

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

**SCHEDULES OF PENSION INFORMATION
FOR PARTICIPATING EMPLOYERS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2020 AND 2019**

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Independent Auditors' Report

The Board of Trustees
Public School Retirement System of the City of St. Louis
St. Louis, Missouri

Report on the Schedules

We have audited the accompanying schedules of employer allocations for Public School Retirement System of the City of St. Louis (the "System") as of and for the years ended December 31, 2020 and 2019, and the related notes to the schedules. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension plan expense ("specified column totals") included in the accompanying schedules of pension amounts by employer of the System as of and for the years ended December 31, 2020 and 2019, and the related notes to the schedules.

Management's Responsibility for the Schedules

The System's 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; this includes 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.

Auditors' Responsibility

Our responsibility is to express opinions on the schedules of employer allocations and the specified column totals included in the schedules of pension amounts by employer based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the schedules of employer allocations and specified column totals included in the schedules of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating 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 of employer allocations and specified column totals included in the schedules of pension amounts by employer.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension plan expense for the total of all participating entities of the System as of and for the years ended December 31, 2020 and 2019, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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 years ended December 31, 2020 and 2019, and our report thereon, dated April 19, 2021, expressed an unmodified opinion on those financial statements.

Restriction of Use

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



November 17, 2021

Public School Retirement System of the City of St. Louis
Schedules of Employer Allocations
As of and for the Years Ended December 31, 2020 and 2019

Employer	Employer Name	2020			2019	
		Compensation	Employer Allocation Percentage		Compensation	Employer Allocation Percentage
1	Public Schools Retirement System of the City of St. Louis	\$ 446,482	0.19 %		\$ 509,484	0.21 %
2	St. Louis Public Schools	165,603,997	70.23		174,970,377	72.30
3	Better Learning Communities Academy	-	-		-	-
4	Carondelet Leadership Academy	1,444,117	0.61		2,983,425	1.23
5	City Garden Montessori School	1,737,230	0.74		1,843,892	0.76
6	Confluence Academy	16,759,979	7.11		15,089,353	6.24
7	Construction Career Center	-	-		-	-
8	EAGLE College Preparatory School	3,556,545	1.51		2,992,452	1.24
9	Gateway Science Academy of St. Louis	7,576,331	3.21		7,235,214	2.99
10	Grand Center Arts Academy	1,336,731	0.57		1,876,248	0.78
11	Hawthorn Leadership School for Girls	821,081	0.35		954,875	0.39
12	JAMAA Learning Center	-	-		-	-
13	KIPP Inspire Academy	13,619,421	5.78		12,301,335	5.08
14	La Salle Middle School	883,620	0.37		596,899	0.25
15	Lafayette Preparatory Academy	1,800,752	0.76		1,575,763	0.65
16	Lift for Life Academy	4,739,912	2.01		4,352,027	1.80
17	North Side Community School	2,917,659	1.24		3,034,712	1.25
18	Preclarus Mastery Academy	380,943	0.16		419,162	0.17
19	Premier Charter School	6,792,960	2.88		6,907,993	2.85
20	South City Preparatory Academy	679,328	0.29		696,352	0.29
21	St. Louis Language Immersion School	2,404,014	1.02		2,030,561	0.84
22	The Arch Community School	593,686	0.25		407,258	0.17
23	The Biome	733,926	0.31		822,205	0.34
24	Kairos Academies	386,571	0.16		176,946	0.07
25	The Soulard School	591,710	0.25		232,276	0.10
Total Compensation for all Employers		<u>\$ 235,806,995</u>	<u>100.00 %</u>		<u>\$ 242,008,809</u>	<u>100.00 %</u>

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer
As of and for the Year Ended December 31, 2020

ER#	Employer Name	<u>Net Pension Liability</u>		<u>Deferred Outflows of Resources</u>				
		Beginning Net Pension Liability	Ending Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
1	Public Schools Retirement System of the City of St. Louis	\$ 1,051,687	\$ 688,612	\$ 4,918	\$ -	\$ 82,062	\$ 47,316	\$ 134,295
2	St. Louis Public Schools	273,289,975	255,412,436	1,824,182	-	30,437,088	-	32,261,270
3	Better Learning Communities Academy	-	-	-	-	-	-	-
4	Carondelet Leadership Academy	4,659,875	2,227,273	15,907	-	265,421	261,915	543,243
5	City Garden Montessori School	2,880,015	2,679,345	19,136	-	319,293	290,475	628,904
6	Confluence Academy	23,568,383	25,849,057	184,617	-	3,080,390	4,847,456	8,112,463
7	Construction Career Center	-	-	-	-	-	-	-
8	EAGLE College Preparatory School	4,673,975	5,485,289	39,177	-	653,673	1,924,388	2,617,237
9	Gateway Science Academy of St. Louis	11,300,835	11,685,039	83,456	-	1,392,487	2,040,020	3,515,963
10	Grand Center Arts Academy	2,930,552	2,061,652	14,725	-	245,684	-	260,408
11	Hawthorn Leadership School for Girls	1,491,440	1,266,360	9,044	-	150,910	23,478	183,433
12	JAMAA Learning Center	-	-	-	-	-	-	-

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2020

ER#	Employer Name	Net Pension Liability		Deferred Outflows of Resources				
		Beginning Net Pension Liability	Ending Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
13	KIPP Inspire Academy	\$ 19,213,718	\$ 21,005,348	\$ 150,022	\$ -	\$ 2,503,173	\$ 6,169,178	\$ 8,822,374
14	La Salle Middle School	932,310	1,362,815	9,733	-	162,404	712,506	884,644
15	Lafayette Preparatory Academy	2,461,217	2,777,315	19,836	-	330,968	604,984	955,788
16	Lift for Life Academy	6,797,523	7,310,406	52,212	-	871,169	1,697,545	2,620,926
17	North Side Community School	4,739,982	4,499,931	32,139	-	536,249	525,832	1,094,220
18	Preclarus Mastery Academy	654,698	587,532	4,196	-	70,015	-	74,211
19	Premier Charter School	10,789,742	10,476,839	74,827	-	1,248,508	788,971	2,112,306
20	South City Preparatory Academy	1,087,647	1,047,733	7,483	-	124,857	31,675	164,014
21	St. Louis Language Immersion School	3,171,576	3,707,732	25,481	-	441,844	805,991	1,273,317
22	The Arch Community School	636,104	915,647	6,540	-	109,116	460,015	575,671
23	The Biome	1,284,220	1,131,941	8,084	-	134,892	179,552	322,528
24	Kairos Academies	276,376	596,212	4,258	-	71,050	606,096	681,404
25	The Soulard School	362,800	912,599	6,518	-	108,753	955,227	1,070,498
		<u>\$378,254,650</u>	<u>\$363,687,113</u>	<u>\$ 2,596,491</u>	<u>\$ -</u>	<u>\$ 43,340,006</u>	<u>\$ 22,972,620</u>	<u>\$ 68,909,117</u>

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2020

		<u>Deferred Inflows of Resources</u>					
ER#	Employer Name	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Total Employer Pension Plan Expense
1	Public Schools Retirement System of the City of St. Louis	\$ (9,076)	\$ (352,146)	\$ (119,378)	\$ (126,059)	\$ (606,659)	\$ 13,612
2	St. Louis Public Schools	(3,366,763)	(130,614,084)	(44,278,127)	(14,681,633)	(192,940,607)	5,048,127
3	Better Learning Communities Academy	-	-	-	-	-	-
4	Carondelet Leadership Academy	(29,359)	(1,138,994)	(386,119)	(2,771,035)	(4,325,507)	44,021
5	City Garden Montessori School	(35,318)	(1,370,177)	(464,489)	(135,221)	(2,005,205)	52,956
6	Confluence Academy	(340,734)	(13,218,820)	(4,481,175)	(114,189)	(18,154,918)	510,896
7	Construction Career Center	-	-	-	-	-	-
8	EAGLE College Preparatory School	(72,305)	(2,805,094)	(950,926)	-	(3,828,325)	108,415
9	Gateway Science Academy of St. Louis	(154,028)	(5,975,554)	(2,025,710)	-	(8,155,292)	230,950
10	Grand Center Arts Academy	(27,176)	(1,054,298)	(357,407)	(1,778,014)	(3,216,895)	40,748
11	Hawthorn Leadership School for Girls	(16,693)	(647,597)	(219,535)	(606,987)	(1,490,812)	25,029
12	JAMAA Learning Center	-	-	-	-	-	-

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2020

<u>Deferred Inflows of Resources</u>							
ER#	Employer Name	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Total Employer Pension Plan Expense
13	KIPP Inspire Academy	\$ (276,886)	\$ (10,741,820)	\$ (3,641,473)	\$ -	\$ (14,660,179)	\$ 415,162
14	La Salle Middle School	(17,964)	(696,923)	(236,257)	(90,846)	(1,041,990)	26,935
15	Lafayette Preparatory Academy	(36,610)	(1,420,277)	(481,473)	-	(1,938,360)	54,893
16	Lift for Life Academy	(96,363)	(3,738,432)	(1,267,327)	(6,897)	(5,109,019)	144,487
17	North Side Community School	(59,317)	(2,301,197)	(780,105)	(74,415)	(3,215,033)	88,939
18	Preclarus Mastery Academy	(7,745)	(300,455)	(101,854)	(195,431)	(605,485)	11,612
19	Premier Charter School	(138,102)	(5,357,698)	(1,816,258)	-	(7,312,058)	207,071
20	South City Preparatory Academy	(13,811)	(535,795)	(181,634)	(1,537,160)	(2,268,400)	20,708
21	St. Louis Language Immersion School	(48,874)	(1,896,078)	(642,770)	(722,627)	(3,310,349)	73,282
22	The Arch Community School	(12,070)	(468,248)	(158,736)	(4,795)	(643,849)	18,097
23	The Biome	(14,921)	(578,857)	(196,232)	(127,311)	(917,322)	22,372
24	Kairos Academies	(7,859)	(304,894)	(103,359)	-	(416,112)	11,784
25	The Soulard School	(12,030)	(466,690)	(158,208)	-	(636,928)	18,037
		<u>\$ (4,794,004)</u>	<u>\$ (185,984,128)</u>	<u>\$ (63,048,552)</u>	<u>\$ (22,972,620)</u>	<u>\$ (276,799,304)</u>	<u>\$ 7,188,133</u>

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer
As of and for the Year Ended December 31, 2019

ER#	Employer Name	Net Pension Liability		Deferred Outflows of Resources				
		Beginning Net Pension Liability	Ending Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
1	Public Schools Retirement System of the City of St. Louis	\$ 1,621,273	\$ 1,051,687	\$ -	\$ 176,050	\$ 146,373	\$ 83,586	\$ 406,009
2	St. Louis Public Schools	621,205,925	273,289,975	-	60,460,180	50,268,474	-	110,728,654
3	Better Learning Communities Academy	-	-	-	-	-	-	-
4	Carondelet Leadership Academy	10,265,542	4,659,875	-	1,030,908	857,129	619,903	2,507,940
5	City Garden Montessori School	5,502,713	2,880,015	-	637,148	529,745	507,560	1,674,453
6	Confluence Academy	49,397,394	23,568,383	-	5,214,054	4,335,127	1,478,333	11,027,514
7	Construction Career Center	-	-	-	-	-	-	-
8	EAGLE College Preparatory School	8,308,448	4,673,975	-	1,034,027	859,723	1,262,333	3,156,083
9	Gateway Science Academy of St. Louis	22,517,028	11,300,835	-	2,500,094	2,078,656	1,971,098	6,549,848
10	Grand Center Arts Academy	8,066,133	2,930,552	-	648,329	539,041	-	1,187,370
11	Hawthorn Leadership School for Girls	4,533,839	1,491,440	-	329,952	274,333	128,771	733,056
12	JAMAA Learning Center	-	-	-	-	-	-	-

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2019

ER#	Employer Name	Net Pension Liability		Deferred Outflows of Resources				
		Beginning Net Pension Liability	Ending Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
13	KIPP Inspire Academy	\$ 35,306,940	\$ 19,213,718	\$ -	\$ 4,250,668	\$ 3,534,137	\$ 5,627,346	\$ 13,412,151
14	La Salle Middle School	1,639,402	932,310	-	206,256	171,487	237,561	615,304
15	Lafayette Preparatory Academy	5,290,869	2,461,217	-	544,497	452,712	292,574	1,289,783
16	Lift for Life Academy	12,785,931	6,797,523	-	1,503,822	1,250,324	1,169,039	3,923,185
17	North Side Community School	9,575,180	4,739,982	-	1,048,630	871,864	982,027	2,902,521
18	Preclarus Mastery Academy	1,490,711	654,698	-	144,839	120,424	31,361	296,624
19	Premier Charter School	22,285,676	10,789,742	-	2,387,024	1,984,646	1,134,228	5,505,898
20	South City Preparatory Academy	7,118,183	1,087,647	-	240,621	200,060	165,958	606,639
21	St. Louis Language Immersion School	8,202,007	3,171,576	-	701,651	583,374	-	1,285,025
22	The Arch Community School	1,426,396	636,104	-	140,726	117,004	240,736	498,466
23	The Biome	2,362,070	1,284,220	-	284,109	236,217	355,548	875,874
24	Kairos Academies	-	276,376	-	61,143	50,836	311,764	423,743
25	The Soulard School	-	362,800	-	80,263	66,733	409,257	556,253
		<u>\$838,901,660</u>	<u>\$378,254,650</u>	<u>\$ -</u>	<u>\$ 83,624,991</u>	<u>\$ 69,528,419</u>	<u>\$ 17,008,983</u>	<u>\$170,162,393</u>

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2019

		<u>Deferred Inflows of Resources</u>					
ER#	Employer Name	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Total Employer Pension Plan Expense
1	Public Schools Retirement System of the City of St. Louis	\$ (25,912)	\$ (609,061)	\$ (167,888)	\$ (70,761)	\$ (873,622)	\$ 150,372
2	St. Louis Public Schools	(8,898,839)	(209,167,769)	(57,657,273)	(9,908,506)	(285,632,387)	51,641,891
3	Better Learning Communities Academy	-	-	-	-	-	-
4	Carondelet Leadership Academy	(151,734)	(3,566,525)	(983,116)	-	(4,701,375)	880,547
5	City Garden Montessori School	(93,779)	(2,204,275)	(607,610)	(51,039)	(2,956,703)	544,218
6	Confluence Academy	(767,431)	(18,038,518)	(4,972,333)	(335,335)	(24,113,617)	4,453,569
7	Construction Career Center	-	-	-	-	-	-
8	EAGLE College Preparatory School	(152,193)	(3,577,317)	(986,090)	-	(4,715,600)	883,212
9	Gateway Science Academy of St. Louis	(367,977)	(8,649,312)	(2,384,190)	-	(11,401,479)	2,135,448
10	Grand Center Arts Academy	(95,424)	(2,242,955)	(618,272)	(1,588,703)	(4,545,354)	553,768
11	Hawthorn Leadership School for Girls	(48,564)	(1,141,502)	(314,656)	(622,063)	(2,126,785)	281,828
12	JAMAA Learning Center	-	-	-	-	-	-

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2019

Deferred Inflows of Resources							
ER#	Employer Name	Difference Between Expected and Actual Experience	Changes in Assumptions	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Total Employer Pension Plan Expense
13	KIPP Inspire Academy	\$ (625,635)	\$ (14,705,591)	\$ (4,053,609)	\$ -	\$ (19,384,835)	\$ 3,630,696
14	La Salle Middle School	(30,358)	(713,561)	(196,694)	(204,403)	(1,145,016)	176,173
15	Lafayette Preparatory Academy	(80,142)	(1,883,740)	(519,255)	-	(2,483,137)	465,081
16	Lift for Life Academy	(221,340)	(5,202,616)	(1,434,106)	(58,177)	(6,916,239)	1,284,485
17	North Side Community School	(154,343)	(3,627,837)	(1,000,016)	-	(4,782,196)	895,685
18	Preclarus Mastery Academy	(21,318)	(501,086)	(138,125)	(314,050)	(974,579)	123,714
19	Premier Charter School	(351,334)	(8,258,138)	(2,276,363)	(70,982)	(10,956,817)	2,038,870
20	South City Preparatory Academy	(35,416)	(832,452)	(229,466)	(2,391,138)	(3,488,472)	205,526
21	St. Louis Language Immersion School	(103,273)	(2,427,427)	(669,122)	(1,386,368)	(4,586,190)	599,313
22	The Arch Community School	(20,713)	(486,855)	(134,202)	(7,458)	(649,228)	120,201
23	The Biome	(41,817)	(982,902)	(270,938)	-	(1,295,657)	242,671
24	Kairos Academies	(8,999)	(211,529)	(58,308)	-	(278,836)	52,225
25	The Soulard School	(11,814)	(277,678)	(76,542)	-	(366,034)	68,556
		<u>\$ (12,308,355)</u>	<u>\$ (289,308,646)</u>	<u>\$ (79,748,174)</u>	<u>\$ (17,008,983)</u>	<u>\$ (398,374,158)</u>	<u>\$ 71,428,049</u>

Public School Retirement System of the City of St. Louis
Notes to Schedules
December 31, 2020 and 2019

1. Description of System

General

The Public School Retirement System of the City of St. Louis (the "System") is the administrator of a cost-sharing multiple-employer defined benefit pension plan existing under provisions of the Revised Statutes of the State of Missouri (the "Statutes") to provide retirement benefits for all employees of the Board of Education of the City of St. Louis, of the Charter Schools located within the St. Louis Public School District, and of all employees of the System.

Operations and management of the System are generally prescribed in the Statutes and are supervised by the Board of Trustees. The System's annual reports for December 31, 2020 and 2019 are available at www.psrstl.org.

Membership and Eligibility

All persons employed on a full-time basis by the St. Louis Schools Board of Education, Charter Schools in the City of St. Louis, and the System are members of the plan as a condition of employment.

Benefits

Upon retirement at age 65, or at any age if age plus years of credited service equals or exceeds 80 (Rule of 80) for the years ended December 31, 2020 and 2019, members receive monthly payments for life of yearly benefits equal to years of credited service multiplied by two percent of average final compensation, but not to exceed sixty percent of average final compensation. Early retirement can occur at age 60 with five years of service. The service retirement allowance is reduced five ninths of one percent for each month of commencement prior to age 65 or the age at which the Rule of 80 would apply for the years ended December 31, 2020 and 2019, would have been satisfied had the employee continued working until that age, if earlier.

In lieu of the benefit paid over the lifetime of the member, reduced benefit options are available for survivor and beneficiary payments.

Members are eligible, after accumulation of five years of credited service, for disability benefits prior to eligibility of normal retirement. Survivor benefits are available for qualified beneficiaries of members who die after at least 18 months of active membership.

Public School Retirement System of the City of St. Louis
Notes to Schedules
December 31, 2020 and 2019

Contributions by Members

Member contribution rates are established by state laws and are paid by the employee based on Missouri Revised Statutes 169.440 - 169.597. Active members hired before January 1, 2018 contribute 6.50% and 6.00% of covered compensation for the years ended December 31, 2020 and 2019, respectively. This rate increases 0.50% per year until it reaches 9.00%. After this, the contribution rate will remain at 9.00% of covered compensation. Active members hired on or after January 1, 2018 contribute 9.00% of covered compensation.

Accumulated contributions are credited at the rate of interest established by the Board of Trustees. The current crediting rate is 5.00%.

Contributions by Employers

The System's statutory required contribution rate applied to St. Louis Public Schools and the Retirement System for the year ended December 31, 2020 was 15.50% of annual payroll. For Charter School employers, the System's statutory required contribution rate was set at 15.00% of covered payroll for the year ended December 31, 2020. These contribution rates shall be decreased by 0.50% in each subsequent year until reaching 9.00% of covered payroll. After this, the contribution rate will remain at 9.00% of covered payroll.

The System's statutory required contribution rate applied to St. Louis Public Schools and the Retirement System for the year ended December 31, 2019 was 16.00% of annual payroll. For Charter School employers, the System's statutory required contribution rate was set at 15.50% of covered payroll for the year ended December 31, 2019. These contribution rates shall be decreased by 0.50% in each subsequent year until reaching 9.00% of covered payroll. After this, the contribution rate will remain at 9.00% of covered payroll.

2. Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The schedules of the System have been prepared in accordance with the criteria established by the Governmental Accounting Standards Board ("GASB"), which is the source of authoritative accounting principles generally accepted in the United States of America ("GAAP"), as applied to governmental units. The System's schedules are prepared using the accrual basis of accounting.

The System's employers are required to report pension information in their schedules for periods beginning after June 15, 2014, in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. The Schedules of Employer Allocations and Pension Amounts by Employer provide employers with the required information for financial reporting under that standard.

The underlying financial information used to prepare the pension allocation schedules is based on the System's financial statements, accounting, and payroll reporting systems.

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Member and employer contributions are recognized when due, pursuant to formal commitments and statutory requirements. Benefits and refunds of employee contributions are recognized when due and payable in accordance with the State of Missouri statutes governing the System. Expenses are recognized when the liability is incurred, regardless of when payment is made. Investments are reported at fair value on a trade date basis.

Total employer compensation as of and for the years ended December 31, 2020 and 2019, was used as the basis for determining each employer's proportionate share of the collective pension amounts reported on the schedules.

Use of Estimates

The preparation of schedules in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

The System follows guidance issued by the GASB on fair value measurements, which establishes a framework for measuring fair value, clarifies the definition of fair value within that framework, and expands disclosures about the use of fair value measurements. This guidance applies whenever fair value is the applicable measurement. The three general valuation techniques used to measure fair value are the market approach, cost approach, and income approach.

Subsequent Events

The System has evaluated subsequent events through November 17, 2021, the date the schedules were available to be issued.

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3. Schedules of Employer Allocations

The Schedules of Employer Allocations reflect employer compensation as of and for the years ended December 31, 2020 and 2019 and includes the following for each individual employer:

- employer contributing entity;
- the amount of the employer contributing entity's compensation; and,
- the employer contributing entity's compensation as a percentage of total employer compensation, as defined by this policy.

The components of the net pension liability of the participating employers as of December 31, 2020 and 2019 are as follows:

	<u>2020</u>	<u>2019</u>
Total pension liability	\$ 1,278,464,067	\$ 1,271,294,339
Fiduciary net position	<u>914,776,954</u>	<u>893,039,689</u>
Employers' net pension liability	<u>\$ 363,687,113</u>	<u>\$ 378,254,650</u>
Plan net position as a percentage of total pension liability	71.55 %	70.25 %
Covered employee payroll	\$ 235,806,995	\$ 242,008,809
Employers' net pension liability as a percentage of employee covered payroll	154.23 %	156.30 %

4. Schedules of Pension Amounts by Employer

The Schedules of Pension Amounts by Employer include only certain categories of deferred outflows of resources and deferred inflows of resources. These include differences between expected and actual experience, changes in assumptions, net differences between projected and actual investment earnings on pension plan investments, NMV changes in proportion and differences between employer contributions and proportionate share of contributions. The Schedules do not include deferred outflows/inflows of resources for changes in the employer's proportionate share of contributions or employer contributions made subsequent to measurement date.

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For the year ended December 31, 2020, the System recognized pension expense of \$7,188,133 consisting of the current year contribution, pension liability adjustment, and amortization of deferred outflows and inflows of resources. At December 31, 2020, the System reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,596,491	\$ (4,794,004)
Changes in assumptions	-	(185,984,128)
Net difference between projected and actual earnings on pension plan investments	43,340,006	(63,048,552)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>22,972,620</u>	<u>(22,972,620)</u>
Total	<u>\$ 68,909,117</u>	<u>\$ (276,799,304)</u>

For the year ended December 31, 2019, the System recognized pension expense of \$71,428,049 consisting of the current year contribution, pension liability adjustment, and amortization of deferred outflows and inflows of resources. At December 31, 2019, the System reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (12,308,355)
Changes in assumptions	83,624,991	(289,308,646)
Net difference between projected and actual earnings on pension plan investments	69,528,419	(79,748,174)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>17,008,983</u>	<u>(17,008,983)</u>
Total	<u>\$ 170,162,393</u>	<u>\$ (398,374,158)</u>

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Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in the System's year ending December 31, as follows:

Amortization Schedule	
Year	Amount
2021	\$(114,036,340)
2022	(76,200,044)
2023	(15,263,041)
2024	<u>(2,389,762)</u>
Total	<u>\$(207,889,187)</u>

5. Sensitivity of Net Pension Eligibility to Changes in the Discount Rate

The following presents the net pension liability as of December 31, 2020 and 2019, calculated using the discount rate of 7.50 percent as well as what the net pension liability would have been if it were calculated using a discount rate that is one-percentage-point lower or one-percentage-point higher than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability - 2020	\$ 486,608,990	\$ 363,687,113	\$ 259,414,662
	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability - 2019	\$ 501,254,030	\$ 378,254,650	\$ 273,373,890

The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current plan members.

Under GASB Statement No. 68, employers participating in the plan could recognize a proportionate share of total pension expense of \$7,188,133 and \$71,428,049 for their fiscal years beginning after June 15, 2020 and 2019, respectively.

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6. Actuarial Methods and Assumptions

The information presented in the aforementioned schedules was determined as part of the 2020 and 2019 actuarial valuation prepared by Buck Global, LLC (Buck) in June 2021 and 2020, respectively.

Additional information related to the above actuarial valuation, as applicable for both years presented, is as follows:

	<u>2020</u>	<u>2019</u>
Actuarial cost method	Frozen entry age	Frozen entry age
Rate of investment return	7.50%, net of expenses	7.50%, net of expenses
Participant account interest crediting rate	5.00%	5.00%
Turnover or withdrawal rates	Various by age and year of membership based on actual	Various by age and year of membership based on actual
Mortality and death rates	a) RP-2014 Combined Healthy Mortality Table (rolled back to 2006) for active Members, and deferred vested Members, projected fully generationally using projection scale MP- 2015. b) RP-2014 Combined Healthy Mortality Table (rolled back to 2006) for Inactive (In Receipt) Members adjusted by an additional 10% to account for the higher mortality experienced by the Plan, projected fully generationally using projection scale MP-2015.	a) RP-2014 Combined Healthy Mortality Table (rolled back to 2006) for active Members, and deferred vested Members, projected fully generationally using projection scale MP- 2015. b) RP-2014 Combined Healthy Mortality Table (rolled back to 2006) for Inactive (In Receipt) Members adjusted by an additional 10% to account for the higher mortality experienced by the Plan, projected fully generationally using projection scale MP-2015.
Disability rates	RP-2014 Disability Mortality Table (rolled back to 2006) projected fully generationally using projection scale MP-2015.	RP-2014 Disability Mortality Table (rolled back to 2006) projected fully generationally using projection scale MP-2015.

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	<u>2020</u>	<u>2019</u>
Rates of retirement between the ages of 55 and 70	Various based on actual experience of the System	Various based on actual experience of the System
Rate of salary increases	Salaries are assumed to increase at the rate of 5.0% per year for the first five years of employment and at the rate of 3.5% per year thereafter	Salaries are assumed to increase at the rate of 5.0% per year for the first five years of employment and at the rate of 3.5% per year thereafter
Asset valuation method	The assumed yield method of valuing assets	The assumed yield method of valuing assets

The Unfunded Actuarial Accrued Liability ("UFAAL") was originally determined and frozen as of January 1, 1981. Effective January 1, 2006, the UFAAL was re-determined. The UFAAL is being amortized over thirty (30) years.