



## **THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**

**(A Fiduciary Component Unit of the City of St. Louis, Missouri)**

**REPORT ON ELEMENTS OF GOVERNMENTAL  
ACCOUNTING STANDARDS BOARD STATEMENT NO. 68  
(GASB 68) ACTUARIAL VALUATION**

Fiscal Year Ended September 30, 2023

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**REPORT ON ELEMENTS OF GASB 68**

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## INDEPENDENT AUDITOR'S REPORT

The Board of Trustees  
**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**

### *Opinion*

We have audited the accompanying schedule of changes in net pension liability of **THE POLICE RETIREMENT SYSTEM OF ST. LOUIS** (the System), a Fiduciary Component Unit of the City of St. Louis, Missouri, as of and for the year ended September 30, 2023, and the related notes to the schedule. We have also audited deferred outflows of resources, deferred inflows of resources, and pension expense included in the accompanying schedules of other pension amounts of the System as of and for the year ended September 30, 2023, and the related notes to the schedules.

In our opinion, the schedules referred to above present fairly, in all material respects, the City of St. Louis, Missouri net pension liability, total deferred outflows of resources, total deferred inflows of resources, and pension expense for the System as of and for the year ended September 30, 2023, in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

We have relied on Cheiron's actuarial report titled *GASB 67/68 Report* as of September 30, 2023 for the actuarially determined amounts in these schedules and notes to the schedules. Cheiron provided a certification for this report dated February 23, 2024.

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

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

In preparing these schedules, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the date of these schedules, 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 schedules as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, 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 schedules.
- 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 System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about System's ability to continue as a going concern for a reasonable period of time.

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

### **Other Matters**

Management is responsible for the supplemental information included in this report. The supplemental information, as listed in the table of contents, does not include the schedules and our auditor's report thereon. Our opinion on the schedules do not cover the supplemental information, and we do not express an opinion or any form of assurance thereon.

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

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended September 30, 2023, and our report thereon dated March 27, 2024, expressed an unmodified opinion on those financial statements.

### **Restriction on Use**

Our report is intended solely for the information and use of the Board of Trustees, the System's management, the City of St. Louis, and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

*Sibich LLP*

St. Louis, Missouri  
March 27, 2024

# THE POLICE RETIREMENT SYSTEM OF ST. LOUIS

## SCHEDULE OF CHANGES IN NET PENSION LIABILITY

**For The Year Ended September 30, 2023**

	<b>Total Pension Liability (a)</b>	<b>System's Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balance at September 30, 2022</b>	\$ 1,141,728,762	792,414,640	349,314,122
<b>Changes for the Year</b>			
Service cost	15,119,984	-	15,119,984
Interest on total pension liability, including service cost	73,777,467	-	73,777,467
Benefit changes	-	-	-
Differences between expected and actual experience	(1,713,550)	-	(1,713,550)
Assumption changes	24,927,438	-	24,927,438
Contributions:			
Employer	-	37,893,571	(37,893,571)
Members, including portability and restoration	-	4,512,743	(4,512,743)
Net investment income	-	79,801,713	(79,801,713)
Benefit payments	(72,954,227)	(72,954,227)	-
Refunds of Members' contributions	(7,808,563)	(7,808,563)	-
Administrative expenses	-	(1,306,479)	1,306,479
Net Changes	31,348,549	40,138,758	(8,790,209)
<b>Balance at September 30, 2023</b>	\$ 1,173,077,311	832,553,398	340,523,913
<b>Reconciliation of Net Pension Liability:</b>			
Net pension liability, September 30, 2022			\$ 349,314,122
Changes for the year:			
Pension expense			44,240,453
Change in deferred outflows (inflows) of resources			(15,137,091)
Employer contributions			(37,893,571)
Net Changes			(8,790,209)
Net Pension Liability, Septem- ber 30, 2023			\$ 340,523,913

See notes to schedules

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**SCHEDULES OF OTHER PENSION AMOUNTS**

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**SCHEDULE OF DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

	<b>September 30 2023</b>
<b>Deferred outflows (inflows) of resources:</b>	
Net difference between projected and actual earnings on pension plan investments	\$ 38,847,329
Changes in assumptions	6,930,838
Differences between expected and actual liability experience	(4,364,534)
Net Deferred Outflows (Inflows) Of Resources, September 30, 2023	\$ 41,413,633
	<b>For The Year Ended September 30 2023</b>
<b>Reconciliation of net deferred outflows (inflows) of resources:</b>	
Net deferred outflows (inflows) of resources, September 30, 2022	\$ 56,550,724
Changes in components of deferred outflows (inflows) of resources consist of:	
Difference between projected and actual earnings on pension plan investments	(25,697,413)
Actuarial assumption changes	24,927,438
Differences between expected and actual liability experience	(1,713,550)
	(2,483,525)
Recognition of deferred outflows (inflows)	12,653,566
Change In Deferred Outflows (Inflows) Of Resources	(15,137,091)
Net Deferred Outflows (Inflows) Of Resources, September 30, 2023	\$ 41,413,633

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**SCHEDULES OF OTHER PENSION AMOUNTS**

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**SCHEDULE OF PENSION EXPENSE**

	<b>For The Year Ended September 30 2023</b>
<b>Pension expense:</b>	
Operating expenses:	
Service cost	\$ 15,119,984
Members' contributions, including portability and restoration	(4,512,743)
Administrative expenses	1,306,479
Total Operating Expenses	<u>11,913,720</u>
Financing expenses:	
Interest on total pension liability, including service cost	73,777,467
Expected return on investment assets	(54,104,300)
Total Financing Expenses	<u>19,673,167</u>
Recognition of deferred outflows (inflows):	
Recognition of investment gains and losses	17,509,882
Recognition of assumption changes	5,071,267
Recognition of liability experience gains and losses	(9,927,583)
Total Recognition Of Deferred Outflows (Inflows)	<u>12,653,566</u>
Pension Expense	<u>\$ 44,240,453</u>
<b>Reconciliation of pension expense:</b>	
Change in net pension liability	\$ (8,790,209)
Change in deferred outflows (inflows) of resources	15,137,091
Employer contributions	37,893,571
Pension Expense	<u>\$ 44,240,453</u>



**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND SCHEDULES OF OTHER PENSION AMOUNTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies consistently applied by **THE POLICE RETIREMENT SYSTEM OF ST. LOUIS** (the System) in the preparation of the accompanying schedules are summarized as follows:

**1. Reporting Entity**

The System administers a single-employer, defined benefit pension plan providing benefits to the City of St. Louis (the City) police officers (Members). The System is a fiduciary trust fund of the City. As such, the System is included in the City's Annual Comprehensive Financial Report as a Pension Trust Fund. The System and its Board of Trustees are not financially accountable for any other entities or other organizations.

**2. Basis of Accounting**

The System's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations. In doing so, the System adheres to the reporting requirements established by the Governmental Accounting Standards Board (GASB). Employer's contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the System's benefit provisions. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Dividend income is recognized based on the ex-dividend date and interest income is recognized on the accrual basis as earned. Fair value changes are recorded as investment income or loss. Investment purchases and sales are recorded on a trade-date basis (the date upon which the transaction is initiated).

**3. Net Pension Liability**

Net pension liability represents the actuarially computed liability of the employer for accrued vested benefits provided through a defined benefit pension plan. It is calculated as the total pension liability less the System's fiduciary net position.

**4. Use of Estimates in the Preparation of the Schedules**

The preparation of the schedules in conformity with accounting principles generally accepted in the United States of America requires management and the System's Actuary to make estimates and assumptions that affect certain amounts and disclosures. Actual results could differ from those estimates.

**5. Fair Value Measurements**

The System follows guidance issued by accounting principles generally accepted in the United States of America on fair value measurements, which establishes a framework for measuring fair value. This guidance applies whenever fair value is an applicable measurement.

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND SCHEDULES OF OTHER PENSION AMOUNTS**

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**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Deferred Outflows of Resources and Deferred Inflows of Resources**

Deferred outflows of resources represent consumption of net assets by a government employer that is applicable to a future reporting period. In accordance with GASB 68, these include demographic experience losses due to differences between expected and actual actuarial assumptions on the total pension liability, actuarial assumption changes increasing the total pension liability, or investment earnings that are below projected earnings. These outflows will be recognized in future reporting periods.

Deferred inflows of resources represent an acquisition of net assets by a government employer that is applicable to a future reporting period. In accordance with GASB 68, these include experience gains due to differences between expected and actual actuarial assumptions on the total pension liability, actuarial assumption changes reducing the total pension liability, or investment earnings that are greater than projected earnings. These inflows will be recognized in future reporting periods.

The City will need to calculate an additional type of deferred outflows of resources for contributions made to the System subsequent to the measurement date and before the end of the City's reporting period.

The City is solely responsible for its financial statements and, therefore, is responsible for evaluating the information used to recognize and disclose pension amounts in its financial statements. Similarly, the City's auditor is solely responsible for the audit of the City's financial statements and, therefore, is responsible for determining the sufficiency of audit evidence necessary to reduce audit risk to the appropriate level. Nevertheless, the City and their auditor may use the System's report to provide evidence that the pension amounts are not materially misstated.

The impact of the difference between projected and actual investment gains or losses on pension plan investments is recognized over a period of 5 years. During the measurement year, there was an actuarial investment gain of approximately \$25.7 million. Approximately \$5.1 million of that gain was recognized in the current year and an identical amount will be recognized in each of the next 4 years. Combined with \$102.8 million of unrecognized investment losses and \$43.4 million of unrecognized investment gains from prior years, this results in a deferred outflow of resources of approximately \$38.8 million.

The decrease in the blended discount rate assumption caused an increase in the net pension liability during the measurement year and increased the deferred outflows of resources by approximately \$24.9 million. Approximately \$12.5 million of this amount was recognized in the current year and an identical amount will be recognized in each of the next year. This combined with \$5.5 million of deferred inflows net unrecognized assumption changes resulted in a deferred outflows of resources of approximately \$6.9 million.

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND SCHEDULES OF OTHER PENSION AMOUNTS**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**6. Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)**

The impact of experience gains or losses and assumption changes on the total pension liability are recognized in the pension expense over the average expected remaining service life of all active and inactive members of the System. As of the measurement date, this recognition period was 2 years. There was an experience gain of approximately \$1.7 million in the current year of which \$856,775 of that gain was recognized in the current year and an identical amount will be recognized in the next year. Combined with \$3.5 million of unrecognized experience gain from prior year, this resulted in a deferred inflow of resources of approximately \$4.4 million.

Amounts reported as net deferred outflows (inflows) of resources will be recognized in the City's pension expense as follows:

<u>For The Years Ending September 30</u>	<u>Net Outflows (Inflows) From Investment (Gains) And Losses</u>	<u>Net Outflows (Inflows) From Assumption Changes</u>	<u>Net Outflows (Inflows) From Experience Gains</u>	<u>Total Net Outflows (Inflows)</u>
2024	\$ 9,283,452	6,930,838	(4,364,534)	11,849,756
2025	6,492,878	-	-	6,492,878
2026	28,210,480	-	-	28,210,480
2027	(5,139,481)	-	-	(5,139,481)
Total	<u>\$ 38,847,329</u>	<u>6,930,838</u>	<u>(4,364,534)</u>	<u>41,413,633</u>

**7. Pension Expense**

Pension expense represents the economic cost of pensions that an entity recognizes during a reporting period. Pension expense is calculated in two different ways. First, it is calculated as the change in the amounts reported on the City's statement of net position that relate to the System and are not attributable to employer contributions. Therefore, it includes: 1) change in net pension liability, 2) change in deferred outflows (inflows) of resources, and 3) plus employer contributions.

The pension expense can also be calculated by its individual components as shown in the schedule of pension expense. Operating expenses include service cost less employee contributions and administrative expenses, collectively the cost of operating the System for the year. Financing expenses include interest on the total pension liability and interest on service costs, less the expected return on investment assets. The changes component of the pension expense calculation represents the items that drive the volatility in pension expense from year to year. Changes include benefit changes, recognized amounts due to assumption changes, recognized amounts from experience gains or losses on the total pension liability, and recognized amounts of differences in expected and actual investment gains or losses.

Changes in benefits must be enacted by the General Assembly of the State of Missouri. There were no changes in benefits during the year ended September 30, 2023.

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND SCHEDULES OF OTHER PENSION AMOUNTS**

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**NOTE B - ACTUARIAL METHODS AND ASSUMPTIONS**

The following are the actuarial methods and assumptions that were used in the measurements of the pension liability:

**Actuarial methods:**

Valuation date	October 1, 2023
Timing	Actuarially determined contributions are calculated based on the actuarial valuation at the beginning of the plan year
Actuarial cost method:	
GASB 67 and 68 reporting	Entry Age Normal
Amortization method/period	None - Aggregate is funded over the future working lifetime of current participants
Asset valuation method:	
GASB 67 and 68 reporting	Fair Value

**Actuarial assumptions:**

Investment rate of return	7.0%, net of investment expenses and includes 0.15% administrative expenses
Long-term municipal bond rate	4.09%
Rate of payroll growth	3.0% to 6.25%, varies by years of service, including merit and promotions
Consumer price inflation	2.5%
Mortality (ordinary)	Pub-2010 Safety employee below-median income weighted mortality, projected fully generationally with Scale MP-2020
Mortality (accidental)	0.03% Per year for all ages in addition to ordinary mortality
Mortality (retirees)	Pub-2010 Safety healthy retiree below-median income weighted mortality, projected fully generationally with Scale MP-2020
Mortality (disabled)	Pub-2010 Safety disabled retiree mortality, projected fully generationally with Scale MP-2020
Mortality (beneficiaries)	Pub-2010 General retiree below-median income weighted mortality, projected fully generationally with Scale MP-2020

The actuarial assumptions were last updated as a result of the experience study performed by Cheiron for the five-year period ending September 30, 2020. The mortality, termination, DROP and retirement, percent married, and investment return, assumptions were changed in the October 1, 2021 actuarial valuation when the results of the experience study were first approved by the Trustees and became effective.

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**  
**NOTES TO SCHEDULE OF CHANGES IN NET PENSION LIABILITY**  
**AND SCHEDULES OF OTHER PENSION AMOUNTS**

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**NOTE B - ACTUARIAL METHODS AND ASSUMPTIONS (Continued)**

**Discount Rate**

The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position (PNP) using actuarial assumptions about contributions, benefit payments, and long-term rate of return. If the projected PNP is not sufficient to cover projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the high grade bond muni-bond rate for periods after the PNP is exhausted. The System currently uses the long-term discount rate of 7.0% and expects assets will be sufficient to cover PNP until 2061. The muni-bond rate used in the valuation was 4.09% and is based on the Bond Buyers General Obligation 20 Year Municipal Bond Index (AA/Aa or higher) as of September 28, 2023. Since the PNP was projected to be insufficient to make all projected benefit payments of current Members, a blended discount rate of 6.44% was used to calculate the present value of future benefit payments.

**Proposition P**

In November 2017, Proposition P was passed by City voters which approved a 0.5% sales tax earmarked for City law enforcement and firefighter needs “public safety”. This allowed for pay increases for the City’s police officers to take effect during 2018 (a one-time \$6 thousand pay increase), which impacted the System’s pension liability in the October 1, 2018 actuarial valuation, increasing the September 30, 2019 pension liability (difference between expected and actual experience) by \$36.5 million.

**NOTE C - EXPERIENCE RISKS**

Actuarial present value of accumulated plan benefits are reported based on certain actuarial methods and assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term could be material to the System’s reported net pension liability and change to the net pension liability.

**NOTE D - ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION**

Additional financial and actuarial information supporting the preparation of the schedules is included in the System’s annual financial report for the year ended September 30, 2023 and the actuarial valuation report as of October 1, 2023. These reports can be obtained at [www.stlouisprs.org](http://www.stlouisprs.org) or from:

Mark Lawson, J.D., Executive Director  
The Police Retirement System of St. Louis  
2020 Market Street  
St. Louis, MO 63103-2210

**SUPPLEMENTAL INFORMATION SECTION**

SCHEDULE OF CHANGES IN NET PENSION LIABILITY - COMPARATIVE BY YEAR

	For The Years Ended September 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Discount Rate Assumption "Blended"</b>	6.44 %	6.65	6.51	6.33	6.69	7.24	6.67	6.19	7.29	7.48
<b>Total Pension Liability (A)</b>										
Service cost	\$ 15,119,984	16,376,468	20,487,163	18,188,606	15,678,890	16,369,318	17,988,134	12,617,971	12,977,679	12,991,999
Interest on total pension liability, including service cost	73,777,467	73,349,139	71,739,532	72,663,853	71,309,613	68,899,130	66,042,714	67,036,489	66,579,275	65,906,383
Differences between expected and actual experience	(1,713,550)	(10,523,277)	(16,689,147)	(16,422,842)	22,854,628	(4,886,531)	3,911,067	(3,684,265)	(2,041,444)	- (B)
Assumption changes	24,927,438	(16,598,645)	(5,578,712) (D)	42,292,759	59,418,045	(59,545,809)	(55,153,649)	131,846,504 (D)	16,248,637	6,650,362
Benefit payments	(72,954,227)	(69,977,396)	(65,981,928)	(65,762,646)	(63,865,309)	(63,603,561)	(59,959,184)	(59,673,662)	(67,107,828)	(58,302,794)
Refunds of Members' contributions	(7,808,563)	(7,856,810)	(5,400,986)	(4,201,135)	(4,683,627)	(4,972,550)	(3,493,396)	(2,963,770)	(2,425,249)	(2,670,671)
Net Change In Total Pension Liability	31,348,549	(15,230,521)	(1,424,078)	46,758,595	100,712,240	(47,740,003)	(30,664,314)	145,179,267	24,231,070	24,575,279
Total Pension Liability Beginning	1,141,728,762	1,156,959,283	1,158,383,361	1,111,624,766	1,010,912,526	1,058,652,529	1,089,316,843	944,137,576	919,906,506	895,331,227
Total Pension Liability Ending (a)	<u>\$ 1,173,077,311</u>	<u>1,141,728,762</u>	<u>1,156,959,283</u>	<u>1,158,383,361</u>	<u>1,111,624,766</u>	<u>1,010,912,526</u>	<u>1,058,652,529</u>	<u>1,089,316,843</u>	<u>944,137,576</u>	<u>919,906,506</u>
<b>System's Fiduciary Net Position</b>										
Contributions - Employer	\$ 37,893,571	37,289,426	32,839,034	35,335,830	35,970,630	33,104,561	33,826,528	30,778,664	30,600,069	32,324,823
Contributions - Members	4,512,743	5,172,235	5,898,084	6,169,551 (F)	5,228,438	5,129,154 (E)	4,653,968	4,376,867	4,487,942	4,438,346
Net investment income (loss)	79,801,713	(102,621,111)	167,070,589	43,802,433	17,514,881	51,089,258	93,520,079	52,927,643	(8,325,611)	48,094,636
Benefit payments	(72,954,227)	(69,977,396)	(65,981,928)	(65,762,646)	(63,865,309)	(63,603,561)	(59,959,184)	(59,673,662)	(67,107,828)	(58,302,794)
Refunds of Members' contributions	(7,808,563)	(7,856,810)	(5,400,986)	(4,201,135)	(4,683,627)	(4,972,550)	(3,493,396)	(2,963,770)	(2,425,249)	(2,670,671)
Administrative expenses	(1,306,479)	(1,242,879)	(1,423,896)	(1,446,227)	(1,572,951)	(1,165,930)	(1,206,161)	(1,102,866)	(1,125,310)	(1,095,653)
Net Change In System's Fiduciary Net Position	40,138,758	(139,236,535)	133,000,897	13,897,806	(11,407,938)	19,580,932	67,341,834	24,342,876	(43,895,987)	22,788,687
System's Fiduciary Net Position Beginning	792,414,640	931,651,175	798,650,278	784,752,472	796,160,410	776,579,478	709,237,644	684,894,768	728,790,755 (C)	706,276,668
System's Fiduciary Net Position Ending (b)	<u>\$ 832,553,398</u>	<u>792,414,640</u>	<u>931,651,175</u>	<u>798,650,278</u>	<u>784,752,472</u>	<u>796,160,410</u>	<u>776,579,478</u>	<u>709,237,644</u>	<u>684,894,768</u>	<u>729,065,355</u>
<b>Net Pension Liability Ending (a)-(b)</b>	<u>\$ 340,523,913</u>	<u>349,314,122</u>	<u>225,308,108</u>	<u>359,733,083</u>	<u>326,872,294</u>	<u>214,752,116</u>	<u>282,073,051</u>	<u>380,079,199</u>	<u>259,242,808</u>	<u>190,841,151</u>

Notes:

- (A) The total pension liability as of the end of each measurement year is measured as of the measurement date (October 1) at the beginning of each year and projected to the end of each year.
- (B) Because the beginning and ending values are based on the same actuarial valuation (September 30, 2013) and there were no significant events, no liability gains or losses due to experience are reported for the year ended September 30, 2014.
- (C) The September 30, 2014 System's fiduciary net position was restated (decreased) by \$274,600 from recording the beginning net pension liability resulting from implementing GASB 68 for the System's staff participation in ERS during the year ended September 30, 2015.
- (D) The actuarial assumptions were updated based on an actuarial experience review for the five-year period (2016 - 2020) and (2011 - 2015), and were first effective with the actuarial valuation as of October 1, 2021 and 2016.
- (E) Proposition P wage increase became effective in July 2018.
- (F) There were Member contributions for 27 payroll periods received during the fiscal year ending September 30, 2020, which happens every 11 years. There were 26 payroll periods during all other fiscal years presented.

**THE POLICE RETIREMENT SYSTEM OF ST. LOUIS**

**SUPPLEMENTAL INFORMATION**

**SCHEDULE OF ACTIVITY OF DEFERRED OUTFLOWS (INFLOWS) OF RESOURCES BY SOURCE BY FISCAL YEAR ESTABLISHED**

	Amortization Factor In Years	For The Year Ended September 30, 2023				Future Recognition In City's Pension Expenses				
		Balance 9/30/2022	Increase (Decrease)	Recognized	Net Change	Balance 9/30/2023	2024	2025	2026	2027
<b>Investment (gains) losses</b>										
2019	5	\$ 8,226,432	-	(8,226,432)	(8,226,432)	-	-	-	-	-
2020	5	5,581,142	-	(2,790,570)	(2,790,570)	2,790,572	2,790,572	-	-	-
2021	5	(65,152,808)	-	21,717,602	21,717,602	(43,435,206)	(21,717,602)	(21,717,604)	-	-
2022	5	133,399,858	-	(33,349,965)	(33,349,965)	100,049,893	33,349,965	33,349,965	33,349,963	-
2023	5	-	(25,697,413)	5,139,483	(20,557,930)	(20,557,930)	(5,139,483)	(5,139,483)	(5,139,483)	(5,139,481)
		<u>82,054,624</u>	<u>(25,697,413)</u>	<u>(17,509,882)</u>	<u>(43,207,295)</u>	<u>38,847,329</u>	<u>9,283,452</u>	<u>6,492,878</u>	<u>28,210,480</u>	<u>(5,139,481)</u>
<b>Assumption changes</b>										
2021	2	(1,859,570)	-	1,859,570	1,859,570	-	-	-	-	-
2022	2	(11,065,763)	-	5,532,882	5,532,882	(5,532,881)	(5,532,881)	-	-	-
2023	2	-	24,927,438	(12,463,719)	12,463,719	12,463,719	12,463,719	-	-	-
		<u>(12,925,333)</u>	<u>24,927,438</u>	<u>(5,071,267)</u>	<u>19,856,171</u>	<u>6,930,838</u>	<u>6,930,838</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Experience (gains) losses</b>										
2021	2	(5,563,049)	-	5,563,049	5,563,049	-	-	-	-	-
2022	2	(7,015,518)	-	3,507,759	3,507,759	(3,507,759)	(3,507,759)	-	-	-
2023	2	-	(1,713,550)	856,775	(856,775)	(856,775)	(856,775)	-	-	-
		<u>(12,578,567)</u>	<u>(1,713,550)</u>	<u>9,927,583</u>	<u>8,214,033</u>	<u>(4,364,534)</u>	<u>(4,364,534)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals		<u>\$ 56,550,724</u>	<u>(2,483,525)</u>	<u>(12,653,566)</u>	<u>(15,137,091)</u>	<u>41,413,633</u>	<u>11,849,756</u>	<u>6,492,878</u>	<u>28,210,480</u>	<u>(5,139,481)</u>

Note: Deferrals are related to future periods with recognition using amortization factors starting with year established:

Investment (gains) losses - 5-year smoothed

Assumption changes - average remaining service lives of current active Members of 2.49 years for 2023 (rounded to the nearest year - 2-year smoothed)

Experience (gains) losses - average remaining service lives of current active Members of 2.49 years for 2023 (rounded to the nearest year - 2-year smoothed)