the deceased member's current benefit at the time of death shall be payable.

Cost of Living Adjustments: The Plan provisions regarding cost of living adjustments (COLAs) allow for discretionary increases of up to 3.0% for members who have been retired for a full year.

IRS Determination

The Plan has received a favorable determination letter dated May 17, 2017, from the Internal Revenue Service indicating that it is qualified under the Internal Revenue Code. The Plan has been amended since receiving this determination letter. The Plan Administrator believes the Plan is currently designed, and is being operated, in compliance with the applicable requirements of the Code.

Contributions

Employer contributions are subject to annual appropriation by Jackson County, Missouri, and other participating employers. The only employee contributions are the 4% required to be contributed by elected officials for up to 16 years. No other employee contributions are allowed. The Plan receives an annual actuarial valuation for the purpose of determining the recommended contribution rates. The County's contribution rate was 13.35% of annual covered payroll for July 2020 to December 2020, 13.18% for 2021, and 11.52% for January to June 2022. All other employers' contribution rates were 13.35% for July to December, 2020, 13.18% for 2021, and 11.52% for January to June, 2022, respectively.

Administrative costs of the pension plan are financed through investment earnings when incurred.

Funded Status and Changes in Net Pension Liability

As of July 1, 2022, the most recent actuarial valuation date, the Plan was 87.2% funded (on the market value of assets basis). The total pension liability was \$375,907,555; and the plan fiduciary net position was \$327,765,905; resulting in a net pension liability (NPL) of \$48,141,650. The annual covered payroll (the payroll on which contributions to the Plan are based) was \$71,084,998; and the ratio of the NPL to the annual covered payroll was 67.7%. Using the actuarial value of assets basis, the Plan was 94.4% funded as of July 1, 2022.

As of July 1, 2021, the Plan was 99.8% funded (on the market value of assets basis). The total pension liability was \$374,983,233; and the plan fiduciary net position was \$374,207,055; resulting in a net pension liability (NPL) of \$776,178. The annual covered payroll (the payroll on which contributions to the Plan are based) was \$66,818,179; and the ratio of the NPL to the annual covered payroll was 1.2%. Using the actuarial value of assets basis, the Plan was 90.6% funded as of July 1, 2021.

Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021

(3) Investments

Investment Policy

The Plan's investments are managed by independent investment managers and are held by the current custodian, BMO Harris Bank N.A. (BMO), except for the commingled investments which are held by the custodian chosen by such commingled fund, and maintained, for reporting purposes only, at BMO. Equity securities are limited to 88% of total investments, with an allocation target of 63%. Fixed income investments, other than cash equivalents, are limited to 32% of total investments, with an allocation target of 27%. Real estate investments are limited to 15% of total investments, with an allocation target of 10%. Investment performance is monitored by a professional consultant and reviewed not less than annually by the Pension Board of Trustees, which has the authority to amend investment policy decisions, including asset allocation targets and acceptable asset classifications.

Concentration of Investments

At June 30, 2022, the investment in the Bond Collective Trust Fund represented 16.8% of the Plan's total investments, the International Equity Fund represented 12.7%, the Long-Short Equity Fund represented 9.4%, the Real Estate Pooled Separate Account represented 7.2%, the S&P 500 Index Fund represented 7.1%, and the Commingled Special Situations Property Fund represented 6.6%. All other individual investments represented less than 5% of the Plan's total investments.

At June 30, 2021, the investment in the Bond Collective Trust Fund represented 16.4% of the Plan's total investments, the International Equity Fund represented 14.4%, the Long-Short Equity Fund represented 9.1%, the S&P 500 Index Fund represented 7.0%, and the Emerging Markets Equity Fund represented 6.5%. All other individual investments represented less than 5% of the Plan's total investments.

Rate of Return

For the years ended June 30, 2022 and 2021, the annual money weighted rates of return on pension plan investments, net of pension plan investment expense, were -10.98% and 22.98%, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Plan does not have a policy for interest rate risk.

Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021

(3) Investments (continued)

Information about the sensitivity of the fair values of the Plan's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Plan's investments in debt securities by maturity:

June 30, 2022

Description	Fair Value	<1	1-5	5-10	10+
US Agencies	\$ 728,718	8,064	111,135	-	609,519
Municipal Bonds	111,276	10,012	101,264	-	-
Treasury Notes	16,436,540	3,025,157	8,433,603	4,977,780	-
Corporate Bonds	18,079,904	1,212,083	9,627,421	6,614,962	625,438
Total	<u>\$ 35,356,438</u>	<u>4,255,316</u>	<u>18,273,423</u>	<u>11,592,742</u>	<u>1,234,957</u>

June 30, 2021

Security Description	Current Fair Value	Debt Security Investment Maturities (in years)			
		<1	1-5	5-10	10+
US Agencies	\$ 1,188,057	7,832	226,117	-	954,108
Municipal Bonds	143,143	-	143,143	-	-
Treasury Notes	18,076,896	4,138,713	6,723,606	7,214,577	-
Corporate Bonds	18,758,447	435,302	9,534,969	8,726,111	62,065
Total	<u>\$ 38,166,543</u>	<u>4,581,847</u>	<u>16,627,835</u>	<u>15,940,688</u>	<u>1,016,173</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan does not have a policy for credit risk.

Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021

(3) Investments (continued)

As of June 30, 2022, the Plan's investments were rated as follows:

Security Description	Moody's	Standard & Poor's
US Agencies:		
Federal Home Loan Mortgage Corp Partn Gold	Not Rated*	Not Rated*
Federal National Mortgage Association GTD PASSTHRU	Not Rated*	Not Rated*
Municipal Bonds:		
Bloomington Ind Pk Dist Bonds	Not Rated	AA
Brownsburg Ind GO Bonds	Not Rated	AA
Corporate Bonds:		
Abbvie Inc Sr Nt	BAA2	BBB+
Activision Blizzard Inc Sr Gbl	BAA1	A-
American Express Co Sr Nt	A2	BBB+
American Tower Corp New Sr Gbl Nt	BAA3	BBB-
Anheuser Busch Inbev Wldw Inc Fr	BAA1	BBB+
Aon Plc Sr Gbl Nt	BAA2	A-
Astrazeneca Finance Llc Sr Nt	A3	A-
AT&T Inc Glocal Nt	BAA2	BBB
Autodesk Inc Sr Nt	A3	BBB
Bank Amer Corp Fr	A2	A-
Biogen Inc Sr Nt	BAA2	BBB+
Bk of America Corp Sr Nt	A2	A-
Boeing Co Cr Sen Sr Nt	BAA2	BBB-
Broadcom Inc Sr Nt	BAA3	BBB-
Burlington Northn Santa Fe Cp Deb	A3	AA-
Capital One Financial Corp Sr Nt	BAA1	BBB
Citigroup, Inc Sr Nt	A3	BBB+
Citizens Bank Nafr	BAA1	A-
CVS Health Corp Sr Nt	BAA2	BBB
Dell Intl Corp Cr Sen Sr Sec	BAA2	BBB
Disney Walt Co Sr Nt	A2	BBB+
Edwards LifeSciences Corp	BAA2	BBB
Fifth Third Bancorp Sr Nt	BAA1	BBB+
General Electric Co Sr Nt	BAA1	BBB+
General Mtrs Finl Co Inc Sr Gbl	BAA3	BBB
Goldman Sachs Group Inc Sr Gbl	A2	BBB+

Jackson County, Missouri
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(3) Investments (continued)

Security Description	Moody's	Standard & Poor's
Hewlett Packard Enterprise Co Sr	BAA2	BBB
Huntington Bancshares Inc Sr Nt	BAA1	BBB+
JPMorgan Chase & Co Nt	A2	A-
Lowes Cos Inc Gbl Nt	BAA1	BBB+
Marsh & McLennan Cos Inc Sr Nt	BAA1	A-
Microsoft Corp Sr Gbl Nt	AAA	AAA
Morgan Stanley Fr	A1	A-
Paypal Holdings Inc Sr Nt	A3	A-
Pnc Finl Svcs Group Inc Sr Gbl	A3	A-
Regeneron Pharmaceuticals Sr Nt	BAA3	BBB+
Schlumberger Investment Sa Gtd Sr Nt	A2	A
Starbucks Corp	BAA1	BBB+
Synchrony Finl Sr Nt	Not Rated	BBB-
T Mobile Usa Inc Sr Sec Gbl Nt	BAA3	BBB-
TJX Cos Inc New Sr Nt	A2	A
VMWare Inc Sr Nt	BAA3	BBB-
Wells Fargo & Co New Sr Gbl Nt	A1	BBB+
Williams Partners L P New Sr Gbl Nt	BAA2	BBB
Willis North Amer Inc Sr Gbl	BAA3	BBB
Zoetis Inc Sr Nt	BAA1	BBB
Loomis Sayles Commingled Bonds Account	A1	A+
BMO Government Money Market Premier Fund	Not Rated	AAAm

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As of June 30, 2021, the Plan's investments were rated as follows:

Security Description	Moody's	Standard & Poor's
US Agencies:		
Federal Home Loan Mortgage Corp Partn Gold	Not Rated*	Not Rated*
Federal National Mortgage Association GTD PASSTHRU	Not Rated*	Not Rated*
Municipal Bonds:		
Bloomington Ind Pk Dist Bonds	Not Rated	AA
Brownsburg Ind GO Bonds	Not Rated	AA
Corporate Bonds:		
Abbvie Inc Sr Nt	BAA2	BBB+
Activision Blizzard Inc Sr Gbl	BAA1	A-
Alibaba Group Holding Ltd Sr Gbl	A1	A+
American Intl Group Inc Sr Nt	BAA2	BBB+
Anheuser Busch Inbev Wldw Inc Fr	BAA1	BBB+
Aon Plc Sr Gbl Nt	BAA2	A-
AT&T Inc Glocal Nt	BAA2	BBB
Autodesk Inc Sr Nt	BAA2	BBB
Avalonbay Communities Inc Mtn Fr	A3	A-
Bank Amer Corp Fr	A2	A-
Biogen Inc Sr Nt	BAA1	A-
Broadcom Inc Sr Nt	BAA3	BBB-
Capital One Financial Corp Sr Nt	BAA1	BBB
Citigroup, Inc Sr Nt	A3	BBB+
Citizens Bank Nafr	BAA1	A-
CVS Health Corp Sr Nt	BAA2	BBB
Dell Intl Corp Cr Sen Sr Sec	BAA3	BBB-
Discover Financial Services Sr Nt	BAA3	BBB-
Disney Walt Co Sr Nt	A2	BBB+
Edwards LifeSciences Corp	BAA2	BBB
General Electric Co Sr Nt	BAA1	BBB+
General Motors Financial Co Inc Sr Gbl	BAA3	BBB
Goldman Sachs Group Inc Sr Gbl	A2	BBB+
Huntington Bancshares Inc Sr Nt	BAA1	BBB+
JPMorgan Chase & Co Nt	A2	A-
Lowes Cos Inc Gbl Nt	BAA1	BBB+

Jackson County, Missouri
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(3)	Investments	(continued)
Security Description	Moody's	Standard & Poor's
Microsoft Corp Sr Gbl Nt	AAA	AAA
Morgan Stanley Fr	A1	BBB+
National Australia Bk N Y Brh Sr	AA3	AA-
Paypal Holdings Inc Sr Nt	A3	A-
Regions Financial Corp New Sr Nt	BAA2	BBB+
Rio Tinto Finance USA Ltd Sr Nt	A2	A
Schlumberger Investment Sa Gtd Sr Nt	A2	A
Starbucks Corp	BAA1	BBB+
Synchrony Financial Sr Nt	NA	BBB-
TJX Cos Inc New Sr Nt	A2	A
VMWare Inc Sr Nt	BAA2	BBB-
Wells Fargo & Co New Sr Gbl Nt	A1	BBB+
Wells Fargo Bank National Assn Fr	AA2	A+
Williams Partners L P New Sr Gbl Nt	BAA2	BBB
Willis North Amer Inc Sr Gbl	BAA3	BBB
Zoetis Inc Sr Nt	BAA1	BBB
Loomis Sayles Commingled Bonds Account	A2	A
BMO Government Money Market Premier Fund	Aaa-mf	Not Rated

*These US agency securities are pooled assets, so they are not rated by Moody's and Standard and Poor's.

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(3) Investments (continued)

Custodial Credit Risk

The custodial credit risk for investments is the risk that in the event of the failure of the counter party (e.g. Broker-Dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan does not have a policy for custodial credit risk.

At June 30, 2022, and 2021, the Plan's U.S. government securities, corporate stocks, corporate bonds and debentures, municipal bonds, and money market funds were uninsured and unregistered investments with the securities held by the counterparty's trust department or agent in the name of the Plan. The Plan's investments during the years ended June 30, 2022, and 2021 did not differ significantly from these at the respective year-ends in amounts or level of risk.

Fair Value Measurements

The Plan categorizes its assets and liabilities measured at fair value within the hierarchy established by generally accepted accounting principles. Assets and liabilities valued at fair value are categorized based on inputs to valuation techniques as follows:

Level 1 Input: Quoted prices for identical assets or liabilities in an active market that an entity has the ability to access.

Level 2 Input: Inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly. Agency securities and corporate bonds are valued using either a price or spread basis as determined by the observed market data. Municipal bonds are valued using yield curves which are adjusted throughout the day based on trades and other pertinent market information.

Level 3 Input: Inputs that are unobservable for the asset or liability which are typically based upon the Plan's own assumptions as there is little, if any, related market activity.

Hierarchy: The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs.

Inputs: If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The Plan has the following recurring fair value measurements as of June 30, 2022 and 2021:

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(3) Investments (continued)

Investments Measured at Fair Value
(\$ in thousands)

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2022			
Investments by fair value level				
Debt securities:				
U.S. Treasury securities	\$ 16,437	\$ -	\$ 16,437	\$ -
U.S. Agency securities	729	-	729	-
Municipal bonds	111	-	111	-
Corporate bonds and debentures	18,079	-	18,079	-
Total debt securities	35,356	-	35,356	-
Equity securities:				
Consumer discretionary	8,535	8,535	-	-
Consumer staples	2,374	2,374	-	-
Energy	2,651	2,651	-	-
Financials	13,044	13,044	-	-
Health care	8,667	8,667	-	-
Industrials	12,279	12,279	-	-
Information technology	15,358	15,358	-	-
Materials	2,375	2,375	-	-
Real Estate	1,127	1,127	-	-
Telecommunication services	3,261	3,261	-	-
Utilities	567	567	-	-
Total equity securities	70,238	70,238	-	-
Total investments by fair value level	105,594	\$ 70,238	\$ 35,356	\$ -
Investments measured at amortized cost				
Money market funds	4,558			
Total investments measured at amortized cost	4,558			
Investments measured at the net asset value (NAV)				
Bond Collective Trust Fund	55,073			
Limited Partnership	5,561			
International Equity Fund	41,688			
Long-Short Equity Fund	30,835			
Emerging Markets Equity Fund	16,223			
S&P 500 Index Fund	23,256			
Real Estate Pooled Separate Account	23,477			
Special Situations Property Fund	21,756			
Total investments measured at the NAV	217,869			
Total investments	\$ 328,021			

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(3) Investments (continued)

Investments Measured at Fair Value
(\$ in thousands)

		Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	June 30, 2021			
Investments by fair value level				
Debt securities:				
U.S. Treasury securities	\$ 18,077	\$ 18,077	\$ -	\$ -
U.S. Agency securities	1,188	-	1,188	-
Municipal bonds	143	-	143	-
Corporate bonds and debentures	18,758	-	18,758	-
Total debt securities	38,166	18,077	20,089	-
Equity securities:				
Consumer discretionary	10,326	10,326	-	-
Consumer staples	2,966	2,966	-	-
Energy	2,810	2,810	-	-
Financials	13,433	13,433	-	-
Health care	11,576	11,576	-	-
Industrials	14,731	14,731	-	-
Information technology	18,632	18,632	-	-
Materials	2,685	2,685	-	-
Real Estate	1,510	1,510	-	-
Telecommunication services	5,535	5,535	-	-
Utilities	573	573	-	-
Total equity securities	84,777	84,777	-	-
Total investments by fair value level	122,943	\$ 102,854	\$ 20,089	\$ -
Investments measured at amortized cost				
Money market funds	8,408			
Total investments measured at amortized cost	8,408			
Investments measured at the net asset value (NAV)				
Bond Collective Trust Fund	61,573			
Limited Partnership	7,658			
International Equity Fund	53,946			
Long-Short Equity Fund	34,133			
Emerging Markets Equity Fund	24,328			
S&P 500 Index Fund	26,020			
Real Estate Pooled Separate Account	18,401			
Special Situations Property Fund	17,138			
Total investments measured at the NAV	243,197			
Total investments	\$ 374,548			

Jackson County, Missouri
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(3) Investments (continued)

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. U.S. Treasury securities classified in Level 1 of the fair value hierarchy are valued throughout the day using continuous feeds from a number of live data sources. U.S. Agency securities, corporate bonds, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using relevant observable data including quoted prices for similar assets, benchmark yield curves, and market corroborated inputs. Money market funds are valued at amortized cost.

The valuation method for investments measured at the net asset value (NAV) per share (or its equivalent) is presented on the following table.

Investments Measured at Net Asset Value (NAV)
(\$ in thousands)

	Fair Value		Redemption Frequency (if Currently Eligible)	Redemption Notice period
	June 30, 2022	June 30, 2021		
Bond Collective Trust Fund (1)	\$ 55,073	\$ 61,573	Daily	0 to 3 days
Limited Partnership (2)	5,561	7,658	1st business day of the month	15th day of the prior month
International Dynamic Equity Fund (3)	41,688	53,946	Daily	1 day
Long-Short Equity Hedge Fund (4)	30,835	34,133	Quarterly	45 days
Emerging Markets Equity Fund (5)	16,223	24,328	Each Wednesday (or the next business day)/Last business day of each month	10 business days
S&P 500 Index Fund (6)	23,256	26,020	Daily	Prior to 9:30am CST on trade date
Real Estate Pooled Separate Account (7)	23,477	18,401	Daily	1 day
Special Situations Property Fund (8)	21,756	17,138	Quarterly	30 days
Total investments measured at the NAV	<u>\$ 217,869</u>	<u>\$ 243,197</u>		

Jackson County, Missouri
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Notes to Basic Financial Statements
June 30, 2022 and 2021

(3) Investments (continued)

Units of the Limited Partnership and the S&P 500 Index Fund are sold quarterly to pay the management fees of the respective investment managers. At June 30, 2022 and 2021, the Plan had no unfunded commitments.

1. *Bond Collective Trust Fund.* The fund is a core plus fixed income collective investment trust. The objective of the fund is high total investment return through a combination of current income and capital appreciation. There are no requirements to give advanced notice of intent to redeem the investment, but three days' notice is preferred. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the fund.
2. *Limited Partnership.* The investment is a small cap equity fund established as a limited partnership. The fund's objective is to achieve a long-term total return by investing in non-U.S. small capitalization companies. The fund has ten business days to disburse funds per the Offering Memorandum. This would be utilized for terminations and large flows. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the partners' capital.
3. *International Dynamic Equity Fund.* The investment is an international dynamic equity fund. The fund's objective is to achieve long term capital growth, primarily through investment in shares of companies around the world, except the United States. At least two-thirds of the fund's assets are to be invested in the equities of companies domiciled in Europe, Australia, Asia, and Latin America. The fund is traded daily and redemption normally occurs after one days' written notice. However, if the fund's requested withdrawals exceed 10 percent of the fund's net asset value, the fund may defer the excess of such withdrawals to the next dealing day. All withdrawal requests relating to an earlier dealing day will be completed before new requests are considered, subject to further deferral and to liquidity being raised with respect to the next or any subsequent dealing day. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the fund.
4. *Long-Short Equity Hedge Fund.* The fund invests in other hedge funds that invest across liquid asset classes, primarily focusing on equity long/short in global markets. The underlying funds aim to invest primarily in companies in developed markets through equity and equity-related securities. The majority of the fund's underlying investments can only be redeemed on the first business day of each calendar quarter or each calendar month. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the fund.
5. *Emerging Markets Equity Fund.* The objective of the fund is to seek long-term capital appreciation by investing at least 80% of its assets in emerging market equity securities. The fund may invest in securities across all market capitalizations and styles. Redemptions occur weekly on Wednesday (or the next business day) or the last business day of the month, with 10 business days' advanced written notice. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the fund.

Jackson County, Missouri
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(3) Investments (continued)

6. *S&P 500 Index Fund.* The objective of the fund is to provide a vehicle to access the U.S. equity market and investment results that approximate the overall performance of the common stocks included in the Standard & Poor's 500 Composite Stock Price Index. The fund requires 1 days' notice to redeem 100% of the Plan's investment. Notification of other planned transactions is to be provided prior to 9:30am CST on trade date. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the fund.
7. *Real Estate Pooled Separate Account.* The account is a diversified real estate equity account consisting primarily of high quality, well-leased real estate properties in the multifamily, industrial, office, retail, and hotel sectors. The objective of the account is to invest in a well-diversified real estate portfolio that reflects the overall performance of the U.S. commercial real estate market. Redemptions normally occur with one day of notice. However, the accountholder has the right to impose withdrawal limitations to pay withdrawal requests on a pro rata basis as cash becomes available for distribution. The fair value of this investment has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in the accountholder's capital.
8. *Special Situations Property Fund.* The fund is a balanced portfolio of stabilized and value-added real estate opportunities. The objective of this fund is to provide a moderate level of current income and/or high residual property appreciation by investing in a wide variety of value-added real estate opportunities in the United States. The fair value of the investment has been determined using the NAV per share (or its equivalent) of the fund.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Plan does not have a policy related to foreign currency risk.

At June 30, 2022, the Plan had invested in a Limited Partnership, an International Equity Fund, a Long-Short Equity Fund, and an Emerging Markets Equity Fund, all of which invested in international stocks. The fair value of the Limited Partnership was \$5,561,349 and 1.7% of the Plan's portfolio. The fair value of the International Equity Fund was \$41,687,985 and 12.7% of the Plan's portfolio. The fair value of the Long-Short Equity Fund was \$30,834,839 and 9.4% of the Plan's portfolio. The fair value of the Emerging Markets Equity Fund was \$16,223,278 and 4.9% of the Plan's portfolio. The Bond Collective Trust Fund also had some international investments. In addition, the Plan's corporate bonds and debentures include international bonds with a fair value of \$1,144,044 representing 0.3% of the Plan's portfolio.

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(3) Investments (continued)

At June 30, 2021, the Plan had invested in a Limited Partnership, an International Equity Fund, a Long-Short Equity Fund, and an Emerging Markets Equity Fund, all of which invested in international stocks. The fair value of the Limited Partnership was \$7,658,152 and 2.0% of the Plan's portfolio. The fair value of the International Equity Fund was \$53,946,009 and 14.4% of the Plan's portfolio. The fair value of the Long-Short Equity Fund was \$34,132,752 and 9.1% of the Plan's portfolio. The fair value of the Emerging Markets Equity Fund was \$24,328,231 and 6.5% of the Plan's portfolio. The Bond Collective Trust Fund also had some international investments. In addition, the Plan's corporate bonds and debentures include international bonds with a fair value of \$1,962,334 representing 0.5% of the Plan's portfolio.

(4) Net Pension Liability and Actuarial Assumptions

Net Pension Liability of the Employers

The components of the net pension liability of the employers at June 30, 2022 and 2021, were as follows:

	2022	2021
Total Pension Liability	\$ 375,907,555	\$ 374,983,233
Plan Fiduciary Net Position	(327,765,905)	(374,207,055)
Net Pension Liability	<u>\$ 48,141,650</u>	<u>776,178</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	87.2%	99.8%

Actuarial Assumptions

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Most assumptions were revised in 2022 based on the results of the experience study conducted in 2022 for the period from July 1, 2016 to June 30, 2021.

The actuarial assumptions used are as follows:

Valuation dates:	<u>July 1, 2022 and 2021</u>
Investment rate of return, net of expenses:	6.75% compounded annually
Projected salary increases:	2022: Ranges from 3.00% to 6.00% 2021: Ranges from 2.75% to 4.75%
Assumed inflation rate:	2.5% per annum
Post retirement benefit increase:	2022: 1.75% 2021: 2.0%

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(4) Net Pension Liability and Actuarial Assumptions (continued)

Mortality:		<u>2022</u>
Healthy Non-Annuitants:	2010 Public General Amount-Weighted Mortality Table for Healthy Employees, projected using Scale MP-2021 on a generational basis.	
Healthy Annuitants:	2010 Public General Amount-Weighted Below-Median Mortality Table for Healthy Retirees (multiplied by 1.038 for males and 1.190 for females), projected using Scale MP-2021 on a generational basis.	
Disabled:	2010 Public General Amount-Weighted Mortality Table for Disabled Retirees, projected using Scale MP-2021 on a generational basis.	
		<u>2021</u>
Healthy Non-Annuitants	RP-2014 Healthy Non-Annuitant Table adjusted back to 2006 using MP-2014, projected forward with MP-2016 on a generational basis.	
Healthy Annuitants:	RP-2014 Healthy Annuitant Table adjusted back to 2006 using MP-2014, multiplied by 1.2 for males and 1.0 for females, and projected forward with MP-2016 on a generational basis.	
Disabled:	RP-2014 Disabled Mortality Table adjusted back to 2006 using MP-2014, projected forward with MP-2016 on a generational basis.	

The July 1, 2022 and 2021 actuarial valuations assume a 6.75% rate of return. The Board of Trustees has adopted an asset allocation strategy that structures the Plan's assets in such a way as to maximize the financial return to the retirement system consistent with the risks incumbent in each investment and the portfolio as a whole, while maintaining an appropriate level of diversification of the retirement system assets. The Board of Trustees, with assistance from Asset Consulting Group, our investment consultant, has reviewed the asset allocation of the Plan based on the long term capital market assumptions (including expected return, volatility and correlation among asset types) developed by the investment consultant. The Board of Trustees, upon the advice and consultation from the investment consultant, believes that there is a reasonable probability that the portfolio is structured in such a manner as to provide a 6.75% annualized rate of return over a long-term (20+ years) time horizon. There is also a reasonable probability of achieving a 6.75% rate of return in any given year; however, the range of potential outcomes around the median is much wider over shorter periods.

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(4) Net Pension Liability and Actuarial Assumptions (continued)

Best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 and 2021, (see the discussion of the Plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	
	2022	2021
Core Bonds	2.58%	2.58%
Core Plus	2.88%	2.86%
U.S. Large Cap Equity	7.13%	7.15%
U.S. Small Cap Equity	8.53%	8.44%
International Developed Equity	7.99%	7.94%
Emerging Market Equity	9.23%	9.09%
Long-Short Equity	5.68%	5.72%
Core Real Estate	6.60%	6.66%
Value Added Real Estate	8.10%	8.16%

Discount Rate

The discount rate used to measure the total pension liability was 6.75% for the years ended June 30, 2022 and 2021. The projection of cash flows used to determine the discount rate assumed that elected official contributions will continue at the current rate of 4.0%. Employer contributions were assumed to be made in accordance with the following contribution policy:

For Jackson County, a contribution is made based upon total budgeted payroll (i.e. not just pension payroll). For calendar years beginning 2020 and later, the County and all other employers contribute the actuarially determined contribution rate determined in the prior year's actuarial valuation. For calendar year 2022, the rate was 11.52%, which was the actuarially determined rate from the July 1, 2021 actuarial valuation. For calendar year 2021, the rate was 13.18%, which was the actuarially determined rate from the July 1, 2020 actuarial valuation.

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments for current members for all future years. Therefore, the single equivalent rate used to determine the Total Pension Liability as of June 30, 2022 is 6.75%, the long-term expected rate of return on Plan investments.

Sensitivity

The following presents the net pension liability of the Plan, calculated using the discount rate of 6.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

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(4) Net Pension Liability and Actuarial Assumptions (continued)

Net Pension Liability	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
2022	\$ 95,993,913	48,141,650	8,433,425
2021	50,084,504	776,178	(39,859,601)

(5) New Pronouncements

The Plan implemented the following Governmental Accounting Standards Board (GASB) Statements during the year:

GASB Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement had no effect on the Plan's financial statements in the current year.

GASB Statement 89, Accounting for Interest Cost Incurred before the End of a Construction Period. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement had no effect on the Plan's financial statements in the current year.

GASB Statement 92, Omnibus 2020. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement had no effect on the Plan's financial statements in the current year.

GASB 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans,

Jackson County, Missouri
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(5) New Pronouncements (continued)

defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. This statement had no effect on the Plan's financial statements in the current year.

The GASB has issued several Statements not yet required to be implemented by the Plan. The Plan's management has not yet determined the effect these Statements will have on the Plan's financial statements. However, the Plan plans to implement all standards by required dates. The Statements which may impact the Plan are as follows:

GASB Statement 91, *Conduit Debt Obligations*, issued May 2019, will be effective for the Plan beginning with its fiscal year ending June 30, 2023. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

GASB 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued in March 2020, will be effective for the Plan beginning with its fiscal year ending June 30, 2023. The objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs).

GASB 96, *Subscription-Based Information Technology Arrangements*, issued in May 2020, will be effective for the Plan beginning with its fiscal year ending June 30, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides for the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 86, *Leases*, as amended. This Statement requires a government to disclose descriptive information about its SBITAs other than short-term SBITAs, such as the amount of the subscription asset, accumulated amortization, other payments not included in the measurement of a subscription liability, principal and interest requirements for the subscription liability, and other essential information.

Jackson County, Missouri
Revised Pension Plan
Notes to Basic Financial Statements
June 30, 2022 and 2021

GASB 99, *Omnibus 2022*, issued in April 2022, will be effective for the Plan beginning with the provisions of items 1) and 2) effective for the Plan's fiscal years ending June 30, 2024 and June 30, 2023, respectively. All other provisions of this statement were effective upon issuance. This statement enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including: 1) classification and reporting of derivative instruments within the scope of Statement No. 53 that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument; 2) clarification of certain provisions in Statement No. 87, Statement No. 94 and Statement No. 96; 3) extension of the period during which the London Interbank offered Rate (LIBOR) is considered an appropriate benchmark interest rate of the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt; 4) accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP); 5) disclosures related to nonmonetary transactions; 6) pledges of future revenues when resources are not received by the pledging government; 7) clarification of the provisions in Statement No. 34 related to the focus of the government-wide financial statements; terminology updates related to certain provisions of Statement No. 63; and 8) terminology used in Statement No. 53 to refer to resource flows statements.

GASB 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, issued in June 2022, will be effective for the Plan beginning with its fiscal year ending June 30, 2024. This statement enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB 101, *Compensated Absences*, issued in June 2022, will be effective for the Plan beginning with its fiscal year ending June 30, 2025. This statement enhances accounting and financial reporting requirements by updating the recognition and measurement guidance for compensated absences.

(6) Contingency

As a result of the spread of the SARS-CoV-2 virus and the incidence of COVID-19, economic uncertainties have arisen which may negatively affect the financial position and results of operations of the Plan. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

Jackson County, Missouri
Revised Pension Plan
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Ten Years Ended June 30, 2022

	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	\$ 3,906,160	\$ 3,679,234	\$ 3,744,220	\$ 3,679,043	\$ 3,747,904
Interest Cost	25,016,015	23,891,529	23,113,852	22,431,567	21,914,747
Changes in Benefits	-	-	-	-	-
Difference Between Expected and Actual Experience	4,589,153	5,112,194	41,495	(1,543,227)	(4,307,023)
Changes of Assumptions	(15,748,524)	-	-	-	-
Benefits Paid	(16,838,482)	(15,682,065)	(14,956,657)	(14,106,502)	(13,169,152)
Net Change in Total Pension Liability	924,322	17,000,892	11,942,910	10,460,881	8,186,476
Total Pension Liability-Beginning	374,983,233	357,982,341	346,039,431	335,578,550	327,392,074
Total Pension Liability-Ending (a)	375,907,555	374,983,233	357,982,341	346,039,431	335,578,550
Plan Fiduciary Net Position					
Contribution-Employer	11,500,879	11,954,596	10,318,596	9,383,418	9,885,962
Contribution-Employee	29,563	28,984	28,957	25,909	23,488
Net Investment Income (Loss)	(40,816,815)	69,881,599	11,318,002	18,234,113	22,624,839
Benefits Paid	(16,838,482)	(15,682,065)	(14,956,657)	(14,106,502)	(13,169,152)
Administrative Expenses	(316,295)	(220,928)	(224,753)	(218,728)	(249,640)
Net Change in Plan Fiduciary Net Position	(46,441,150)	65,962,186	6,484,145	13,318,210	19,115,497
Plan fiduciary Net Position-Beginning	374,207,055	308,244,869	301,760,724	288,442,514	269,327,017
Plan Fiduciary Net Position-Ending (b)	327,765,905	374,207,055	308,244,869	301,760,724	288,442,514
Net Pension Liability-Ending (a)-(b)	48,141,650	776,178	49,737,472	44,278,707	47,136,036
Plan Fiduciary net Position as a % of the Total Pension Liability	87.19%	99.79%	86.11%	87.20%	85.95%
Covered Payroll	71,084,998	66,818,179	66,459,289	64,516,217	66,315,839
Net Pension Liability as a % of Covered Payroll	67.72%	1.16%	74.84%	68.63%	71.08%

In 2022, tables and assumptions for mortality, cost of living adjustments, salary increases, retirement, disability, and termination were changed, based on the results of an experience study.

In 2017, the Plan changed the following assumptions based on the results of an experience study: (1) Changed the earnings assumption from 7.0% to 6.75%; (2) Changed the amortization method from a level dollar rolling 30-year open period to a level dollar layered 20-year closed amortization period for current and future unfunded liabilities, while continuing the separate 20-year amortization for the 2013 Plan changes; and (3) Changed the tables and assumptions for mortality, retirement, termination, disability, and salary increases.

Jackson County, Missouri
Revised Pension Plan
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Ten Years Ended June 30, 2022

	2017	2016	2015	2014	2013
Total Pension Liability					
Service Cost	\$ 4,515,213	\$ 4,159,756	\$ 4,204,176	\$ 3,949,773	3,855,964
Interest Cost	21,955,012	20,982,000	19,226,216	17,512,038	15,952,165
Changes in Benefits	-	-	-	-	10,349,101
Difference Between Expected and Actual Experience	5,125,099	(75,313)	(3,626,506)	(5,326,360)	543,322
Changes of Assumptions	(7,234,328)	-	15,831,115	18,073,697	-
Benefits Paid	(11,990,680)	(11,068,365)	(10,134,743)	(9,237,930)	(8,510,456)
Net Change in Total Pension Liability	12,370,316	13,998,078	25,500,258	24,971,218	22,190,096
Total Pension Liability-Beginning	315,021,758	301,023,680	275,523,422	250,552,204	228,362,108
Total Pension Liability-Ending (a)	327,392,074	315,021,758	301,023,680	275,523,422	250,552,204
Plan Fiduciary Net Position					
Contribution-Employer	9,584,406	8,965,045	8,479,786	8,117,005	7,874,681
Contribution-Employee	23,892	22,294	24,221	23,446	23,183
Net Investment Income (Loss)	30,135,277	(519,751)	8,894,357	30,581,746	27,058,828
Benefits Paid	(11,990,680)	(11,068,365)	(10,134,743)	(9,237,930)	(8,510,456)
Administrative Expenses	(177,806)	(213,999)	(185,094)	(169,630)	(149,714)
Net Change in Plan Fiduciary Net Position	27,575,089	(2,814,776)	7,078,527	29,314,637	26,296,522
Plan fiduciary Net Position-Beginning	241,751,928	244,566,704	237,488,177	208,173,540	181,877,018
Plan Fiduciary Net Position-Ending (b)	269,327,017	241,751,928	244,566,704	237,488,177	208,173,540
Net Pension Liability-Ending (a)-(b)	58,065,057	73,269,830	56,456,976	38,035,245	42,378,664
Plan Fiduciary Net Position as a % of the Total Pension Liability	82.26%	76.74%	81.25%	86.20%	83.09%
Covered Payroll	60,510,891	60,503,534	61,267,909	62,914,553	65,032,372
Net Pension Liability as a % of Covered Payroll	95.96%	121.10%	92.15%	60.46%	65.17%

In 2015, the Plan incorporated the new RP-2014 mortality table, resulting in an increase of approximately 5.6% in plan liabilities over the RP-2000 table used in the prior valuation. The method of determining the funding value of assets was altered slightly to improve the smoothing of asset gains and losses going forward, and was reset to the fair value as of July 1, 2015.

In 2014, the retirement rate assumptions were updated as a result of an experience study to better reflect future anticipated retirement rates. In addition, the mortality table was updated to include generational improvements to future mortality.

In 2013, the Plan provisions regarding cost of living adjustments were changed to allow for discretionary increases of up to 3.0%. As a result of this change, the assumption regarding future annual increases was changed from 1.5% to 2.0%, effective July 1, 2013.

Jackson County, Missouri
Revised Pension Plan
Required Supplementary Information
Ten Years Ended June 30, 2022

Schedule of Employer Contributions

Year Ended June 30	Employer Contributions	Actuarially Determined Contribution*	Difference	Annual Covered Payroll	Employer Contributions as a % of Covered Payroll
2013	7,874,681	7,148,246	726,435	65,032,372	12.1%
2014	8,117,005	9,085,877	(968,872)	62,914,553	12.9%
2015	8,479,786	8,326,685	153,101	61,267,909	13.8%
2016	8,965,045	9,356,800	(391,755)	60,503,534	14.8%
2017	9,584,406	10,002,450	(418,044)	60,510,891	15.8%
2018	9,885,962	9,436,744	449,218	66,315,839	14.9%
2019	9,383,418	9,006,464	376,954	64,516,217	14.5%
2020	10,318,596	8,872,315	1,446,281	66,459,289	15.5%
2021	11,954,596	8,806,636	3,147,960	66,818,179	17.9%
2022	11,500,879	8,188,992	3,311,887	71,084,998	16.2%

*Includes service cost and amortization of unfunded past service liability.

Schedule of Investment Returns

Year Ended June 30	Annual Money Weighted Rate of Return (Net of Investment Expense)
2013	15.22%
2014	14.99%
2015	3.68%
2016	-0.16%
2017	12.64%
2018	8.58%
2019	6.46%
2020	3.82%
2021	22.98%
2022	-10.98%

See Notes to Required Supplementary Information.

**Jackson County, Missouri
Revised Pension Plan
Notes to Required Supplementary Information
June 30, 2022 and 2021**

Actuarial Information

The information presented in the above schedules was determined as part of the actuarial valuations at the dates indicated.

Valuation date:	<u>July 1, 2022 and 2021</u>
Timing:	Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the plan year
Actuarial cost method:	Individual Entry Age Normal Method
Amortization method:	20-year layered, level dollar 20-year closed amortization for 2013 COLA change
Remaining amortization period:	20 years
Asset valuation method:	5 years smoothed market; reset to market value at 07/01/15

Actuarial Assumptions

Investment rate of return, net of expenses:	6.75% compounded annually
Projected salary increases:	2022: Ranges from 3.00% to 6.00% 2021: Ranges from 2.75% to 4.75%
Assumed inflation rate:	2.5% per annum
Post retirement benefit increase:	2022: 1.75% 2021: 2.0%
Mortality:	<u>2022</u>
Healthy Non-Annuitants:	2010 Public General Amount-Weighted Mortality Table for Healthy Employees projected using Scale MP-2021 on a generational basis.
Healthy Annuitants:	2010 Public General Amount-Weighted Below-Median Mortality Table for Healthy Retirees (multiplied by 1.038 for males and 1.190 for females), projected using Scale MP-2021 on a generational basis.
Disabled Members:	2010 Public General Amount-Weighted Mortality Table for Disabled Retirees, projected using Scale MP-2021 on a generational basis.

**Jackson County, Missouri
Revised Pension Plan
Notes to Required Supplementary Information
June 30, 2022 and 2021**

Actuarial Information

Mortality:

	<u>2021</u>
Healthy Non-Annuitants:	RP-2014 Healthy Non-Annuitant Table adjusted back to 2006 using MP-2014, projected forward with MP-2016 on a generational basis.
Healthy Annuitants:	RP-2014 Healthy Annuitant Table adjusted back to 2006 using MP-2014, multiplied by 1.2 for males and 1.0 for females, and projected forward with MP-2016 on a generational basis.
Disabled Members:	RP-2014 Disabled Mortality Table adjusted back to 2006 using MP-2014, projected forward with MP-2016 on a generational basis.

Jackson County, Missouri
Revised Pension Plan
Schedule of Expenses
June 30, 2022 and 2021

Schedule of Administrative Expenses

<u>Administrative Expense</u>	<u>2022</u>	<u>2021</u>
Legal Services	\$ 76,393	\$ 48,054
Investment Performance Review	100,000	100,000
Board Expenses	27,491	1,148
Actuarial Services	78,601	38,966
Audit Services	33,810	32,760
	<u>\$ 316,295</u>	<u>220,928</u>

Schedule of Investment Expenses

<u>Investment Service</u>	<u>2022</u>	<u>2021</u>
Banking Fees	\$ 121,017	\$ 114,152
Investment Manager Fees	1,580,405	1,520,906
	<u>\$ 1,701,422</u>	<u>1,635,058</u>

Schedule of Payments to Vendors

<u>Individual or Firm</u>	<u>Commission/Fee</u>	<u>Nature of Service</u>
Arnold, Newbold, Sollars & Hollins, PC	76,393	Legal Services
Asset Consulting Group, Inc.	100,000	Investment Performance Review
Cheiron, Inc	78,601	Actuarial Services
RSM US, LLP	33,810	Audit Services
Alphagraphics	501	Printing Services
Missouri Association of Public Employee Retirement Systems (MAPERS)	100	Dues
Government Finance Officers Association	610	Certificate of Achievement
PBI Research	24,500	Certi-Census subscription
Michelle Chrisman	1,780	MAPERS Conference expenses
	<u>\$ 316,295</u>	

Jackson County, Missouri
Revised Pension Plan

Investment Section



August 30, 2022

Jackson County, Missouri Revised Pension Plan
Kansas City, Missouri

The investment performance returns as shown in the five-year investment performance review are all calculated using information derived from monthly statements provided by the Plan's custodial institution and asset managers. Monthly returns are calculated using a time-weighted rate of return methodology based upon beginning and end of month market values and cash flows. Monthly returns are linked to provide compounded, annual, and annualized rates of return for periods of one, three, five years and beyond when available. The returns as shown in this report are gross of investment manager fees.

The investment performance of the Total Plan and its segments is compared to relevant benchmark returns and presented to the Jackson County, Missouri Revised Pension Plan Board of Trustees on a monthly basis. For the Total Plan, the benchmark is an index which reflects the asset mix policy established by the Board and is referred to as the Policy Index. Comparisons to the Policy Index and the median return of a universe of total funds with similar asset allocation are presented to the Board of Trustees on a quarterly basis.

All of the above comparisons are included in the Statement of Investment Policy and Objectives and are also reported to the Board of Trustees on a quarterly basis. Investment objectives are spelled out for the Total Plan and each of the segments for one year time periods and longer (three - five years), and include protecting the fund corpus, both nominally and in terms of inflation, by achieving a return in excess of the 6.75% actuarial rate, the median return of a universe of funds with similar asset mix, and that of an unmanaged index return (constructed to reflect the asset mix of the Fund's assets). In addition, investment managers are monitored for adherence to style, both on a returns-based regression analysis as well as a holdings-based characteristic analysis versus the appropriate benchmarks specified in the Statement of Investment Policy and Objectives. Current asset allocation ranges and targets within those ranges are measured against target ranges established in the Statement of Investment Policy and Objectives on a monthly basis. The status of each is also presented on a monthly investment performance review submitted to the Board of Trustees.

The risk profile of the Total Plan and its segments is also measured quarterly for one, three, and five years, and includes the usual Modern Portfolio Theory statistics: alpha, beta, R^2 , and standard deviation. To further reduce risk, Plan assets are diversified by asset class, security, and by investment manager style.

Respectfully submitted,



Patricia M. Haffner, CFA
Asset Consulting Group
Investment Consultant to the Jackson County, Missouri Revised Pension Plan

**Jackson County, Missouri
Revised Pension Plan
Summary of Investment Policies
June 30, 2022**

This section of the report presents the investment policies of the Plan. The Pension Plan Board of Trustees has set out the following investment policy guidelines:

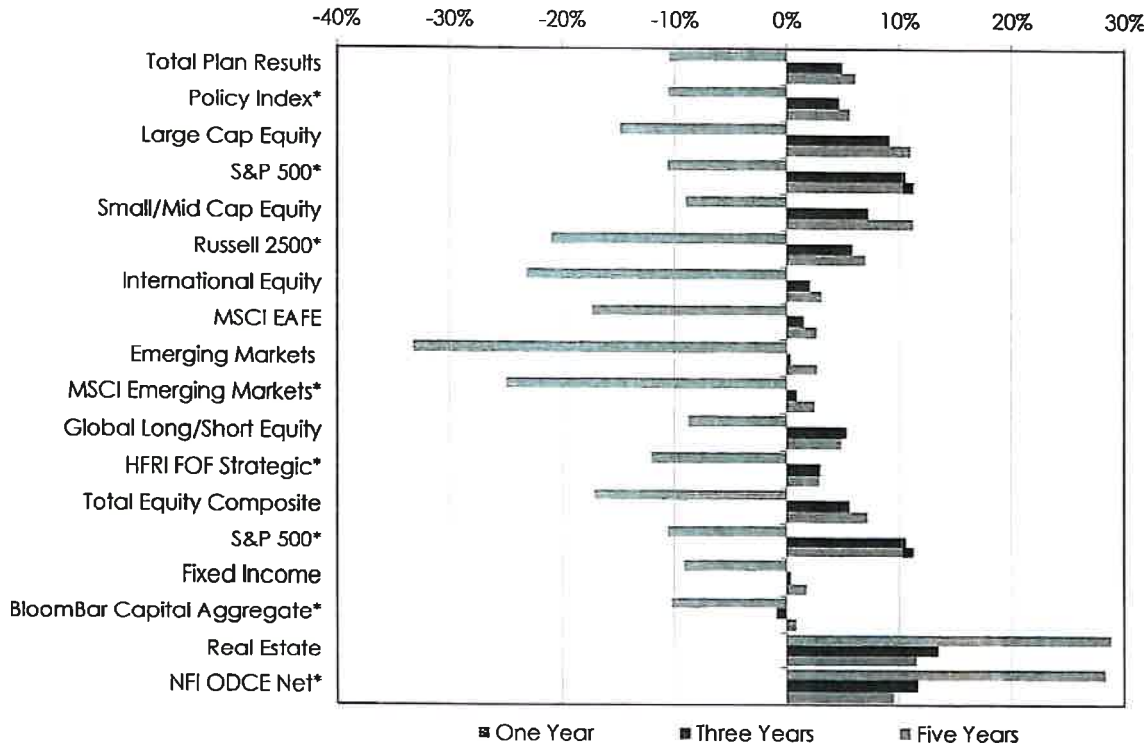
1. The Board has established the following asset-mix guidelines for the Plan:

<u>Asset Class</u>	<u>Pension Plan Target</u>	<u>Range</u>
Domestic Large Cap Equities	20%	15-25%
Domestic Small/Mid Cap Equities	10%	5-15%
International Equity	18%	13-23%
Emerging Market Equity	5%	0-10%
Long/Short Equity	10%	5-15%
Fixed Income	27%	22-32%
Real Estate	10%	5-15%

Should the fund move outside the ranges listed above, the Board, with the advice of the Investment Consultant, will review the allocations and shall have the authority to bring the asset allocation back within allowable ranges. In May 2021 the Board revised the asset-mix guidelines to 27% allocation for fixed income, 20% for domestic large cap equities, 18% for international equity.

2. The portfolio will generally be invested in marketable securities.
3. Generally, equity portfolios will be comprised of common stocks or securities having characteristics of common stocks (such as convertible securities or warrants).
4. Fixed income portfolios will be comprised of treasury, agency, mortgage, corporate, asset-backed and full-faith-and-credit guaranteed loan securities of investment grade quality.
5. Assets may be held in commingled (mutual) funds as well as privately managed separate accounts. Assets held in commingled accounts should be managed in style/strategy consistent with the fund's stated objective and constraints. If assets are held in a commingled account, the Board will make its best efforts to utilize funds that are managed in strategies that are generally consistent with the investment policies adopted by the Board.
6. Derivative instruments will only be used in ways that reduce risk or transfer risk and not to increase risk and are consistent with the fund's investment objectives. They will not be used to add leverage to the fund. Counterparty risk arising from derivative transactions will be limited to credits rated "A" or better. Instruments used may include, but are not limited to, futures, options, swaps, and structured notes.
7. Each asset manager's portfolio should be fully invested at all times, although cash may be held briefly when a security is sold prior to deciding which new security should be purchased. In no case shall cash comprise more than ten (10) percent of the portfolio without prior written approval of the Board.
8. Not less than annually, the Board will review investment results, manager performance, asset allocations, and investment policies and objectives.

Jackson County, Missouri
Revised Pension Plan
Schedule of Investment Results
Year Ended June 30, 2022

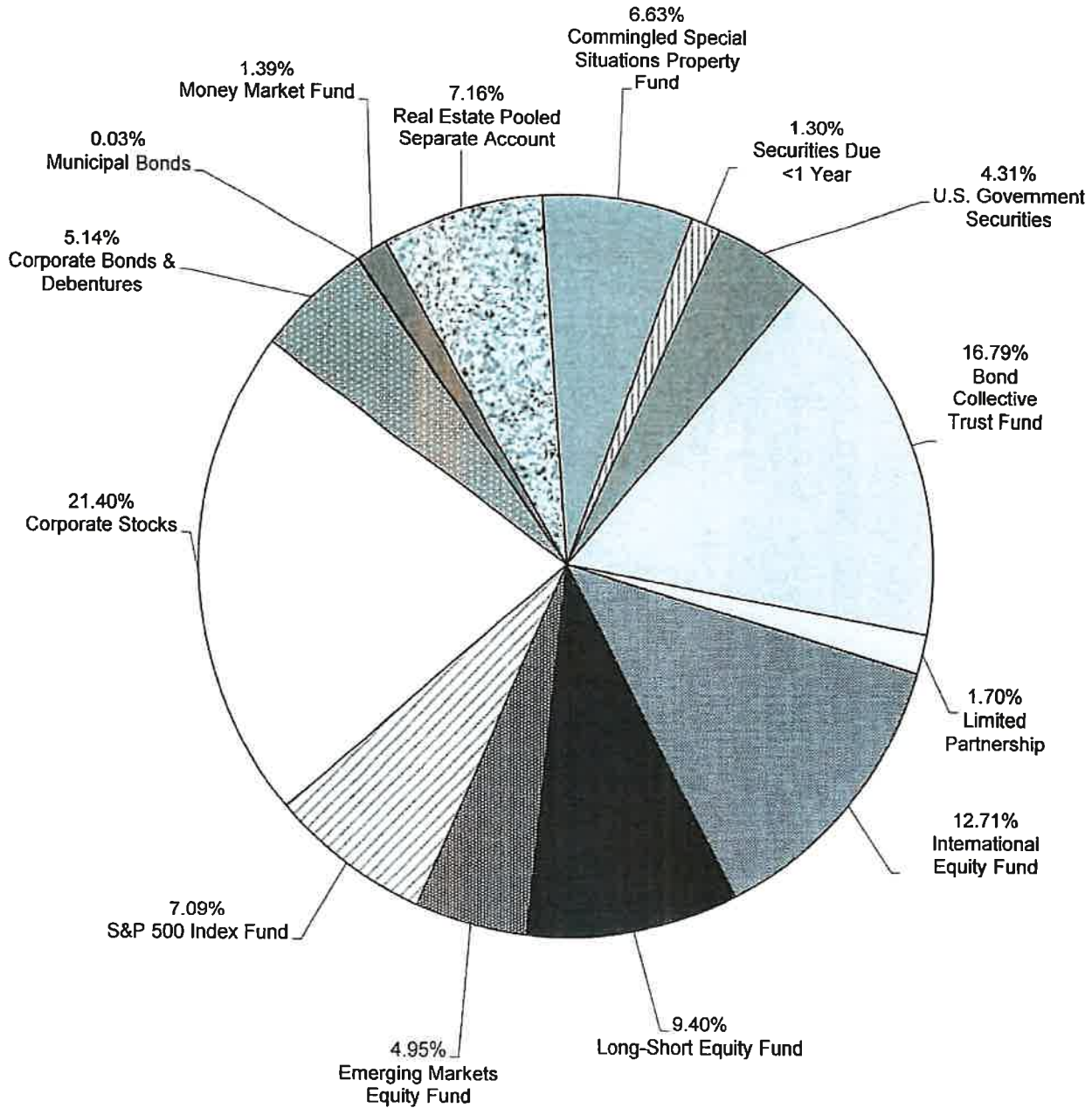


	Annualized Return		
	One Year	Three Years	Five Years
Total Plan Results	-10.49%	4.96%	6.19%
Policy Index*	-10.57%	4.73%	5.67%
Large Cap Equity	-14.84%	9.17%	11.09%
S&P 500*	-10.62%	10.60%	11.31%
Small/Mid Cap Equity	-9.05%	7.32%	11.28%
Russell 2500*	-21.00%	5.91%	7.04%
International Equity	-23.22%	2.14%	3.12%
MSCI EAFE	-17.33%	1.54%	2.69%
Emerging Markets	-33.31%	0.37%	2.72%
MSCI Emerging Markets*	-25.00%	0.92%	2.55%
Global Long/Short Equity	-8.76%	5.39%	4.90%
HFRI FOF Strategic*	-12.07%	3.00%	2.94%
Total Equity Composite	-17.13%	5.63%	7.26%
S&P 500*	-10.62%	10.60%	11.31%
Fixed Income	-9.16%	0.38%	1.84%
BloomBar Capital Aggregate*	-10.29%	-0.93%	0.88%
Real Estate	28.84%	13.51%	11.57%
NFI ODCE Net*	28.36%	11.68%	9.56%

* Benchmark

Returns provided by the Investment Consultants to Jackson County, Missouri.
Returns are time-weighted based on the market rate of return.

**Jackson County, Missouri
Revised Pension Plan
Investment Allocation
June 30, 2022**



Jackson County, Missouri
Revised Pension Plan
List of Largest Assets Held
June 30, 2022

Assets:	Fair Value	CUSIP	Units
Loomis Sayles Core Plus Trust	55,073,137	MA1353030	3,457,196
Ninety One International Dynamic Equity Fund	41,687,985	46090A903	314,793
ABS Offshore Global Long-Short Equity Fund	30,834,839	00080A928	174,846
Northern Trust S&P 500 Index Fund	23,255,841	66580A908	1,657
Allspring Emerging Markets Equity Fund	16,223,278	94973A921	1,110,973
Principal U.S. Property Fund	23,477,391	RE1053280	298,898
JPMorgan Special Situations Property Fund	21,755,593	46623A917	4,530
Mondrian International Small Cap Equity Fund, Limited Partnership	5,561,349	55312A906	172,040
GS Fin Sq Gov #465 (Money Market)	4,557,685	38141W273	4,557,685

Top Ten Bonds:	Fair Value	CUSIP	Par	Coupon	Due
US Treasury Note	1,576,427	912828Y95	1,650,000	1.875%	7/31/2026
US Treasury Note	1,485,420	912828VB3	1,500,000	1.750%	5/15/2023
US Treasury Note	1,464,270	9128286Z8	1,500,000	1.750%	6/30/2024
US Treasury Note	1,386,600	91282CDQ1	1,500,000	1.250%	12/31/2026
US Treasury Note	1,350,849	91282CAJ0	1,475,000	0.250%	8/31/2025
US Treasury Note	1,193,910	912828U7	1,225,000	0.250%	6/15/2023
US Treasury Note	1,132,625	91282CDY4	1,250,000	1.875%	2/15/2032
US Treasury Note	1,105,713	91282CCR0	1,250,000	1.000%	7/31/2028
US Treasury Note	1,072,038	912828J27	1,100,000	2.000%	2/15/2025
US Treasury Note	824,505	9128285D8	825,000	2.875%	9/30/2023

Top Ten Stocks:	Fair Value	CUSIP	Shares	Ticker
Berkley W R Corp Com	1,661,107	084423102	24,335	WRB
Carlisle Cos Inc Com	1,569,338	142339100	6,577	CSL
Envista Holdings Corp Com	1,134,695	29415F104	29,442	NVST
Citigroup Inc Com New	1,050,642	172967424	22,845	CSL
Aramark Holdings Corp Com	1,047,209	03852U106	34,189	ARMK
General Electric Co Com New	1,039,413	369604301	16,325	GE
Affiliated Managers Group Inc Com	900,968	008252108	7,727	AMG
Markel Corp Com	900,102	570535104	696	MKL
Brown & Brown Inc Com	891,610	115236101	15,283	BRO
RPM International Inc Com	855,765	749685103	10,871	RPM

Note: Due to space limitations and printing costs, a detailed listing of the investment holdings could not be provided in this annual report; however, the detailed reports are available for review at Jackson County.

Jackson County, Missouri
Revised Pension Plan
Schedule of Brokerage Commissions Paid
June 30, 2022

Brokerage Firm	Commissions Paid	Trade Activity	Shares/ Par Value	Commission Per Share
Abel Noser Corp	\$ 174.87	698,107.33	11,118	0.0157
B. Riley & Co. LLC	20.00	4,826.40	500	0.0400
Barclays Capital Le	370.36	908,847.05	14,128	0.0262
BMO Capital Markets	100.00	111,710.77	2,500	0.0400
BNY/ESI SD Advweb	95.00	83,834.89	2,600	0.0365
Cf Global Trading, LLC	2,446.44	6,853,169.01	133,804	0.0183
Citigroup Global Markets Inc	8.07	289,335.02	618	0.0131
Citigroup Global Markets Inc (CC)	214.77	550,437.18	11,007	0.0195
Cowen and Company, LLC	20.00	27,535.81	500	0.0400
Credit Suisse First Boston Corp	429.21	1,973,443.56	26,105	0.0164
D A Davidson & Co	52.00	66,864.31	1,300	0.0400
Dain Rauscher Incorporated	530.91	1,612,420.53	25,589	0.0207
Direct Trading Institutional Inc.	25.81	88,212.77	1,421	0.0182
First Clearing LLC	36.00	42,714.41	900	0.0400
Goldman Sachs & Co	141.96	179,383.62	3,549	0.0400
Goldman Sachs & Co/Courtesy Accts	304.88	634,567.92	7,622	0.0400
Guggenheim Capital Markets LLC	16.00	22,664.46	400	0.0400
HSBC Brokerage (USA) Inc.	144.00	210,483.16	3,600	0.0400
Imperial Capital LLC	2.40	19,170.47	60	0.0400
Instinet	303.32	411,776.89	7,583	0.0400
Isi Group Inc	326.20	903,525.07	8,155	0.0400
J P Morgan Clearing Corp.	734.37	1,689,616.94	23,855	0.0308
Jefferies & Co	330.22	1,437,618.22	14,819	0.0223
Jonestrading Institutional Svcs	26.78	118,300.79	2,489	0.0108
JP Morgan Clearing Corp	426.50	1,810,912.16	16,108	0.0265
Keefe Bruyette & Woods Inc	120.96	286,605.36	3,024	0.0400
Keybanc Capital Markets Inc	99.68	352,748.95	2,492	0.0400
Leerink Swann and Company	11.16	93,342.19	279	0.0400
Liquidnet Inc	181.14	1,009,009.91	14,682	0.0123
PAGE TOTAL	\$ 7,693.01	\$ 22,491,185.15	\$ 340,807	

Jackson County, Missouri
Revised Pension Plan
Schedule of Brokerage Commissions Paid
June 30, 2022

Brokerage Firm	Commissions Paid	Trade Activity	Shares/ Par Value	Commission Per Share
Loop Capital Markets	16.00	57,013.76	400	0.0400
Luminex Trading and Analytics LLC	31.89	412,000.22	6,378	0.0050
Macquarie Securities (USA) Inc	16.00	50,872.91	400	0.0400
Merrill Lynch Pierce Fenner & Smith	88.72	115,445.00	2,218	0.0400
Mizuho Securities USA Inc.	40.00	54,901.56	1,000	0.0400
Morgan Stanley & Co	168.94	1,191,576.59	6,638	0.0255
Morgan Stanley & Co Inc/BNY	97.00	251,546.47	3,250	0.0298
Northcoast Research Partners LLC	28.00	30,316.29	700	0.0400
Oppenheimer & Co Inc	24.08	59,035.49	905	0.0266
Piper Sandler	142.48	348,564.86	3,562	0.0400
R W Baird & Co	435.48	1,621,258.74	13,723	0.0317
Raymond James & Associates	117.00	356,210.20	2,942	0.0398
RBC Cap Mkts (Royal Bank of Canada)	20.00	11,381.20	500	0.0400
Redburn (USA) LLC	124.00	239,865.86	3,100	0.0400
Sanford C Bernstein & Co	725.12	7,357,772.38	38,174	0.0190
Security Capital Brokerage Inc.	61.00	105,399.65	1,525	0.0400
Stephens Inc	5.52	47,455.37	138	0.0400
Stifel Nicolaus & Co	102.80	380,100.55	2,697	0.0381
Suntrust Capital Markets Inc	0.32	3,770.16	16	0.0200
Telsey Advisory Group	2.48	29,883.14	62	0.0400
Truist Securities, Inc	50.54	342,342.68	2,527	0.0200
UBS Warburg LLC	107.52	317,724.27	2,688	0.0400
Virtu American	53.90	514,297.91	2,696	0.0200
Virtu Americas	5.50	20,282.37	275	0.0200
Wachovia Securities Capital Markets	378.99	1,031,161.14	12,836	0.0295
Wedbush Securities Inc	16.00	40,667.66	400	0.0400
Wells Fargo Securities, LLC	54.80	466,686.29	2,367	0.0232
William Blair & Company LLC	2.64	20,650.46	66	0.0400
PAGE TOTAL	2,916.72	15,478,183.18	112,183	
TOTAL	\$ 10,609.73	37,969,368.33	452,990	

Commissions paid have reduced the net investment income reported on page 21.

Jackson County, Missouri
Revised Pension Plan
Investment Summary
June 30, 2022

	June 30, 2021				June 30, 2022		
	Cost	Fair Value (Book)	Purchases	Sales & Redemptions	Cost	Fair Value (Book)	% of Total Fair Value
U.S. Government Securities	\$ 14,983,954	15,118,408	8,018,319	(7,804,399)	15,197,873	14,132,037	4.31%
Bond Collective Trust Fund	41,498,021	61,572,666	-	-	41,498,021	55,073,137	16.79%
Limited Partnership	2,744,226	7,658,152	-	(24,413)	2,719,813	5,561,349	1.70%
International Equity Fund	28,274,672	53,946,009	-	-	28,274,672	41,687,985	12.71%
Long-Short Equity Fund	23,000,000	34,132,752	-	-	23,000,000	30,834,839	9.40%
Emerging Markets Equity Fund	12,210,090	24,328,231	-	-	12,210,090	16,223,278	4.95%
S&P 500 Index Fund	10,779,895	26,019,556	-	(1,106)	10,778,789	23,255,841	7.09%
Corporate Stocks:							
Common Stocks	31,760,989	49,747,071	12,448,030	(9,434,131)	34,774,888	37,599,280	11.47%
Regional Stocks	22,129,473	35,029,554	5,294,508	(2,186,547)	25,237,434	32,639,013	9.93%
Total Corporate Stocks	53,890,462	84,776,625	17,742,538	(11,620,678)	60,012,322	70,238,293	21.40%
Corporate Bonds & Debentures	16,852,918	18,323,145	5,521,663	(4,291,881)	18,082,700	16,867,822	5.14%
Municipal Bonds	140,036	143,143	-	(35,648)	104,388	101,264	0.03%
Securities Due <1 Year	4,285,156	4,581,847	4,312,441	(4,285,156)	4,312,441	4,255,316	1.30%
Money Market Fund	8,407,822	8,407,822	32,160,521	(36,010,658)	4,557,685	4,557,685	1.39%
Real Estate Pooled Separate Account	7,444,972	18,401,147	-	-	7,444,972	23,477,391	7.16%
Commingled Special Situations Property Fund	13,542,121	17,138,279	-	(149,166)	13,392,955	21,755,728	6.63%
Total	\$ 238,054,344	374,547,782	67,755,482	(64,223,105)	241,586,721	328,021,964	100.00%

Note: Due to space limitations and printing costs, a detailed listing of the investment holdings and transactions could not be provided in this annual report; however, the detailed reports are available for review as an appendix to this report at Jackson County.

Jackson County, Missouri
Revised Pension Plan

Actuarial Section



Via Electronic Mail

October 20, 2022

Board of Trustees
Jackson County, Missouri Revised Pension Plan
Jackson County Courthouse
415 East 12th Street
Kansas City, Missouri 64106

Re: 2022 Certification of Actuarial Valuation

Dear Members of the Board,

We certify that the information presented herein is accurate and shows fairly the actuarial position of the Jackson County, Missouri Revised Pension Plan.

In preparing our valuations and the schedules for the Annual Comprehensive Financial Report (ACFR), we relied on information (some oral and some written) supplied by Jackson County staff. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

Actuarial valuations to determine the funding requirements of the Plan are performed annually. The most recent Actuarial Valuation was done as of July 1, 2022.

The Plan's current funding objective is to determine annual employer contributions which, over time, will gradually increase in dollar amounts and gradually decrease as a percent of payroll, if all actuarial assumptions are met and the annually determined amount is contributed. The actuarially determined employer contribution has been determined to provide for (1) the normal cost developed as a level percentage of payroll, plus (2) a level dollar amortization of the unfunded actuarial liability over layered 20-year closed periods, plus (3) a provision for administrative expenses.

The following schedules shown in this Actuarial Section have been prepared by the Jackson County Finance Department using information within our July 1, 2022 actuarial valuation report.

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Member Valuation Data
- Schedule of Retirees and Beneficiaries
- Schedule of Funded Liabilities by Type
- Analysis of Financial Experience
- Summary of Plan Provisions
- Schedule of Active Members by Attained Age and Service

We also provided information which appears in the Financial Section of the ACFR as follows:

- Change in Net Pension Liability
- Sensitivity of Net Pension Liability to Changes in Discount Rate
- Schedule of Changes in Net Pension Liability and Related Ratios
- Schedule of Employer Contributions

Any figures shown for years prior to 2016 were prepared by the prior actuary.

The actuarial assumptions have been approved by the Board of Trustees based upon our experience study covering plan experience during the period July 1, 2016 to June 30, 2021. The assumptions and methods used for funding purposes follow the guidance of the Actuarial Standards of Practice.

This report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with our understanding of the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board as well as applicable laws and regulations. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys, and our firm does not provide any legal services or advice.

The nature of our relationship with the Jackson County, Missouri Revised Pension Plan is to provide actuarial services. Cheiron is independent from Jackson County and from the Board of Trustees and there is nothing in our relationship which would impair the objectivity of our work.

This letter was prepared exclusively for the Jackson County, Missouri Revised Pension Plan for the purpose described herein. This report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any other such party.

Sincerely,
Cheiron



Stephen T. McElhane, FSA, EA, MAAA, FCA
Principal Consulting Actuary



Jacqueline R. King, FSA, EA, MAAA
Consulting Actuary

**Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2022**

This section of the report presents the actuarial assumptions and methods used in the valuation, a summary of plan provisions, and participant data upon which the valuation of June 30, 2022, was based. The actuarial assumptions were selected by the Pension Plan Board of Trustees. The actuarial assumptions used for funding purposes are consistent with those used for financial reporting purposes.

Actuarial Assumptions

Valuation Date:	<u>July 1, 2022 and 2021</u>
Interest:	6.75% per annum for the regular valuation in determining the range of contributions and also purposes of calculating the value of vested benefits and accrued benefits under the ongoing plan approach (as required by the Financial Accounting Standards Board). (Adopted in 2017)
Amortization method:	20-year layered, level dollar (Adopted in 2017) (20-year closed amortization for 2013 COLA change)
Mortality:	
	<u>2022</u>
Healthy Non-Annuitants:	2010 Public General Amount-Weighted Mortality Table for Healthy Employees projected using Scale MP-2021 on a generational basis. (Adopted in 2022).
Healthy Annuitants:	2010 Public General Amount-Weighted Below-Median Mortality Table for Healthy Retirees (multiplied by 1.038 for males and 1.190 for females), projected using Scale MP-2021 on a generational basis.
Disabled	2010 Public General Amount-Weighted Mortality Table for Disabled Retirees, projected using Scale MP-2021 on a generational basis.
	<u>2021</u>
Healthy Non-Annuitants:	RP 2014 Healthy Non-Annuitant Table adjusted back to 2006 using MP-2014, projected forward with MP-2016 on a generational basis. (Adopted in 2017).
Healthy Annuitants:	RP-2014 Healthy Annuitant Table adjusted back to 2006 using MP-2014, multiplied by 1.2 for males and 1.0 for females, and projected forward with MP-2016 on a generational basis. (Adopted in 2017).

**Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2022**

Actuarial Assumptions (continued)

Disabled: RP-2014 Disabled Mortality Table adjusted back to 2006 using MP-2014, projected forward with MP-2016 on a generational basis. (Adopted in 2017)

Retirement Age: 2022

	<u>Age Plus Service Less than 80 Points</u>	<u>Age Plus Service Equals 80 Points</u>	<u>Age Plus Service Greater than 80 Points</u>
Age			
55	5%	17.5%	15.0%
56	5	17.5	10
57	5	17.5	10
58	5	17.5	10
59	5	17.5	10
60	7.5	17.5	10
61	10	17.5	10
62	10	17.5	15
63	10	17.5	15
64	10	17.5	15
65	30	32.5	32.5
66	30	32.5	32.5
67	25	25	25
68	15	20	20
69	15	20	20
70 & over	100	100	100

(Adopted in 2022)

Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2022

Actuarial Assumptions (continued)

Retirement Age: 2021

	Age Plus Service Less than 80 Points	Age Plus Service Equals 80 Points	Age Plus Service Greater than 80 Points
Age			
55	5%	15%	20%
56	5	15	15
57	5	15	15
58	5	15	15
59	5	15	15
60	10	25	15
61	15	25.0	15
62	15	25.0	15
63	15	25.0	15
64	15	25.0	15
65	20	25.0	35
66	25	25.0	35
67	25	25	35
68	25	25	35
69	25	25	35
70 & over	100	100	100

(Adopted in 2017)

Retirement Age for Inactive Vested Members:	2022 61 (Adopted In 2022)	2021 60 (Adopted in 2017)
--	--	--

**Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2022**

Actuarial Assumptions (continued)

Turnover:

Years of Service	July 1, 2022	July 1, 2021
	Rate of Turnover	Rate of Turnover
0	22.5%	20%
1	22.5	20
2	20	20
3	17.5	16
4	13.5	16
5	13.5	16
6	10	16
7	10	16
8	10	8
9	10	8
10	7.5	8
11	7.5	8
12	7.5	6
13	6	6
14	5	6
15	5	5
16	5	5
17	5	5
18	5	5
19	5	5
20 or more	3	4

(Adopted in 2022 and 2017, respectively)

**Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2022**

Actuarial Assumptions (continued)

Rates of Disablement:

<u>Age</u>	<u>2022 Rates of Disablement</u>	<u>2021 Rates of Disablement</u>
20	0.025%	0.025%
25	0.025	0.025
30	0.050	0.050
35	0.075	0.075
40	0.100	0.100
45	0.200	0.200
50	0.300	0.400
55	0.300	0.400
60	0.300	0.600
65	0.300	0.600

(Adopted in 2022 and 2017, respectively)

Salary Increases:

2022:

<u>Years of service</u>	<u>Salary Increase</u>	<u>Years of service</u>	<u>Salary Increase</u>
0	6.00%	15	3.95%
1	5.85	16	3.85
2	5.70	17	3.75
3	5.55	18	3.65
4	5.40	19	3.55
5	5.25	20	3.45
6	5.10	21	3.40
7	4.95	22	3.35
8	4.80	23	3.30
9	4.65	24	3.25
10	4.50	25	3.20
11	4.35	26	3.15
12	4.25	27	3.10
13	4.15	28	3.05
14	4.05	29+	3.00

Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2022

Actuarial Assumptions (continued)

2021:

<u>Age</u>	<u>Salary Increase</u>	<u>Age</u>	<u>Salary Increase</u>
25 or younger	4.75%		
26	4.65	36	3.65%
27	4.55	37	3.55
28	4.45	38	3.45
29	4.35	39	3.35
30	4.25	40	3.25
31	4.15	41	3.15
32	4.05	42	3.05
33	3.95	43	2.95
34	3.85	44	2.85
35	3.75	45 or older	2.75

(Adopted in 2017)

Inflation: 2.5%

Administrative Expenses: \$315,000 and \$220,000 for 2022 and 2021, respectively, are added to the normal cost of the Plan for expected administrative expenses, which is based upon the actual administrative expenses paid during the prior plan year rounded to the nearest \$5,000 (Adopted in 2017)

Cost of Living: 2022: 1.75%
2021: 2.0%

Asset Valuation Method (Adopted 2015)

A smoothed fair value of assets is used for the valuation. This method recognizes the annual difference between actual and expected investment returns over five years.

Assets at fair value were used in the comparison of plan assets to the actuarial value of accrued and vested accrued benefits under the ongoing plan approach.

Actuarial Cost Method (Adopted 1975)

The individual entry age is used for both funding and financial reporting purposes because the entry age method is the most used cost method for public sector and was deemed appropriate for this plan.

**Jackson County, Missouri
Revised Pension Plan
Summary of Actuarial Assumptions
June 30, 2022**

Actuarial Assumptions (continued)

Service Cost

Service cost and the allocation of actuarial present values between service rendered before and after the valuation date were determined using an individual entry age actuarial cost method having the following characteristics:

- The annual service costs for each individual active member, payable from date of hire to date of retirement, are sufficient to accumulate the value of the member's benefit at the time of retirement.
- Each annual service cost is a constant percentage of the member's year-by-year projected covered pay.

Financing of Unfunded Actuarial Accrued Liability

The excess of accrued liabilities over the funding value of assets was amortized as a level percent of payroll over 15, 20, and 30 years. All three periods are recognized as reasonable.

Jackson County, Missouri
Revised Pension Plan
Schedule of Active Member Valuation Data
Ten Years Ended June 30, 2022

Valuation Data	Participating Employers	Active Members	Annual Payroll	Annual Average Pay	% Increase (Decrease) in Average Pay
2013	5	1,388	65,032,372	46,853	10.3%
2014	5	1,338	62,914,553	47,021	0.4%
2015	5	1,297	61,267,909	47,238	0.5%
2016	5	1,265	60,503,534	47,829	1.3%
2017	5	1,291	60,510,891	46,871	-2.0%
2018	5	1,246	66,315,839	53,223	13.6%
2019	5	1,258	64,516,217	51,285	-3.6%
2020	5	1,263	66,459,289	52,620	2.6%
2021	5	1,245	66,818,179	53,669	2.0%
2022	5	1,553	71,084,998	45,773	-14.7%

Active members include regular active members and postponed members.

Schedule of Retirees and Beneficiaries
Added to and Removed From Rolls
Ten Years Ended June 30, 2022

Year	Added to Rolls		Removed from Rolls		Roll - End of Year		% Increase in Annual Allowances	Average Annual Allowances
	No.	Annual Allowances	No.	Annual Allowances	No.	Annual Allowances		
2013	115	1,389,374	28	165,250	1,042	8,917,368	18.8%	8,558
2014	89	1,011,279	31	196,750	1,100	9,732,058	9.1%	8,847
2015	89	937,510	22	161,250	1,167	10,718,228	10.1%	9,184
2016	95	1,076,499	26	240,607	1,236	11,485,901	7.2%	9,293
2017	94	1,363,839	23	168,947	1,307	12,863,190	12.0%	9,842
2018	81	1,084,332	38	295,977	1,350	13,809,027	7.4%	10,229
2019	69	878,451	30	203,418	1,389	14,609,914	5.8%	10,518
2020	97	1,207,863	41	271,450	1,445	15,406,957	5.5%	10,662
2021	88	996,201	49	389,185	1,484	16,363,692	6.2%	11,027
2022	106	1,272,779	37	327,596	1,553	17,779,443	8.7%	11,448

**Jackson County, Missouri
Revised Pension Plan
Short-Term Solvency Test
Ten Years Ended June 30, 2022**

Actuarial Accrued Liabilities for:					
Fiscal Year	Current Retirees and Beneficiaries	Active and Inactive Members, Employer Financed Portion	Valuation Assets	Percentage of Actuarial Liabilities Covered by Net Assets Available	
	(1)	(2)		(1)	(2)
2013	100,341,980	150,210,224	192,022,046	100.0%	61.0%
2014	112,893,931	162,629,491	230,044,430	100.0%	72.0%
2015	130,241,292	170,782,388	244,566,704	100.0%	66.9%
2016	167,489,000	147,533,000	255,800,000	100.0%	59.9%
2017	184,498,000	142,894,000	269,223,000	100.0%	59.3%
2018	197,785,000	137,794,000	283,837,000	100.0%	62.4%
2019	206,342,000	139,697,000	298,074,000	100.0%	65.7%
2020	217,595,000	140,387,000	311,516,000	100.0%	66.9%
2021	226,407,000	148,577,000	339,694,000	100.0%	76.2%
2022	231,066,000	144,842,000	354,725,000	100.0%	85.4%

**Schedule of Funding Progress
Ten Years Ended June 30, 2022**

Fiscal Year	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered-Employee Payroll	Actuarial Accrued Liability as a % of Covered-Employee Payroll
2013	192,022,046	250,552,204	58,530,158	76.6%	65,032,372	90.0%
2014	230,044,430	275,523,422	45,478,992	83.5%	62,914,553	72.3%
2015	244,566,704	301,023,680	56,456,976	81.2%	61,267,909	92.1%
2016	255,800,290	315,021,758	59,221,468	81.2%	60,503,534	97.9%
2017	269,222,703	327,392,074	58,169,371	82.2%	60,510,891	96.1%
2018	283,836,837	335,578,550	51,741,713	84.6%	66,315,839	78.0%
2019	298,073,502	346,039,431	47,965,929	86.1%	64,516,217	74.3%
2020	311,515,839	357,982,341	46,466,502	87.0%	66,459,289	69.9%
2021	339,693,791	374,983,233	35,289,442	90.6%	66,818,179	52.8%
2022	354,724,703	375,907,555	21,182,852	94.4%	71,084,998	29.8%

See Schedule of Employer Contributions on page 46.

Jackson County, Missouri
Revised Pension Plan
Analysis of Financial Experience
Five Years Ended June 30, 2022

Gains (Losses) in Actuarial Accrued Liabilities during years ended 2018-2022 resulting from differences between assumed experience and actual experience.

Type of Activity	2022	2021	2020	2019	2018
Retirement	\$ (988,068)	172,194	\$ 594,546	\$ 255,074	\$ 317,085
Disability Retirement	(58,135)	8,535	9,229	(25,222)	(6,753)
Death Before Retirement	(489,880)	(140,431)	(1,096,873)	(466,721)	(170,024)
Turnover	(621,385)	(1,344,100)	(1,092,709)	(465,552)	(282,405)
Pay Increases	(1,839,180)	(4,977,528)	773,712	(688,163)	3,408,512
Investment Income	(2,087,362)	11,200,166	(1,683,289)	(156,784)	67,450
Death After Retirement	1,207,733	1,804,862	(851,275)	113,587	995,653
Continuing Payees	(2,199,527)	(273,277)	1,187,137	2,801,905	4,032
New Entrants	(1,096,224)	(1,536,593)	(1,220,810)	(1,201,406)	(1,249,197)
Benefit payments	1,574,956	1,321,601	2,356,937	1,344,132	1,485,471
Non-recurring items (1)	15,748,524	-	-	-	-
Other	(79,443)	(147,457)	(701,389)	32,377	(195,351)
Composite Gain (Loss)					
During Year	<u>\$ 9,072,009</u>	<u>6,087,972</u>	<u>\$ (1,724,784)</u>	<u>\$ 1,543,227</u>	<u>\$ 4,374,473</u>

(1) Assumption changes

**Jackson County, Missouri
Revised Pension Plan
Summary of Plan Provisions**

The plan is a multiple-employer plan consisting of employees from Jackson County, Missouri, the Little Blue Valley Sewer District, the Kansas City Board of Election Commissioners, the Jackson County Law Library, and the Jackson County Sports Complex Authority.

<u>Effective Date</u>	Originally effective April 1, 1967; as amended through June 1, 1981, as restated effective August 1, 1985, and as amended July 13, 1988; June 29, 1990; July 31, 1990; February 21, 1991; August 29, 1991; June 17, 1992; September 1, 1992; December 28, 1992; April 4, 1994; September 29, 1994; November 13, 1994; November 23, 1994; December 12, 1994; January 1, 1995; January 9, 1996; March 13, 1997; October 30, 1997; December 16, 1997; July 1, 1999; January 1, 2002; November 5, 2003; August 5, 2004; April 5, 2005; August 1, 2006; August 23, 2006; February 17, 2009; November 1, 2010; February 23, 2011; September 10, 2012; January 22, 2013; August 4, 2014; December 8, 2014; June 1, 2015; January 25, 2016; December 11, 2018; December 14, 2018 and September 29, 2020.
<u>Eligibility</u>	On January 1 with 12 months credited service.
<u>Employee</u>	For purposes of the plan, an employee is one who has been elected or appointed to a county office, or who is regularly employed full-time by the County or other participating employers. However, certain job classifications are not covered by the plan.
<u>Service and Credited Service</u>	Service is equal to years and months of continuous employment. Credited service is equal to Service, except that only $\frac{3}{4}$ of the years and months prior to January 1, 1967, are included in credited service. A vested member of the Plan may opt to purchase individual years of Military Service up to four (4) years of service, one year for each year of military service. Such option must be exercised or declared within twelve (12) months of vesting.
<u>Average Monthly Earnings</u>	The highest 36 consecutive month average of monthly earnings. Monthly earnings are defined as regular monthly cash compensation, including overtime, but excluding fees, commissions, expense reimbursements, and other forms of extra ordinary compensation.
<u>Accrued Benefit</u>	The benefit the employee has earned based on average monthly earnings and credited service to date.
<u>Normal Form</u>	The normal form of payment is a lifetime annuity with five years certain. For members terminating and retiring after July 31, 1990, benefits may be adjusted by up to 3.0% per year for cost-of-living changes.

**Jackson County, Missouri
Revised Pension Plan
Summary of Plan Provisions**

Summary of Plan Provisions (continued)

**Normal Retirement
Elected Officials**

Age 65 or age 55 where the participant's years of age and credited service total eighty years. Pension equals 4.167% of the average monthly earnings for each year of first twelve years of credited service plus 5% of average monthly earnings times years of credited service from year 12 to year 16. Employee contributes 4% of salary, for up to sixteen years of service.

Late Retirement

At actual retirement, the employee receives a monthly benefit based on credited service and average monthly earnings at the late retirement date.

Funding Policy

The Jackson County Legislature is responsible for establishing the funding policy for the Plan. Section 1550, Jackson County Code, indicates each special purpose revenue fund shall contribute at the contribution rate specified in the Fund's annual actuarial report, while the General Fund shall contribute at a rate of not less than 9%.

**Jackson County, Missouri
Revised Pension Plan
Summary of Plan Provisions**

**Schedule of Active Members by Attained Age and Service
June 30, 2022**

Completed Years of Service										
Age	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total
<25	12	-	-	-	-	-	-	-	-	12
25-29	56	18	-	-	-	-	-	-	-	74
30-34	64	54	9	-	-	-	-	-	-	127
35-39	52	41	23	7	1	-	-	-	-	124
40-44	29	42	24	19	10	-	-	-	-	124
45-49	28	33	18	22	21	6	-	-	-	128
50-54	29	34	21	21	35	21	2	3	-	166
55-59	34	47	23	17	26	8	16	10	1	182
60-64	22	21	28	17	21	14	9	14	8	154
65-69	9	8	8	6	9	3	5	9	4	61
70+	5	6	3	3	5	4	-	-	2	28
Totals	<u>340</u>	<u>304</u>	<u>157</u>	<u>112</u>	<u>128</u>	<u>56</u>	<u>32</u>	<u>36</u>	<u>15</u>	<u>1,180</u>

Summary			
	<u>Male</u>	<u>Female</u>	<u>All</u>
Average Age	48.5	48.9	48.7
Average Service Years	12.5	12.2	12.4
Number in Group	607	573	1,180

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Jackson County, Missouri
Revised Pension Plan

Statistical Section



**Jackson County, Missouri
Revised Pension Plan
Statistical Section**

This part of the 2022 Jackson County Revised Pension Plan Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the plan's overall financial health.

Contents

Financial Trends and Revenue Capacity 73-75

These schedules contain trend information to help the reader understand how the plan's financial performance and well-being have changed over time and to assess the plan's investment income and contributions.

Operating Information 76-78

These schedules offer operating indicators to help the reader understand the environment in which the plan's financial activities take place.

Jackson County, Missouri
Revised Pension Plan
Schedule of Changes in Fiduciary Net Position
Last Ten Fiscal Years
(In Thousands)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Additions:										
Employee Contributions	23	23	24	22	24	23	26	29	29	29
Employer Contributions	7,875	8,117	8,480	8,965	9,585	9,886	9,384	10,319	11,954	11,501
Investment Income (loss) (net of expenses)	27,059	30,582	8,894	(520)	30,135	22,625	18,234	11,318	69,882	(40,817)
Total Additions to Fiduciary Net Position	34,957	38,722	17,398	8,467	39,744	32,534	27,644	21,666	81,865	(29,287)
Deductions:										
Benefits paid directly to participants	8,510	9,238	10,135	11,068	11,991	13,169	14,106	14,957	15,682	16,838
Administrative Expenses	150	170	185	214	178	250	219	225	221	316
Total Deductions from Fiduciary Net Position	8,660	9,408	10,320	11,282	12,169	13,419	14,325	15,182	15,903	17,154
Change in Fiduciary Net Position	26,297	29,314	7,078	(2,815)	27,575	19,115	13,319	6,484	65,962	(46,441)

**Jackson County, Missouri
Revised Pension Plan
Six Years Ended June 30, 2022**

Schedule of Additions by Source

Year Ended	Employer/ Employee Contributions	Employer/Employee Contributions as Percent of Annual Covered Payroll	Investment Income (Loss)	Total
2017	9,608,298	15.9%	30,135,277	39,743,575
2018	9,909,450	14.9%	22,624,839	32,534,289
2019	9,409,327	14.6%	18,234,113	27,643,440
2020	10,347,553	15.6%	11,318,002	21,665,555
2021	11,983,580	17.9%	69,881,599	81,865,179
2022	11,530,442	16.2%	(40,816,815)	(29,286,373)

Schedule of Deductions by Type

Year Ended	Aggregate Benefit Payments	Administrative Expenses	Total
2017	11,990,680	177,806	12,168,486
2018	13,169,152	249,640	13,418,792
2019	14,106,502	218,728	14,325,230
2020	14,956,657	224,753	15,181,410
2021	15,682,065	220,928	15,902,993
2022	16,838,482	316,295	17,154,777

Schedule of Principal Participating Employers

Participating Employers	June 30, 2022		June 30, 2013	
	Covered Employees	Percentage of Total	Covered Employees	Percentage of Total
Jackson County, MO	1,103	93.5%	1,311	94.7%
Little Blue Valley Sewer District	51	4.3%	51	3.7%
Kansas City Board of Election Commissioners	23	1.9%	20	1.4%
Jackson County Sports Complex Authority	3	0.3%	-	0.0%
Jackson County Law Library	-	0.0%	2	0.1%
Total	1,180	100%	1,384	100%

Jackson County, Missouri
Revised Pension Plan
Schedule of Benefit Expenses by Type
Ten Years Ended June 30, 2022

Year Ending	Age & Service Benefits		Death in Service Benefits	Disability Benefits	Total
	Retirants	Survivors			
2013	7,202,777	881,164	210,428	216,087	8,510,456
2014	7,904,889	976,435	11,263	345,343	9,237,930
2015	8,731,577	1,003,855	48,142	351,169	10,134,743
2016	9,674,164	984,972	8,816	400,413	11,068,365
2017	10,531,180	1,061,895	-	397,605	11,990,680
2018	11,633,152	1,134,328	10,000	391,672	13,169,152
2019	12,486,909	1,258,210	-	361,383	14,106,502
2020	13,249,915	1,303,681	-	403,061	14,956,657
2021	14,030,211	1,269,631	8,000	374,223	15,682,065
2022	15,108,609	1,363,366	-	366,507	16,838,482

Source: Data provided by the Jackson County Human Resources Department.

Jackson County, Missouri
Revised Pension Plan
Schedule of Retired Members by Type of Benefit
June 30, 2022

Amount of Monthly Benefit	Number of Retirants	Type of Benefit*						
		1	2	3	4	5	6	7
\$1 - 250	434	121	130	116	7	0	58	2
251 - 500	290	100	87	53	0	0	41	9
501 - 750	180	62	45	46	0	0	18	9
751 - 1,000	91	27	28	23	0	0	7	6
1,001 - 1,250	123	55	26	23	0	0	9	10
1,251 - 1,500	74	25	17	18	0	0	13	1
1,501 - 1,750	78	29	22	25	0	0	2	0
1,751 - 2,000	65	30	13	19	0	0	2	1
Over 2,000	218	66	61	75	0	0	15	1
Total	<u>1,553</u>	<u>515</u>	<u>429</u>	<u>398</u>	<u>7</u>	<u>0</u>	<u>165</u>	<u>39</u>

* Type of Benefit:

- 1) Annuity for Life - 5 Year Certain
- 2) Annuity for Life - 10 Year Certain
- 3) Joint Annuity for Life - 100% Sole Survivor
- 4) Annuity for Life
- 5) Joint Annuity for Life - 50% Sole Survivor
- 6) Survivor
- 7) Disability

Source: Data provided by the Jackson County Human Resources Department.

Jackson County, Missouri
Revised Pension Plan
Schedule of Average Benefit Payments
Ten Years Ended June 30, 2022

Retirement Effective Dates	Years Credited Service					
July 1, 2016 to June 30, 2022	<10	10-15	15-20	20-25	25-30	30+
Period 7/1/12 to 6/30/13:						
Average Monthly Benefit	\$ 193.06	328.39	626.62	932.19	1,357.20	2,094.34
Average Final Salary	2,357.45	2,374.16	2,878.14	3,062.40	3,366.72	4,085.22
Number of Active Retirants	310	222	170	124	87	129
Period 7/1/13 to 6/30/14:						
Average Monthly Benefit	\$ 192.47	343.89	635.63	970.44	1,339.85	2,119.14
Average Final Salary	2,386.16	2,467.90	2,931.77	3,174.84	3,392.20	4,136.55
Number of Active Retirants	328	229	173	130	97	143
Period 7/1/14 to 6/30/15:						
Average Monthly Benefit	\$ 197.23	350.10	659.19	989.18	1,373.98	2,207.25
Average Final Salary	2,423.69	2,482.95	2,953.26	3,255.43	3,441.60	4,216.14
Number of Active Retirants	343	243	189	137	99	156
Period 7/1/15 to 6/30/16:						
Average Monthly Benefit	\$ 213.95	354.93	675.78	1,035.20	1,395.13	2,180.11
Average Final Salary	2,541.70	2,569.93	3,028.56	3,373.27	3,499.67	4,294.34
Number of Active Retirants	365	256	199	151	103	162
Period 7/1/16 to 6/30/17:						
Average Monthly Benefit	\$ 219.74	369.56	694.41	1,064.22	1,467.34	2,252.39
Average Final Salary	2,542.83	2,583.85	3,089.54	3,431.69	3,586.71	4,329.80
Number of Active Retirants	379	268	207	157	112	184
Period 7/1/17 to 6/30/18:						
Average Monthly Benefit	\$ 226.71	380.45	713.80	1,085.24	1,462.83	2,337.11
Average Final Salary	2,574.90	2,646.54	3,141.20	3,467.10	3,613.16	4,362.55
Number of Active Retirants	402	263	209	161	115	200
Period 7/1/18 to 6/30/19:						
Average Monthly Benefit	\$ 224.66	404.20	725.27	1,127.28	1,523.50	2,374.94
Average Final Salary	2,584.05	2,719.63	3,140.77	3,518.42	3,773.76	4,389.63
Number of Active Retirants	411	271	213	168	121	205
Period 7/1/19 to 6/30/20:						
Average Monthly Benefit	\$ 238.20	403.32	728.95	1,117.04	1,561.79	2,357.58
Average Final Salary	2,627.99	2,771.56	3,183.06	3,571.95	3,864.78	4,404.76
Number of Active Retirants	429	281	215	177	119	224
Period 7/1/20 to 6/30/21:						
Average Monthly Benefit	\$ 236.84	450.79	741.48	1,206.05	1,598.35	2,418.04
Average Final Salary	2,636.74	2,949.05	3,247.24	3,690.69	3,860.32	4,450.93
Number of Active Retirants	444	293	216	181	120	230
Period 7/1/21 to 6/30/22:						
Average Monthly Benefit	\$ 239.63	465.50	777.89	1,253.99	1,653.34	2,570.64
Average Final Salary	2,629.37	2,959.72	3,314.38	3,757.53	3,914.71	4,552.94
Number of Active Retirants	477	297	221	192	125	241

Source: Data provided by the Jackson County Human Resources Department.

Jackson County, Missouri
Revised Pension Plan
Schedule of Benefits Payable
June 30, 2022

Type of Benefit	Number	Annual Funded Benefit	Average Annual Benefit
Service Retirement:			
5 Year Certain Life	515	\$ 6,091,805	\$ 11,829
10 Year Certain Life	429	4,762,602	11,102
100% Joint and Survivor	398	5,303,687	13,326
Normal Annuity	7	9,152	1,307
50% Joint and Survivor	-	-	-
Survivor Beneficiary	165	1,363,366	8,263
Total Service Retirement	1,514	17,530,611	11,579
Disability Retirement	39	366,507	9,398
Grand Total	1,553	\$ 17,897,118	\$ 11,524

Source: Data provided by the Jackson County Human Resources Department.