

CONEFRY & COMPANY, L.L.C.

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May 31, 2023

Board of Trustees
Firefighters' Pension and Relief Fund
5710 General Haigg
New Orleans, LA 70124

Re: New Orleans Firefighters' Pension and Relief Fund - New System
Governmental Accounting Standards Board Statement #67 (GASB 67)

Gentlemen:

Enclosed is our report of the required supplemental information pursuant to GASB 67 for the System's fiscal plan year ending December 31, 2022. This report supplements the actuarial valuation reports of the New Orleans Firefighters' Pension and Relief Fund as of December 31, 2020 and December 31, 2022, as indicated in Exhibit IV of each of those valuation reports.

We have calculated the Net Pension Liability in conformity with paragraphs 36-46 of GASB 67 in the following manner:

1. All of the actuarial assumptions used in the actuarial valuation reports noted above were used in determining the Total Pension Liability, except as noted below.
2. Paragraph 40 of GASB 67 requires that the discount rate to be used in determining the Total Pension Liability is the long-term expected return on pension plan investments to the extent that the pension plan's fiduciary net position is projected (in conformity with paragraphs 41-43 of GASB 67) to be sufficient to make projected benefit payments (determined in conformity with paragraph 39).

In making these projections, we have assumed that total covered-employee payroll increases at 0% annually and that initial plan expenses paid from the fund are \$200,000 annually and are assumed to increase at 3% annually. These assumptions were in addition to the assumptions used in the actuarial valuations. The exhibits containing the projections of contributions and fiduciary net position are available in electronic form under separate cover upon request.

The results indicate that the fiduciary net position will be sufficient to make projected benefit payments and the projected net fiduciary position will not be depleted based on the GASB 67 methodology. Accordingly, the discount rate used in the actuarial valuations, 7.50% annually, has been used to determine the Total Pension Liability.

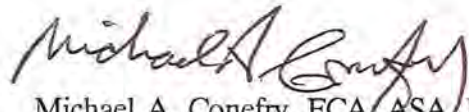
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3. Appendix I contains an exhibit of the GASB #67 Required Supplemental Information for the plan's fiscal calendar plan year 2022. Note that, since the actual results of the actuarial valuations as of both the beginning and the ending of the fiscal plan year are available, they have been used (as noted in the footnote of the exhibit).

Also included in Appendix I is the GASB #68 Required Supplemental Information for the plan's fiscal calendar plan year 2022 containing the Deferred Inflows and Outflows and related amortization base information.

4. Paragraph 31b of GASB 67 requires disclosure of the ". . . dates of experience studies on which significant assumptions are based . . .". In that regard, complete analysis of the actuarial experience and the departure of that experience from the assumptions for the year is conducted annually for each significant component of the actuarial assumptions. In addition, cumulative analysis of experience of a similar nature is conducted regularly, most recently during 2016. There is also an experience study currently being conducted by an independent actuarial firm.

Yours truly,



Michael A. Conefry, FCA, ASA, MAAA*
Actuary

- * Member of the American Academy of Actuaries and qualified to render the Statements of Actuarial Opinion contained herein.

MAC:wp
Enclosures

APPENDIX

New Orleans Firefighters' Pension and Relief Fund - New System
GASB #67 Required Supplemental Information

Schedule of Changes in Net Pension Liability and Related Ratios for the plan's calendar fiscal year ending 12/31/2022:

Total Pension Liability

1. Service Cost	7,868,430
2. Interest Cost at 7.50%	29,378,390
3. Changes of benefit terms	0
4. Difference between expected and actual experience	53,013,990
5. Changes of assumptions	0
6. Benefit payments and net transfers	34,277,214
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7. Net change in total pension liability: [1]+[2]+[3]+[4]+[5]-[6]	56,250,542
8. Total pension liability - beginning Using discount rate of 7.50%	408,850,476
9. Total pension liability - ending Using discount rate of 7.50%	465,101,018

Plan fiduciary net position

10. Contributions - employer	36,482,127
11. Contributions - member	5,173,513
12. Net investment income	-6,453,562
13. Benefit payments and net transfers	34,277,214
14. Administrative expense	326,450
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15. Net change in plan fiduciary net position: [10]+[11]+[12]-[13]-[14]	598,414
16. Plan fiduciary net position - beginning	52,869,728
17. Plan fiduciary net position - ending	53,468,142
18. Net pension liability - ending: [9]-[17]	411,632,876
19. Plan fiduciary net position as a percentage of the total pension liability: [17]/[9]	11.50%
20. Covered-employee payroll in year ending 12/31/2022	37,647,989
21. Net pension liability as a percentage of covered-employee payroll: [18]/[20]	1,093.37%

Note: All results were based on the census data and actuarial assumptions in the December 31, 2021 actuarial valuation except for items [9] and [17] through [20] which were based on the December 31, 2022 actuarial valuation.

New Orleans Firefighters' Pension and Relief Fund - New System
 GASB #67 Required Supplemental Information

Sensitivity of the Net Pension Liability to Change in the Discount Rate as of calendar fiscal year ending 12/31/2022:

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Total pension liability	515,051,259	465,101,018	422,582,342
Fiduciary net position	53,468,142	53,468,142	53,468,142
Net pension liability	85,493,009	411,632,876	74,292,874

Schedule of Deferred Inflows and Outflows of Resources as of the end of the Employer's fiscal year ending 12/31/2022 and established on 12/31/2022:

	Original Amount:	Amortization Period	Amount Recognized FYE 12/31/2022
Investment (gain)/loss	10,683,241	5.00 years	2,136,648
Economic/demogr. (gain)/loss	53,013,990	5.00 years	10,602,798
Assumption changes/inputs	0	5.00 years	0

* Amortization period is closed 5 year period for investment experience and closed period equal to the average remaining service lifetime of active and inactive members: 532 actives with an average of 14.47 years and 889 inactives with an average of zero for a composite average of 5 years, to the next higher integer.

New Orleans Firefighters' Pension and Relief Fund - New System
 GASB #68 Required Supplemental Information

Schedule of Amortization Bases and Amounts Established through FYE 12/31/2022
 Amortization

Fiscal Year Ending	Source/ Origin	Original Base	Amortization	
			Period	Amount
12/31/2016	Demographic	45,022,465	7	6,431,781
		<u>45,022,465</u>		<u>6,431,781</u>
12/31/2017	Demographic	-222,473	7	-31,782
		<u>-222,473</u>		<u>-31,782</u>
12/31/2018	Investment Return	15,903,696	5	3,180,739
12/31/2018	Demographic	-8,072,878	6	-1,345,480
		<u>7,830,818</u>		<u>1,835,259</u>
12/31/2019	Investment Return	-7,743,178	5	-1,548,636
12/31/2019	Demographic	11,154,725	5	2,230,945
12/31/2019	Assumption Changes	9,217,253	5	1,843,451
		<u>12,628,800</u>		<u>2,525,760</u>
12/31/2020	Investment Return	-225,821	5	-45,164
12/31/2020	Demographic	-19,459,842	5	-3,891,968
12/31/2020	Assumption Changes	25,414,108	5	5,082,822
		<u>5,728,445</u>		<u>1,145,690</u>
12/31/2021	Investment Return	994,915	5	198,983
12/31/2021	Demographic	-36,488,412	5	-7,297,682
12/31/2021	Assumption Changes	0	5	0
		<u>-35,493,497</u>		<u>-7,098,699</u>
12/31/2022	Investment Return	2,136,648	5	427,330
12/31/2022	Demographic	10,602,798	5	2,120,560
12/31/2022	Assumption Changes	0	5	0
		<u>12,739,446</u>		<u>2,547,890</u>

Origin 12/31/2016				
Demographic				
(gain)/loss				
After Year	7 of	7	0	-2
Total for FYE 12/31/2016:			<u>0</u>	<u>-2</u>

Origin 12/31/2017				
Demographic				
(gain)/loss				
After Year	6 of	7	0	-31,781
Total for FYE 12/31/2017:			<u>0</u>	<u>-31,781</u>

Origin 12/31/2018		
Investment Return		
(gain)/loss		
After Year 5 of 5	1	0
Origin 12/31/2018		
Demographic		
(gain)/loss		
After Year 5 of 6	0	-1,345,478
Total for FYE 12/31/2018:	<u>1</u>	<u>-1,345,478</u>
Origin 12/31/2019		
Investment Return		
(gain)/loss		
After Year 4 of 5	0	-1,548,634
Origin 12/31/2019		
Demographic		
(gain)/loss		
After Year 4 of 5	2,230,945	0
Origin 12/31/2019		
Assumption Changes		
(gain)/loss		
After Year 4 of 5	1,843,449	0
Total for FYE 12/31/2019:	<u>4,074,394</u>	<u>-1,548,634</u>
Origin 12/31/2020		
Investment Return		
(gain)/loss		
After Year 3 of 5	0	-90,329
Origin 12/31/2020		
Demographic		
(gain)/loss		
After Year 3 of 5	0	-7,783,938
Origin 12/31/2020		
Assumption Changes		
(gain)/loss		
After Year 3 of 5	10,165,642	0
Total for FYE 12/31/2020:	<u>10,165,642</u>	<u>-7,874,267</u>

Origin 12/31/2021		
Investment Return		
(gain)/loss		
After Year 2 of 5	596,949	0
Origin 12/31/2021		
Demographic		
(gain)/loss		
After Year 2 of 5	0	-21,893,048
Origin 12/31/2021		
Assumption Changes		
(gain)/loss		
After Year 2 of 5	0	0
Total for FYE 12/31/2021:	<u>596,949</u>	<u>-21,893,048</u>
Origin 12/31/2022		
Investment Return		
(gain)/loss		
After Year 2 of 5	1,281,988	0
Origin 12/31/2022		
Demographic		
(gain)/loss		
After Year 2 of 5	6,361,678	0
Origin 12/31/2022		
Assumption Changes		
(gain)/loss		
After Year 2 of 5	0	0
Total for FYE 12/31/2022:	<u>7,643,666</u>	<u>0</u>
Grand Total:	<u>-----</u> 22,480,652	<u>-----</u> -32,693,210

NEW ORLEANS FIREFIGHTERS' PENSION AND RELIEF FUND
 MONEY-WEIGHTED INVESTMENT RETURN FOR FISCAL YEAR 2022
 -----NEW SYSTEM-----

Month/ Year	ACTUAL NET EXTERNAL CASH FLOW * DURING MONTH	HYPOTHETICAL MARKET VALUE EACH MONTH ASSUMING: -11.37499870% COMPOUNDED ANNUALLY		ACTUAL MV LESS HYPOTHETICAL MV AT END OF MONTH
		BEGINNING OF MONTH	END OF MONTH	
1/2022	400,145	52,869,728	52,738,509	729,633
2/2022	393,055	52,738,509	52,601,549	866,593
3/2022	354,958	52,601,549	52,428,054	1,040,088
4/2022	399,467	52,428,054	52,300,583	1,167,559
5/2022	409,145	52,300,583	52,184,017	1,284,125
6/2022	3,781,087	52,184,017	55,423,680	-1,955,538
7/2022	-1,062,887	55,423,680	53,811,181	-343,039
8/2022	867,432	53,811,181	54,135,483	-667,341
9/2022	409,145	54,135,483	54,000,546	-532,404
10/2022	403,468	54,000,546	53,861,310	-393,168
11/2022	383,256	53,861,310	53,703,359	-235,217
12/2022	304,013	53,703,359	53,468,142	0

* Net external cash flow assumed at mid-point of each month

MV Beginning of Year: 52,869,728 Net External Cash Flow: 7,042,284
 MV End of Year: 53,468,142

Number of Months Included: 12 Cumulative Money-Weighted Return Compounded Annually: -11.37499870%
 Number of Iterations: 27

EMPLOYEES' RETIREMENT SYSTEM OF THE FIREFIGHTERS' PENSION AND RELIEF FUND - NEW SYSTEM
MONTHLY EXTERNAL CASH FLOW FOR MONEY-WEIGHTED INVESTMENT RETURN CALCULATION

Final Report June 8, 2023

MONTH	EMPLOYER CONTRIBUTIONS FOR MONTH	EMPLOYEE CONTRIBUTIONS FOR MONTH	TRANSFERS IN FOR MONTH	BENEFIT PAYMENTS FOR MONTH	EXPENSES FOR MONTH	TRANSFERS OUT FOR MONTH	NET EXTERNAL CASH FLOW FOR MONTH
1/2022	3,000,000	268,897	0	2,788,876	27,204	52,672	400,145
2/2022	3,000,000	268,897	0	2,795,966	27,204	52,672	393,055
3/2022	3,000,000	268,897	0	2,834,063	27,204	52,672	354,958
4/2022	3,000,000	268,897	0	2,789,554	27,204	52,672	399,467
5/2022	3,000,000	268,897	0	2,779,876	27,204	52,672	409,145
6/2022	4,946,745	1,733,520	0	2,809,644	36,862	52,672	3,781,087
7/2022	1,535,385	268,897	0	2,787,293	27,204	52,672	-1,062,887
8/2022	3,000,000	751,023	0	2,803,715	27,204	52,672	867,432
9/2022	3,000,000	268,897	0	2,779,876	27,204	52,672	409,145
10/2022	3,000,000	268,897	0	2,785,553	27,204	52,672	403,468
11/2022	3,000,000	268,897	0	2,805,765	27,204	52,672	383,256
12/2022	3,000,000	268,897	0	2,885,008	27,204	52,672	304,013
	36,782,130	5,173,513	0	33,645,189	336,106	632,064	7,042,284