

**PUBLIC SCHOOL RETIREMENT SYSTEM
OF THE CITY OF ST. LOUIS**
MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING
April 17, 2023

I. ROLL CALL AND ANNOUNCEMENT OF A QUORUM

The April meeting of the Board of Trustees of the Public School Retirement System of the City of St. Louis (PSRSSTL) was called to order at around 4:34 p.m. on Monday, April 17, 2023. The meeting was conducted by video conference through Zoom and a Livestream on YouTube. Louis Cross, Chairman of the Board of Trustees, was the presiding officer.

Roll Call was taken Angela Banks, Louis Cross, Sheila Goodwin, Shanise Johnson, Donna Jones, Yvette Levy, Martel Mann, Albert Sanders, and Dorris Walker were present. The Board of Trustees had a quorum at the meeting. Trustees Christina Bennett and Bobbie Richardson joined the meeting in progress.

Executive Director Susan Kane, Accounting Specialist Terry Mayes, Attorney Representative Matt Gierse, Auditor Representative Jeanne Dee and Sarah Aloisio were also in attendance.

II. MOTION TO CHANGE AGENDA

Louis Cross made a motion, seconded by Dorris Walker to move "Report of the Attorney" after "Report of the Executive Director" and move "Unfinished Business" after "New Business" on the agenda.

A roll call vote was taken.

Angie Banks	Yes	Louis Cross	Yes	Sheila Goodwin	Yes
Shanise Johnson	Yes	Donna Jones	Yes	Yvette Levy	Yes
Martel Mann	Yes	Albert Sanders	Yes	Dorris Walker	Yes

The motion was carried with nine yes votes.

III. APPROVAL OF MINUTES FROM LAST MEETING

Sheila Goodwin made a motion, seconded by Dorris Walker, to approve the minutes of the Regular Board of Trustees Meeting from February 27, 2023. By voice vote, the motion was carried.

IV. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES

None

V. PRESENTATIONS BY INTERESTED PARTIES

None

VI. CONSENT AGENDA

Sheila Goodwin made a motion, seconded by Dorris Walker, to approve the Retirements and Benefits of March and April 2023. By voice vote, motion carried.

Sheila Goodwin made a motion, seconded by Dorris Walker, to approve the refunds and bills of February and March 2023. By voice vote, motion carried.

VII. REPORT OF THE CHAIRPERSON

The Chairman commented that he recently attended a luncheon with Retired School Employees, with close to 200 individuals in attendance. He shared with this group that it was anticipated a change would be negotiated to provide higher pay for those retired teachers in critical areas who decided to return to work. There was also discussion about a COLA and the conditions that would need to be met before a COLA could be granted.

VIII. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director began her report by covering some items from the Office Update report, including an overpayment situation for one retired member. The family did not report the death of the member resulting in two months of overpayments, totaling around \$7,000. PSRSSTL staff reached out to the bank of the retired member to try to recoup these funds as well as working with the System's bank on a potential fraud claim.

She then pointed out that there were a few conferences coming up in July. She asked those Trustees who were interested to notify her if they were interested in attending so that registration could be processed. A reminder email would be sent out to the Trustees with links to the conferences so they could review and decide which to attend.

The Executive Director then reviewed the RFP Schedule. The Custodian RFP will be discussed at the upcoming Investment Committee meeting. The Attorney and Technology vendor were also on the RFP schedule for 2023. She reviewed the timeline for the Attorney RFP, which would begin with release of Notice in July and continue through selection in October. She indicated that she was still doing some research on the Technology vendor and when the current agreement ends which could change the timing of that RFP.

The Executive Director then introduced Jeanne Dee and Sarah Aloisio from Anders to discuss the 2022 Audit Report. Audit Representative Jeanne Dee began by explaining the format of the report, which was unchanged from the prior year. She also described the purpose of their work during the audit. Ms. Dee indicated that the Anders audit team had awarded the highest-level opinion to the System, meaning that no material deficiencies had been identified and no recommendations for changes in practices were being made. She also explained that Anders had reviewed the comments regarding the System's Annual Report received from the Government Finance Officers Association. The 2022 Audit Report incorporated many of these suggestions to ensure that the Annual Report will meet the requirements from GFOA for the Certificate of Excellence. Finally, she offered to provide more in-depth training for the Trustees on the Audit and the Financial Statement before next year's audit.

The Executive Director concluded this discussion by thanking Accounting Specialist Terry Mayes for all his work throughout the year and during the Audit Process. She then moved on to the renewal for the Crime Insurance policy, which was expiring in May. Travelers offered a one-year renewal. Gallagher was recommending that the Crime Policy be moved to a July renewal, which is the same time frame as the Fiduciary policy. This would require a small increase in premium for the two-month extension.

Sheila Goodwin made a motion, seconded by Louis Cross, to accept the renewal from Traveler's Insurance for the Crime Policy as recommended by Gallagher, the System's Business Insurance consultant.

A roll call vote was taken.

Angie Banks	Yes	Christina Bennett	Yes	Louis Cross	Yes
Sheila Goodwin	Yes	Shanise Johnson	Yes	Donna Jones	Yes
Yvette Levy	Yes	Martel Mann	Yes	Bobbie Richardson	Yes
Albert Sanders	Yes	Dorris Walker	Yes		

The motion was carried with eleven yes votes.

The Executive Director concluded her report with a discussion on PSRSSTL staffing. Insurance Benefits Specialist Dawn Waters was retiring in the next few weeks. She requested that the Trustees approve a period of 10 days throughout the rest of 2023 for Dawn to return and assist in training of the new Insurance Benefits Specialist, when selected. After discussion on this issue, including cross training and development of procedures, was concluded, Albert Sanders made a motion, seconded by Bobbie Richardson, to authorize the incumbent Insurance Benefits Specialist to work no more than 10 days as needed after retirement to assist in providing training.

A roll call vote was taken.

Angie Banks	Yes	Christina Bennett	Yes	Louis Cross	Yes
Sheila Goodwin	Yes	Shanise Johnson	Yes	Donna Jones	Yes
Yvette Levy	Yes	Martel Mann	Yes	Bobbie Richardson	Yes
Albert Sanders	Yes	Dorris Walker	Yes		

The motion was carried with eleven yes votes.

IX. REPORT OF THE ATTORNEY

The Attorney Representative recommended that his report be conducted in closed session. Sheila Goodwin made the motion, seconded by Bobbie Richardson, to close the meeting, and that all records and votes, to the extent permitted by law, pertaining to and/or resulting from this closed meeting be closed under R.S.MO § 610.021 (1) and (12) for the purpose of having a confidential or privileged communication with the legal counsel for the PSRSSTL on legal matters.

A roll call vote was taken.

Angie Banks	Yes	Christina Bennett	Yes	Louis Cross	Yes
Sheila Goodwin	Yes	Shanise Johnson	Yes	Donna Jones	Yes
Yvette Levy	Yes	Martel Mann	Yes	Bobbie Richardson	Yes
Albert Sanders	Yes	Dorris Walker	Yes		

The motion was carried with eleven yes votes and the meeting continued in closed session.

The Trustees did not approve any motions during the closed session. At the conclusion of the discussion, Bobbie Richardson made a motion, seconded by Dorris Walker, to open the meeting, pursuant to Section 610.021, of the Missouri Revised Statutes.

A roll call vote was taken.

Angie Banks	Yes	Christina Bennett	Yes	Louis Cross	Yes
Sheila Goodwin	Yes	Shanise Johnson	Yes	Donna Jones	Yes
Bobbie Richardson	Yes	Albert Sanders	Yes	Dorris Walker	Yes

The motion was carried with nine yes votes.

X. REPORT OF THE INVESTMENT CONSULTANT

None

XI. REPORT OF THE ACTUARY

The Executive Director mentioned that she would work with the Trustee Business Committee Co-Chairs to schedule training on Actuarial basics prior to the Valuation Report being presented at the June Board meeting.

XII. REPORTS OF COMMITTEES OF THE BOARD OF TRUSTEES

Benefits Committee

No report

Trustee Business Committee

No report

Investment Committee

No report

Legislative, Rules & Regulations Committee

No report.

Personnel & Professional Contracts Committee

No report.

XIII. NEW BUSINESS

None

XIV. UNFINISHED BUSINESS

After Trustee Goodwin excused herself from the conference room, Shanise Johnson made a motion to not approve reimbursement of travel expenses submitted by Trustee Goodwin in the amount of \$2,787.36 for an international conference. The motion was seconded by Dorris Walker

A roll call vote was taken.

Angie Banks	Yes	Christina Bennett	Yes	Louis Cross	Abstain
Shanise Johnson	Yes	Donna Jones	Yes	Bobbie Richardson	Abstain
Albert Sanders	Yes	Dorris Walker	Yes		

The motion was carried with six yes votes.

When Trustee Goodwin returned, Chairman Cross explained that the Trustees had voted not to approve the Travel expenses that she had submitted.

XV. ADJOURNMENT

Since there was no further business, Albert Sanders made a motion, seconded by Bobbie Richardson, to adjourn the meeting. By voice vote, motion carried, and the meeting adjourned at around 6:39 p.m.

Attachments:

- Retirement & Benefit: March and April 2023
- Refunds—February and March 2023
- 2022 Audited Financial Statements and Governance Letter

Distributions - February, 2023

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS (B+C)	FEDERAL TAXES W/H	NET PAY	STATUS A(ctive) R(etired)	REASON D(eath) S(eparation)	NOTES	DEC SSN
079519	02/02/23	CANALE	AMAYA E	15,794.38	1,579.44	14,214.94	A	D	DEC: JESSICA CANALE	
075920	02/02/23	EMERSON	EZRA E	51,389.17		51,389.17	A	D	DEC: CAROLYN C EMERSON	
079343	11/28/22	LINDSEY	BRANDACE	(9,000.00)		(9,000.00)	A	S	VOID AND REISSUE	
079344	11/28/22	LINDSEY	BRANDACE	(9,747.97)	(1,949.59)	(7,798.38)	A	S	VOID AND REISSUE	
079521	02/02/23	LINDSEY	BRANDACE	9,000.00		9,000.00	A	S	VOID AND REISSUE	
079522	02/02/23	LINDSEY	BRANDACE	9,747.97	1,949.59	7,798.38	A	S	VOID AND REISSUE	
079523	02/02/23	PERKOWSKI	KENNETH F	5,724.26		5,724.26	A	D	DEC: CHRISTINA PERKOWSKI	
079581	02/28/23	AVERY III	GLEN	3,970.09	794.02	3,176.07	A	S		
079628	02/28/23	BERTARELLI	MAUREEN	8,020.89	1,604.18	6,416.71	A	S	MOME (ROTH)	
079583	02/28/23	BRIDGES	CARLA	2,371.22	474.24	1,896.98	A	S	CA KIPP	
079584	02/28/23	BRYANT	JANELLE	5,093.40	1,018.68	4,074.72	A	S		
079585	02/28/23	BURRESS	BETHANY M	12,643.81	2,528.76	10,115.05	A	S	SOUL	
079586	02/28/23	BURTON	PATRICIA	455.17	91.03	364.14	A	S		
079587	02/28/23	CARLBERG-SNYDER	CAROL	13,169.53	2,633.91	10,535.62	A	S		
079588	02/28/23	CREAR	RAHMAD	6,508.65	1,301.73	5,206.92	A	S		
079589	02/28/23	DARRIS	EDMUND	19,397.25		19,397.25	A	S		
079590	02/28/23	DECLUE	TIFFANY	6,119.91	1,223.98	4,895.93	A	S		
079591	02/28/23	DELGADO	JASMIN	9,367.00	1,873.40	7,493.60	A	S		
079592	02/28/23	ENGLISH	TONYA P	21,818.90	4,363.78	17,455.12	A	S		
079593	02/28/23	FAIR	KERRI L	5,047.43	1,009.49	4,037.94	A	S	SOUL	
079594	02/28/23	FIELDS	CLIFFORD D	6,000.00		6,000.00	A	S		
079595	02/28/23	FIELDS	CLIFFORD D	22,266.17	4,453.23	17,812.94	A	S		
079596	02/28/23	FRAMPUS	CHRISTINE	38,366.93		38,366.93	A	S	CCC/KIPP	
079597	02/28/23	FRANKLIN	WILLIAM	17,086.46	3,417.29	13,669.17	A	S		
079598	02/28/23	GALINDO	MARY	1,239.20	247.84	991.36	A	S		
079599	02/28/23	GATHING	DAMOND	1,188.20	237.64	950.56	A	S		
079600	02/28/23	GILBERT	KEILAH	1,239.34	247.87	991.47	A	S		
079601	02/28/23	GOODWIN	SUZANNE	14,283.62		14,283.62	A	S		
079602	02/28/23	HALL	TAWANA	53,427.56	10,685.51	42,742.05	A	S	ICP IAAS SLPS	
079603	02/28/23	HALL	TYESHA	8,555.65	1,711.13	6,844.52	A	S		
079604	02/28/23	HARPER	HENRY	1,225.72	245.14	980.58	A	S		
079605	02/28/23	HARRIS	LEAH	25,807.19		25,807.19	A	S	NSCS	
079606	02/28/23	HAWKINS	TEREK	5,383.36	1,076.67	4,306.69	A	S	MOME	
079607	02/28/23	HAYNES	SHON	901.49	180.30	721.19	A	S		
079608	02/28/23	HURST	EMMA	4,578.46	915.69	3,662.77	A	S		
079609	02/28/23	JOHNSON	TERRANCE	10,510.89	2,102.18	8,408.71	A	S		
079610	02/28/23	KENNEMER	LEAH	39,299.42		39,299.42	A	S		
079611	02/28/23	LEE	JAMIE	793.45	158.69	634.76	A	S		
079612	02/28/23	MCCALL	DANIEL I	2,409.34	481.87	1,927.47	A	S	CA	
079613	02/28/23	MCNEAL	SUSAN M	2,068.61	413.72	1,654.89	A	S	CA	

Distributions - February, 2023

[illegible]

Distributions - March, 2023

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS (B+C)	FEDERAL TAXES W/H	NET PAY	STATUS A(ctive) R(etired)	REASON D(eath) S(eparation)	NOTES	
079650	03/09/23	DELEON	JESSIE	50,000.00	10,000.00	40,000.00	A	D	ANJANETTE M DELEON	
079651	03/09/23	DELEON	JESSIE	66,043.31		66,043.31	A	D	ANJANETTE M DELEON	
079497	01/31/23	MCSALLEY	RHONDA	(2,107.62)		(2,107.62)	A	S	TACS VOID AND REISSUE	
079649	03/09/23	MCSALLEY	RHONDA	2,107.62		2,107.62	A	S	TACS VOID AND REISSUE	
079676	03/29/23	ANDREWS	MIA	1,719.02	343.80	1,375.22	A	S	KIPP/SLPS	
079677	03/29/23	BADEN	TRACY	4,131.74	826.35	3,305.39	A	S	BIOM	
079678	03/29/23	BROOKS	JOSEPH	1,614.26	322.85	1,291.41	A	S		
079679	03/29/23	BUCHANAN	DESHON	3,815.74	763.15	3,052.59	A	S	MOME	
079680	03/29/23	CLAY	SONJA	30,779.34		30,779.34	A	S	EHL-E SLPS IACA	
079681	03/29/23	COTTON	CHERRY	53,586.24	10,717.25	42,868.99	A	S		
079682	03/29/23	DAHL	SHALIE	7,981.33	1,596.27	6,385.06	A	S	GSA	
079683	03/29/23	DIEKHOFF	JACQUELINE	7,539.75	1,507.95	6,031.80	A	S	SLIS	
079684	03/29/23	DIEL	KAYLA	6,992.14	1,398.43	5,593.71	A	S		
079685	03/29/23	ELLIS	DANIELLE	2,382.23	476.45	1,905.78	A	S	KAIRO	
079686	03/29/23	FERGESON	CECILY	9,264.93		9,264.93	A	S	CA	
079687	03/29/23	FOSTER	LAWRENCE	8,465.57	1,693.11	6,772.46	A	S	MOME KAIRO	
079688	03/29/23	FRANKENBERG	STACY M	14,350.00	2,870.00	11,480.00	A	S	CA	
079689	03/29/23	FREMDER	CASSANDRA	3,779.27	755.85	3,023.42	A	S		
079690	03/29/23	GATES	CHARETTA	19,665.61	3,933.12	15,732.49	A	S		
079691	03/29/23	GRANT	IVY	16,941.91		16,941.91	A	S		
079692	03/29/23	GREGORY	KENYOTA	1,421.56	284.31	1,137.25	A	S	CA	
079693	03/29/23	JONAS	BRANDON	3,589.82		3,589.82	A	S	KAIRO	
079694	03/29/23	KAMRA	FATIMA	12,009.25	2,401.85	9,607.40	A	S	KIPP	
079695	03/29/23	KELLEY	CHRISTINA	8,187.09	1,637.42	6,549.67	A	S		
079696	03/29/23	LANG-WILLIAMS	JESSICA	27,948.66	5,589.73	22,358.93	A	S		
079697	03/29/23	LARSON	ADDIE	1,636.68	327.34	1,309.34	A	S	KAIRO	
079698	03/29/23	MARCH	SAMANTHA	47,933.99	9,586.80	38,347.19	A	S		
079699	03/29/23	MARTIN	LAKISHA A	33,863.19	6,772.64	27,090.55	A	S	CA	
079700	03/29/23	MAUNE	JAMEY	7,805.14	1,561.03	6,244.11	A	S		
079701	03/29/23	NEWMAN	HERVEY L	30,378.44	6,075.69	24,302.75	A	S		
079702	03/29/23	NORDIKE	COREY	29,203.14		29,203.14	A	S		
079703	03/29/23	NOVAK	MEREDITH	16,145.20		16,145.20	A	S		
079704	03/29/23	PITTS	ALANDON	35,883.55	7,176.71	28,706.84	A	S		
079705	03/29/23	ROSE	NICOLE	15,882.21	3,176.44	12,705.77	A	S		
079706	03/29/23	SALINGS	DYNESSE	14,524.97	2,904.99	11,619.98	A	S		
079707	03/29/23	SAMPSON	DANIELLE	18,431.27	3,686.25	14,745.02	A	S	GCAA CA	
079708	03/29/23	SANDERS	LARONDA T	2,866.36	573.27	2,293.09	A	S		
079709	03/29/23	SMITH	ERIN N	17,263.09		17,263.09	A	S	CA	
079710	03/29/23	STICKLAND-CHAMBLISS	MADELINE	3,854.91		3,854.91	A	S	GSA	
079711	03/29/23	WILLIAMS	DOMINQUE	2,764.02	552.80	2,211.22	A	S	KIPP	
079712	03/29/23	WULFERT	SUSANNA K	13,006.85	2,601.37	10,405.48	A	S	TACS	
TOTAL				\$ 653,651.78	\$ 92,113.22	\$ 561,538.56				

Public School Retirement System of the City of St. Louis Checks Written During the Month of February, 2023			
Payee	Ck. Number	Description	Amount
Date Paid February 6, 2023			
Ameren Missouri	79524	Electric Service	2,204.70
ACC Business	79525	Telephone Fiberoptics	608.66
Charter Communications	79526	Charter Internet and Voice	219.96
Republic Services #346	79527	Trash Pick-Up	332.86
St. Louis Mat & Linen Company	79528	Floor Mats	208.00
HITS Scanning Solutions	79529	Image Hosting for Dec. 2022, Scanned Images	629.09
Scottish Rite Preservation	79530	February 2023 Parking - 2 Employees	146.00
Office Essentials	79531	Office Supplies	508.11
Blade Technologies, Inc.	79532	Professional Services	51.00
Tech Electronics, Inc.	79533	Monitoring of Fire and Security Alarm	360.00
Softchoice Corporation	79534	Microsoft Software Licenses	709.00
Advanced Medical Reviews	79535	Janice Gray	234.90
Arthur J. Gallagher Risk Mgmt. Services, Inc.	79536	Cyber Liability Policy	18,451.00
Arthur J. Gallagher Risk Mgmt. Services, Inc.	79537	Public Official Bond Renewal-Sheila P. Goodwin	1,296.00
Causeway Capital Management LLC	79539	4th Quarter 2022 Management Fee	72,120.72
Fidelity Institutional Asset Mgmt. Trust Company	79540	4th Quarter 2022 Management Fee	56,708.79
INTECH Investment Management LLC	79541	4th Quarter 2022 Management Fee	21,824.80
Manulife Investment Management U.S. LLC	79542	4th Quarter 2022 Management Fee	26,295.84
TCW Asset Management Company	79543	4th Quarter 2022 Management Fee	38,686.29
Westfield Capital Management Company LP	79544	4th Quarter 2022 Management Fee	60,833.53
Xponance, Inc.	79545	4th Quarter 2022 Management Fee	8,052.83
US Bank	79546	4th Quarter 2022 Custodial Fee	23,022.99
Board of Education St. Louis Benefits Trust	79547	Office Employees Insurance - Dental	189.56
Board of Education St. Louis Benefits Trust	79548	Office Employees Insurance - Vision	16.66
Board of Education St. Louis Benefits Trust	79549	Office Employees Insurance - Life	200.20
Arthur J. Gallagher Risk Mgmt. Services, Inc.	79551	Endorsement to Extend Policy	537.00
Date Paid February 10, 2023			
Office Payroll	ACH	Office Payroll	12,596.83
AXA Equitable	ACH	457 Contributions	1,500.00
Integrated Payroll Services (IPS)	ACH	Payroll Processing Fee	147.18
Stericycle, Inc.	79552	Document Shredding	131.63
A-Arrow Lock & Key Co.	79553	Various Keys and Locks	195.00
Date Paid February 22, 2023			
Absopure Water Company	79554	Water Cooler Service	37.85
Blade Technologies, Inc.	79555	Professional Services	3,122.14
Gallagher Benefit Services, Inc.	79556	Group Ins. Consulting Services Monthly Fee	3,320.25
Konika Minolta Business Solutions USA Inc.	79557	Service for Copier C360I, C364E	241.63
Purchase Power	79558	Postage	500.00
Buck Global, LLC	79559	Actuarial & Consulting Services - January 2023	6,315.00
Mitel	79560	Telephone Service	289.33
Midwest Elevator Co., Inc.	79561	Monthly Maintenance	352.00
Hartnett Reyes-Jones L.L.C.	79562	Legal Fees	7,966.50
BuildingStars STL Operations, Inc.	79563	Janitorial Services	1,386.00
MSD	79564	Sewer Service	59.72
Specialty Mailing	79565	Daily Pick-Up	180.00
Blue Chip Pest Services	79566	Pest Control	46.00
HITS Scanning Solutions	79567	Imaging Hosting For Jan. 2023, Scanned Images	478.92
Office Essentials	79568	Office Supplies	744.84
Anders CPAs & Advisors	79569	Form 1099 Processing, Audit of Financial Stmtns.	10,700.00
Minuteman Press	79570	Return Address Envelopes, Business Cards	463.25
American Solutions For Business	79571	Laser Checks - Operating Accountant	336.17
Susan Kane	79572	Office Supplies	177.37
Intelica Commercial Real Estate	79573	Building Mgmt Fee - Jan. & Feb. 2023	2,000.00
Intelica Commercial Real Estate	79574	Engineer Services	1,029.55
Intelica Commercial Real Estate	79575	Supplies	189.66
Murphy Company	79576	Furnace Repair - In Process	360.00
Green Sky Cleaning Supply	79577	Janitorial Supplies	968.86
The Edgar Lomax Company	79578	4th Quarter 2022 Management Fee	78,798.94

Public School Retirement System of the City of St. Louis			
Checks Written During the Month of February, 2023			
<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
Mellon Investments Corporation	79579	4th Quarter 2022 Management Fee	1,612.44
Mellon Investments Corporation	79580	4th Quarter 2022 Management Fee	1,630.49
Date Paid February 24, 2023			
Office Payroll	ACH	Office Payroll	12,596.83
AXA Equitable	ACH	457 Contributions	1,500.00
Integrated Payroll Services (IPS)	ACH	Payroll Processing Fee	67.36
		TOTAL	\$486,490.23

Public School Retirement System of the City of St. Louis Checks Written During the Month of March, 2023			
Payee	Ck. Number	Description	Amount
Date Paid March 6, 2023			
Ameren Missouri	79629	Electric Service	2,349.04
ACC Business	79630	Telephone Fiberoptics	608.66
Charter Communications	79631	Charter Internet and Voice	177.95
Republic Services #346	79632	Trash Pick-Up	332.86
St. Louis Mat & Linen Company	79633	Floor Mats	208.00
HITS Scanning Solutions	79634	Image Hosting, Scanned Images	615.27
Scottish Rite Preservation	79635	March 2023 Parking - 2 Employees	146.00
Office Essentials	79636	Office Supplies	396.89
Tech Electronics, Inc.	79637	New LNL-X2220 System, Professional Services	4,595.24
Advanced Medical Reviews	79638	Shantrell Berry-Newman	234.90
BildingStars STL Operations, Inc.	79639	Janitorial Services	1,386.00
Stericycle, Inc.	79640	Document Shredding	135.60
The Hartford	79641	Workers Compensation	87.00
St. Louis American	79642	Classified Ad - Insurance Benefits Specialist	268.00
Intelica Commercial Real Estate	79643	Supplies	109.34
Board of Education St. Louis Benefits Trust	79644	Office Employees Insurance - Dental	189.56
Board of Education St. Louis Benefits Trust	79645	Office Employees Insurance - Vision	20.54
Board of Education St. Louis Benefits Trust	79646	Office Employees Insurance - Life	200.22
Date Paid March 10, 2023			
Office Payroll	ACH	Office Payroll	12,596.81
AXA Equitable	ACH	457 Contributions	1,500.00
Integrated Payroll Services (IPS)	ACH	Payroll Processing Fee	59.95
Date Paid March 14, 2023			
Internal Revenue Service	79652	945 Payment for 12/31/2021	55.17
Date Paid March 20, 2023			
Absopure Water Company	79653	Water Cooler Service	12.00
Blade Technologies, Inc.	79654	Professional Services	3,316.14
Gallagher Benefit Services, Inc.	79655	Group Ins. Consulting Services Monthly Fee	3,320.25
Konika Minolta Business Solutions USA Inc.	79656	Service for Copier C360I, C364E	232.85
Purchase Power	79657	Postage	1,000.00
Buck Global, LLC	79658	Actuarial & Consulting Services - February 2023	6,265.00
Mitel	79659	Telephone Service	313.38
Midwest Elevator Co., Inc.	79660	Monthly Maintenance	352.00
Hartnett Reyes-Jones L.L.C.	79661	Legal Fees	4,817.50
MSD	79662	Sewer Service	54.37
Specialty Mailing	79663	Daily Pick-Up	190.00
Blue Chip Pest Services	79664	Pest Control	50.00
Pitney Bowes Global Financial Services LLC	79665	Lease Charges	1,256.22
Pension Benefit Information, LLC	79666	Death Audit-CertiDeath-Continuous Monitoring	12,000.00
Randy Elam	79667	DNS Renewal, MS Renewal, GoDaddy Renewal	1,139.97
St. Louis American	79668	Classified Ad - Insurance Benefits Specialist	268.00
St. Louis Post Dispatch	79669	Classified Ad - Insurance Benefits Specialist	654.88
Murphy Company	79670	Furnace Repair - Thermostat Repair	5,377.00
Bell Electrical Contractors	79671	Repair Outdoor Light	417.50
Intelica Commercial Real Estate	79672	Building Management Fee-March 2023	1,000.00
Intelica Commercial Real Estate	79673	Engineer Services	734.53
Date Paid March 24, 2023			
Office Payroll	ACH	Office Payroll	12,596.81
AXA Equitable	ACH	457 Contributions	1,500.00
Integrated Payroll Services (IPS)	ACH	Payroll Processing Fee	67.36
ZOOM Video Communications, Inc.	79674	Cloud Recording and Webinar 500 Annual	1,029.90

Public School Retirement System of the City of St. Louis Checks Written During the Month of March, 2023			
<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
Specialty Mailing	79675	Postage - Retiree Newsletter	1,259.81
Date Paid March 31, 2023			
Specialty Mailing	79713	Postage - Active Newsletter	1,509.68
Pensions & Investments	79714	P & I Subscriptions	4,735.00
		TOTAL	\$91,743.15

April 18, 2023

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

We have audited the financial statements of the Public School Retirement System of the City of St. Louis (the "System") for the year ended December 31, 2022 and have issued our report thereon dated April 18, 2023. Professional standards require that we provide you with the following information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 13, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the System are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2022. We noted no transactions entered into by the System during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of certain investments is based on quoted market values provided by the custodian of the investments. The various investments shown at fair values are U.S. Government and agency bonds, corporate bonds, foreign investments, common and preferred stocks, and mutual funds.

Management's estimate of the fair value of the real estate partnerships is based on values provided by the insurance companies of the investments.

Management's estimate of the fair value of the limited partnerships is based on valuations of the underlying companies of the limited partnerships as reported by the general partners.

Management's estimate of the fair value of the alternative investments is based upon audited financial statements, cash flow analysis, purchases and sales of similar investments, other practices used within the industry, or other information provided by the underlying investment advisors.

Management's estimate of employers' net pension liability is based upon actuarial reports received from the certified actuary.

Management's estimate of funding progress is based upon actuarial reports received from the certified actuary.

We evaluated the key factors and assumptions used to develop the aforementioned estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The System has a significant amount of investments. Approximately 99% of the System's assets consist of investments that are subject to market risk. Cost and fair values are described in Note 3 to the financial statements.

The disclosures relating to the System's investment appreciation as described in Note 3 to the financial statements are based on fair values and costs received from the System's independent investment custodian and insurance companies. These disclosures in the financial statements will be updated annually based on future investment custodian and insurance reports.

The disclosure of investments, as described in Note 4 to the financial statements, is based upon fair values, as determined by Government Standards Board Accounting Standards No. 72, and costs certified by U.S. Bank, the custodian for the Plan. These disclosures in the financial statements will be updated annually based on future investment fair value and cost.

The disclosures relating to the System's debt investments, as described in Note 5 to the financial statements, were based on the ratings from Moody's Investor Services ("Moody's") and the ratings are presented using the Moody's rating scale. These disclosures in the financial statements will be updated annually based on future investment bond holdings.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The uncorrected misstatements or the matters underlying them could potentially cause future period financial statements to be materially misstated, even though, in our judgment, such uncorrected misstatements are immaterial to the financial statements under audit. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 18, 2023.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the System's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the System's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the other supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

With respect to the annual report, management will provide us with the final version of the annual report when available for our review prior to issuance.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of Public School Retirement System of the City of St. Louis and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully submitted,

Anders Minkler Huber & Helms LLP

**PUBLIC SCHOOL
RETIREMENT SYSTEM**
OF THE CITY OF ST LOUIS

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Financial Statements with Required Supplementary
Information and Other Supplementary Information and
Independent Auditors' Report

YEARS ENDED DECEMBER 31, 2022 AND 2021



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Independent Auditors' Report

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

Opinion

We have audited the accompanying financial statements of Public School Retirement System of the City of St. Louis (the "System"), which comprise the statements of fiduciary net position as of December 31, 2022 and 2021, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of Public School Retirement System of the City of St. Louis as of December 31, 2022 and 2021, and the changes in its 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements 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 audits. 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 System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the other required supplementary information, 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 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 audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the System's basic financial statements. The other supplementary information on pages 42 - 48 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 financial statements. The information has been subjected to the auditing procedures applied in the audits 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 auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

A handwritten signature in blue ink that reads "Anders Minkler Huber & Helms LLP". The signature is written in a cursive, flowing style.

April 18, 2023

**Public School Retirement System of the City of St. Louis
Management's Discussion and Analysis
Year Ended December 31, 2022**

The Management Discussion and Analysis ("MD&A") for the Public School Retirement System of the City of St. Louis ("PSRSSTL") provides an overview of PSRSSTL financial activities for the fiscal year ended December 31, 2022. This MD&A is presented as required supplementary information to the financial statements and should be read in conjunction with the PSRSSTL financial statements, notes to the financial statements, required supplementary information, and other supplementary information.

The basic financial statements contained in this section of the MD&A consist of:

- The Condensed Statements of Fiduciary Net Position illustrate the System's assets, liabilities, and resulting fiduciary net position where $\text{Assets} + \text{Deferred Outflows} - \text{Deferred Inflows} - \text{Liabilities} = \text{Fiduciary Net Position}$ held in trust for pension benefits available at the end of a fiscal year. These statements are a snapshot of the financial position of the System at specific points in time.
- The Condensed Statements of Changes in Fiduciary Net Position summarize the System's financial transactions throughout a fiscal year where $\text{Additions} - \text{Deductions} = \text{Change in Fiduciary Net Position}$. These statements support the change from the prior year's net position on the Statements of Fiduciary Net Position.
- The Notes to the Financial Statements are an integral part of these basic financial statements and contain information that helps better understand them.
- The required supplementary MD&A information, the Required Supplementary Information, and Other Supplementary Information following the Notes to the Financial Statements provide detailed historical information that is useful in evaluating the condition of the retirement plan administered by PSRSSTL.

The deferred outflow of resources on December 31, 2022, was \$331,381, which was more than a 54% increase from the prior year. On December 31, 2021, the deferred outflow of resources was \$214,501, which was more than a 55% increase from December 31, 2020. The deferred outflow of resources on December 31, 2020 was \$480,318.

The deferred inflows of resources as of December 31, 2022 was \$413,750, which is a more than 30% increase from the prior year. As of December 31, 2021, the deferred inflows of resources was \$606,659, which was an increase of 30% from the prior year. The deferred inflows of resources on December 31, 2020 was \$873,622.

The System's fiduciary net position was \$817,867,979 at December 31, 2022, which represents a decrease of \$154,959,677 from December 31, 2021. This decrease was due to investment returns during the 2022 fiscal year that were below the System's assumed rate of return. The performance results decreased the System's asset values for most investment categories at December 31, 2022.

**Public School Retirement System of the City of St. Louis
Management's Discussion and Analysis
Year Ended December 31, 2022**

The System's investment returns were -10.99% in fiscal year 2022, 12.4% in fiscal year 2021, and 8.9% in fiscal year 2020. The System's investment return in fiscal year 2022, when compared to fiscal year 2021, represents decreases in investment values for most asset categories while volatility continued in the financial markets during the one year period. Predicting conditions in the marketplace is always challenging yet the Board of Trustees stands behind a sound Asset Allocation Policy by remaining focused on active monitoring of its money managers and long-term investment objectives. The actuarial assumed rate of return set by the Board of Trustees changed to 7.0% in fiscal year 2021.

Additions to fiduciary net position were -\$39.1 million, \$173.2 million, and \$136.3 million for fiscal years 2022, 2021, and 2020 respectively. The two highest additions to fiduciary net position in 2022 were employer contributions of \$41.0 million and member contributions of \$22.8 million. The main additions to fiduciary net position in 2021 were net investment income of \$116.0 million and employer contributions of \$41.2 million. The main additions to fiduciary net position during 2020 were \$69.4 million of net investment income and \$41.8 million of employer contributions.

Deductions from fiduciary net position were \$115.9 million, \$115.2 million and \$114.6 million in fiscal years 2022, 2021 and 2020, respectively. Overall, most deductions, including operating expenses, decreased from the prior year, but the large increase in refunds to members drove the overall slight increase in deductions from fiduciary net position from 2022 to 2021. The increase in fiduciary net position between fiscal years 2021 and 2020 was due mainly to the increase in income in fiscal year 2021.

FINANCIAL STATEMENTS

The PSRSSTL financial report consists of two financial statements, (1) the Statements of Fiduciary Net Position, and (2) the Statements of Changes in Fiduciary Net Position. The Statements of Fiduciary Net Position provide details concerning PSRSSTL assets and liabilities other than long-term benefit obligations. However, PSRSSTL assets are the only source available to the System to pay pension benefits. The Statements of Changes in Fiduciary Net Position provide details regarding PSRSSTL financial activity during fiscal year 2022 that caused the change in fiduciary net position from fiscal year 2021 to fiscal year 2022.

Additionally, the financial report contains notes, supplementary information and actuarial data that provide further information to use while analyzing the System's financial statements.

FINANCIAL ANALYSIS

On December 31, 2022, total assets and deferred outflow of resources of the System were \$819,672,337. Total assets consisted of cash, receivables, investments and an office building. When compared to fiscal year 2021, total assets and deferred outflows in fiscal year 2022 decreased by 15.9%, or \$155,269,386, and can be attributed to lower than expected investment returns.

**Public School Retirement System of the City of St. Louis
Management's Discussion and Analysis
Year Ended December 31, 2022**

On December 31, 2022, total liabilities and deferred inflow of resources of the System were \$1,804,358. Total liabilities consisted of accounts payable and accrued expenses and net pension liability. Total liabilities and deferred inflows in fiscal year 2022, when compared to fiscal year 2021, decreased by \$309,709, primarily because of the decrease in the System's deferred inflow of resources as required by GASB Statement No. 68.

On December 31, 2022, the fiduciary net position restricted for pensions was \$817,867,979, a decrease of 15.9%, or \$154,959,677, from fiscal year 2021.

On December 31, 2021, total assets and deferred outflow of resources of the System were \$974,941,723. Total assets consisted of cash, receivables, investments and an office building. When compared to fiscal year 2020, total assets and deferred outflows in fiscal year 2021 increased by 6.3%, or \$57,371,533, and can be attributed to higher than expected investment returns.

On December 31, 2021, total liabilities and deferred inflow of resources for the System were \$2,114,067. Total liabilities consisted of accounts payable, accrued expenses, and net pension liability. Total liabilities and deferred inflows in fiscal year 2021, when compared to fiscal year 2020, decreased by \$679,169, primarily because of the decrease in the deferred inflows of resources.

On December 31, 2021, the fiduciary net position restricted for pensions was \$972,827,656, an increase of 6.3%, or \$58,050,702, from fiscal year 2020.

**Public School Retirement System of the City of St. Louis
Management's Discussion and Analysis
Year Ended December 31, 2022**

Condensed Statements of Fiduciary Net Position

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2022 % Change</u>	<u>FY 2021 % Change</u>
Assets					
Cash	\$ 9,892,457	\$ 9,538,225	\$ 9,863,612	3.7 %	(3.3)%
Receivables	1,207,769	809,964	822,998	49.1 %	(1.6)%
Investments	806,772,242	962,858,918	904,831,520	(16.2)%	6.4 %
Property and building, net	<u>1,468,488</u>	<u>1,520,115</u>	<u>1,571,742</u>	(3.4)%	(3.3)%
Total Assets	<u>819,340,956</u>	<u>974,727,222</u>	<u>917,089,872</u>	(15.9)%	6.3 %
Deferred Outflows of Resources					
Deferred outflows of resources	<u>331,381</u>	<u>214,501</u>	<u>480,318</u>	54.5 %	(55.3)%
Total Assets and Deferred Outflows of Resources	<u>819,672,337</u>	<u>974,941,723</u>	<u>917,570,190</u>	(15.9)%	6.3 %
Liabilities					
Accounts payable and accrued expenses	676,761	818,796	867,927	(17.3)%	(5.7)%
Net pension liability	<u>713,847</u>	<u>688,612</u>	<u>1,051,687</u>	3.7 %	(34.5)%
Total Liabilities	<u>1,390,608</u>	<u>1,507,408</u>	<u>1,919,614</u>	(7.7)%	(21.5)%
Deferred Inflows of Resources					
Deferred inflows of resources	<u>413,750</u>	<u>606,659</u>	<u>873,622</u>	(31.8)%	(30.6)%
Total Liabilities and Deferred Inflows of Resources	<u>1,804,358</u>	<u>2,114,067</u>	<u>2,793,236</u>	(14.6)%	(24.3)%
Fiduciary Net Position	<u>\$ 817,867,979</u>	<u>\$ 972,827,656</u>	<u>\$ 914,776,954</u>	(15.9)%	6.3 %

REVENUES – ADDITIONS TO FIDUCIARY NET POSITION

The assets available to finance PSRSSTL pension benefits are accumulated through receipt of employer and member contributions as well as through earnings on investments. For fiscal year 2022, employer contributions were approximately \$41.0 million; member contributions were approximately \$22.8 million; and investments lost a net amount of approximately \$103.8 million. For fiscal year 2021, employer contributions were approximately \$41.2 million; member contributions were approximately \$20.9 million; and investments gained a net of approximately \$116.0 million. For fiscal year 2020, employer contributions were approximately \$41.8 million; member contributions were approximately \$17.6 million; and investments gained a net of approximately \$69.4 million.

**Public School Retirement System of the City of St. Louis
Management's Discussion and Analysis
Year Ended December 31, 2022**

Employer and member contributions combined increased by \$1.7 million in fiscal year 2022 compared to \$2.7 million in fiscal year 2021. These fluctuations in the contribution amounts are primarily due to the decrease of the employer contribution rate from 14.5% of covered compensation in fiscal year 2021 to 14.0% in fiscal year 2022, and the decrease from 15.50% of covered compensation in fiscal year 2019 to 15.00% in fiscal year 2020.

The PSRSSTL Actuary determines the amount of employer contributions required to maintain actuarial soundness of the System as part of the annual actuarial valuation report. However, through legislation passed in 2017, beginning with plan year 2018, the employer contribution rate was decreased to 16.0% of covered compensation. This rate will decrease by 0.5% in each future plan year until reaching a minimum of 9.0% and remain at 9.0% of covered compensation in all subsequent plan years.

An active member contribution rate of 5.00% of covered compensation was effective from July 1, 1999 through December 31, 2017. In 2018, through legislation passed in 2017, the active member contribution rate was increased to 5.50% of covered compensation for members hired before January 1, 2018. This rate will increase by 0.50% per year until reaching 9.00%. After that, the contribution rate will remain at 9.00% of covered compensation. The legislation requires new active members hired on or after January 1, 2018, to immediately contribute at a rate of 9.00%.

Net investment income was (\$103.8 million), \$116.0 million, and \$69.4 million in fiscal years 2022, 2021 and 2020, respectively. These fluctuations in net investment income occurred because the investment earning rates were -10.99%, 12.4%, and 8.9% in fiscal years 2022, 2021 and 2020, respectively. Net investment income or (loss) reflects gross investment income or (loss) less investment expenses, such as investment manager, investment advisor and custodial fees.

Public School Retirement System of the City of St. Louis
Management's Discussion and Analysis
Year Ended December 31, 2022

EXPENSES – DEDUCTIONS FROM FIDUCIARY NET POSITION

The primary deductions from fiduciary net position were payments of retirement benefits, survivor benefits, disability benefits, retiree healthcare subsidies and refunds to members who have retired or terminated employment. PSRSSTL operating expenses in fiscal year 2022 were approximately 0.16% of assets, while operating expenses were approximately 0.16% and 0.21% of assets for 2021 and 2020, respectively.

Condensed Statements of Changes in Fiduciary Net Position

	<u>FY 2022</u>	<u>FY 2021</u>	<u>FY 2020</u>	<u>FY 2022</u> <u>% Change</u>	<u>FY 2021</u> <u>% Change</u>
Additions					
Employer contributions	\$ 41,034,190	\$ 41,226,981	\$ 41,822,334	(0.5)%	(1.4)%
Member contributions	22,794,266	20,880,189	17,607,279	9.2 %	18.6 %
Net investment income					
(loss)	(103,834,311)	116,054,836	69,466,228	(189.5)%	67.1 %
Rental income	173,594	170,397	164,877	1.9 %	3.3 %
Other income (loss)	<u>744,900</u>	<u>(5,071,188)</u>	<u>7,264,633</u>	(114.7)%	(169.8)%
Total Additions	<u>(39,087,361)</u>	<u>173,261,215</u>	<u>136,325,351</u>	(122.6)%	27.1 %
Deductions					
Retirement benefits	98,918,142	99,362,102	99,692,129	(0.4)%	(0.3)%
Survivor benefits	2,975,242	2,987,195	3,007,912	(0.4)%	(0.7)%
Disability benefits	3,196,493	3,347,554	3,412,356	(4.5)%	(1.9)%
Health care subsidies	2,005,848	2,093,653	2,129,938	(4.2)%	(1.7)%
Operating expenses	1,319,797	1,523,071	1,906,813	(13.3)%	(20.1)%
Refunds to members	<u>7,456,794</u>	<u>5,896,938</u>	<u>4,438,938</u>	26.5 %	32.8 %
Total Deductions	<u>115,872,316</u>	<u>115,210,513</u>	<u>114,588,086</u>	0.6 %	0.5 %
Change in Fiduciary Net Position	<u>\$ (154,959,677)</u>	<u>\$ 58,050,702</u>	<u>\$ 21,737,265</u>	(366.9)%	167.1 %

FINANCIAL SUMMARY

For over 25 years, the PSRSSTL Investment Consultant has consistently calculated the System's investment performance; thereby, providing a valid basis on which performance can be compared with other public pension funds. For instance, the System's investments have provided consistent returns with cumulative PSRSSTL investment performance ranking in the top 50% of similar public pension plans for the last 25 years through the period ended December 31, 2021.

The fiduciary net position over this same timeframe has fluctuated from a low of \$780 million in fiscal year 1997 to a high of \$1.15 billion in fiscal year 2007. At the end of fiscal year 2022, the fiduciary net position was \$817.9 million. These fluctuations in the value of the System's fiduciary net position can be attributed to volatile financial market conditions, particularly due to the concerns over inflation and rising interest rates in the current year, and other volatile market changes in other years that caused substantial losses of investment returns in several fiscal years followed by large investment gains in other fiscal years.

**Public School Retirement System of the City of St. Louis
Management's Discussion and Analysis
Year Ended December 31, 2022**

Until fiscal year 2017, using the Governmental Accounting Standards Board ("GASB") calculation method implemented in 1992, the funded status of PSRSSTL remained stable by fluctuating within the range of 80.5% to 88.6% for 26 fiscal years. The funded ratio of a plan compares its assets to its liabilities; thereby, on an actuarial basis, measuring a plan's ability to fulfill future financial obligations to its members. The funded ratios of the PSRSSTL for fiscal years 2022, 2021 and 2020 were 73.6%, 78.7%, and 78.6%, respectively. The dip in the System's funded ratio beginning with fiscal year 2017 was primarily due to the change in the System's actuarial assumed rate of return (discount rate) from 8.0% to 7.5%. This assumed rate of return is now 7.0% effective in 2021.

The Board of Trustees and the PSRSSTL Actuary assume that the PSRSSTL will continue to be funded on a sound actuarial basis provided required member and employer contributions are made as recommended, a prudent and well-diversified Asset Allocation Policy remains in place, quality investment managers continue to be selected, and the financial markets dodge sustained volatility. However, during fiscal year 2017, the Missouri General Assembly, in cooperation with then Governor Eric Greitens, enacted changes to the System's calculations for the required annual employer and member contributions that jeopardize the System's actuarial soundness. Unless this legislation is overturned or replaced, these changes will have adverse effects on the System and its ability to meet future financial obligations to its members. It is assumed that the Board of Trustees will fulfill its fiduciary duty to the System's membership by continuing to take the appropriate legal action against the legislation.

Despite the volatility in the market in 2022, the System experienced an investment return lower than anticipated. Even though the return was not positive, the negative return was less than the return experienced by peers.

REQUESTS FOR INFORMATION

This report is intended to provide the Board of Trustees, PSRSSTL members, and other interested parties a general overview of PSRSSTL financial matters. If any reader has questions about this report or needs additional financial information, contact the Public School Retirement System of the City of St. Louis.

Public School Retirement System of the City of St. Louis
Statements of Fiduciary Net Position
December 31, 2022 and 2021

Assets	<u>2022</u>	<u>2021</u>
Cash	\$ 9,892,457	\$ 9,538,225
Receivables		
Accrued interest and dividends	634,538	567,667
Other receivables	<u>573,231</u>	<u>242,297</u>
Total Receivables	<u>1,207,769</u>	<u>809,964</u>
Investments, at fair value		
Cash equivalents	42,341,245	40,980,094
Bonds		
U.S. Government and agency issues	27,967,198	28,800,098
Corporate	24,014,626	32,828,877
Foreign investments (bonds and stocks)	82,019,025	94,236,786
Common and preferred stocks	183,586,017	230,724,806
Mutual and co-mingled funds	300,787,261	402,073,191
Real estate partnerships	56,478,101	54,001,917
Limited partnerships	<u>89,578,769</u>	<u>79,213,149</u>
Total Investments	806,772,242	962,858,918
Property and Building, net	<u>1,468,488</u>	<u>1,520,115</u>
Total Assets	<u>819,340,956</u>	<u>974,727,222</u>

Deferred Outflows of Resources

Deferred Outflows of Resources Related to Pensions	<u>331,381</u>	<u>214,501</u>
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Liabilities

Accounts Payable and Accrued Expenses	676,761	818,796
Net Pension Liability	<u>713,847</u>	<u>688,612</u>
Total Liabilities	<u>1,390,608</u>	<u>1,507,408</u>

Deferred Inflows of Resources

Deferred Inflows of Resources Related to Pensions	<u>413,750</u>	<u>606,659</u>
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Net Position

Net Position Restricted for Pensions	<u>\$ 817,867,979</u>	<u>\$ 972,827,656</u>
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Public School Retirement System of the City of St. Louis
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Additions		
Employer contributions		
St. Louis Public Schools	\$ 26,692,454	\$ 29,106,335
Sick leave conversion	43,815	109,983
Charter Schools	14,215,977	11,930,457
Retirement System	81,944	80,206
Plan member contributions		
St. Louis Public Schools	14,446,251	14,326,129
Charter Schools	8,302,053	6,512,595
Retirement System	<u>45,962</u>	<u>41,465</u>
	<u>63,828,456</u>	<u>62,107,170</u>
Investment income (loss)		
Cash equivalents	367,482	44,013
Bonds		
U.S. Government and agency issues	(4,761,512)	(200,968)
Corporate	(3,421,071)	1,245,389
Foreign investments (bonds and stocks)	(12,723,638)	15,955,237
Common and preferred stock	(40,066,025)	50,553,750
Mutual and co-mingled funds	(47,535,456)	27,208,873
Limited partnerships	5,279,783	18,182,960
Real estate partnerships	<u>2,950,606</u>	<u>7,481,063</u>
	(99,909,831)	120,470,317
Less investment expenses	<u>3,924,480</u>	<u>4,415,481</u>
Net investment income (loss)	(103,834,311)	116,054,836
Rental income	173,594	170,397
Other miscellaneous income (loss)	<u>744,900</u>	<u>(5,071,188)</u>
Net Additions	<u>(39,087,361)</u>	<u>173,261,215</u>
Deductions		
Benefits paid		
Retirement benefits	98,918,142	99,362,102
Survivor benefits	2,975,242	2,987,195
Disability benefits	3,196,493	3,347,554
Health care subsidies	<u>2,005,848</u>	<u>2,093,653</u>
	107,095,725	107,790,504
Operating expenses	1,319,797	1,523,071
Contribution refunds due to death or resignation	<u>7,456,794</u>	<u>5,896,938</u>
Total Deductions	<u>115,872,316</u>	<u>115,210,513</u>
Net Increase (Decrease) in Net Position	(154,959,677)	58,050,702
Net Position Restricted for Pensions, Beginning of Year	<u>972,827,656</u>	<u>914,776,954</u>
Net Position Restricted for Pensions, End of Year	<u>\$ 817,867,979</u>	<u>\$ 972,827,656</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

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 School District, and of all employees of the System. The System issues a Comprehensive Annual Financial Report ("Annual Report"), a publicly available financial report that can be obtained at www.psrstl.org.

An eleven member Board of Trustees (the "Board") is responsible for general administration of the System and investing the System's assets. Trustees are appointed by plan members and the Board of Education of the City of St. Louis.

Membership and Eligibility

All persons employed on a full-time basis are members of the System as a condition of employment. Membership statistics, as of the latest actuarial valuations, are as follows:

	January 1, 2022	January 1, 2021
Active members	4,594	4,984
Inactive members	<u>4,256</u>	<u>3,560</u>
Total members not retired	<u>8,850</u>	<u>8,544</u>
Retired members		
Service and survivors	4,144	4,161
Disability	<u>219</u>	<u>225</u>
	<u>4,363</u>	<u>4,386</u>
Total membership	<u><u>13,213</u></u>	<u><u>12,930</u></u>

Vesting

Full vesting on termination of employment after at least five years of service is provided if contributions remain with the System. The full benefit is payable at age 65 or at a reduced early retirement benefit prior to age 65.

Funding Policy

The funding objective of the System is to meet long-term benefit promises through contributions that remain approximately level from year to year as a percentage of covered payroll.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Benefits

Upon retirement at age 65, or at any age if age plus years of credited service equals or exceeds 80 (Rule of 80), or 85 (Rule of 85) if terminated prior to August 28, 2017, members receive monthly payments for life or yearly benefits equal to years of credited service multiplied by 2% of average final compensation or 1.75% of average final compensation if hired on or after January 1, 2018, but not to exceed 60% of average final compensation. Early retirement can occur prior at age 60 with five years of service or at the age the Rule of 80 or Rule of 85 is satisfied. 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 (Rule of 85 if terminated prior to August 28, 2017) 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 participant, 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 beneficiaries of members who die after at least 18 months of active membership.

The System pays a portion of health insurance premiums for retirees under Section 169.476 of the Statutes, as an expense of the System.

Benefits are recorded when paid.

Return of Contributions Upon Death

If, after the death of a participant, no further monthly amounts are payable to a beneficiary under an optional form of payment or under the survivor benefit provisions, the participant's beneficiary shall be paid the excess, if any, of the participant's accumulated contributions over all payments made to, or on behalf of, the deceased participant.

Contributions by Participants

Active participants hired before January 1, 2018 contributed 7.50% and 7.00% of covered compensation for the years ended December 31, 2022 and 2021, 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 participants 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%.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Contributions by Employers

The System's statutory required contribution rate applied to St. Louis Public Schools and the Retirement System was 14.50% and 15.00% of annual payroll for the years ended December 31, 2022 and 2021, respectively. For all other employers, the System's contractually required contribution rate was set at 14.00% and 14.50% of covered payroll for the years ended December 31, 2022 and 2021, respectively. 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.

Contributions to the pension plan for System employees were \$81,944 and \$80,206 for the years ended December 31, 2022 and 2021, respectively.

Expenses

Operating expenses are paid out of investment income.

Investment Policy

The System's policy in regards to the allocation of invested assets is established and may be amended by the System's Board of Trustees. Investments are managed on a total return basis with a long-term objective of maintaining a fully funded status for the benefits provided through the pension plan. The following was the System's adopted asset allocation policy as of June 23, 2022:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	31.5 %	7.5 %
International Equity	16.5 %	8.5 %
Domestic Bonds	16.6 %	2.5 %
International Bonds	8.4 %	3.5 %
Real Estate	7.0 %	4.5 %
Alternative Assets	20.0 %	5.9 %
Total/Average	<u>100.0 %</u>	<u>5.9 %</u>

The long-term real return expectations remove the 2.5 percent inflation rate embedded in each nominal return assumption.

The 5.0 percent target allocation to Global Equity is allocated 3.5 percent to Domestic Equity and 1.5 percent to International Equity.

The 9.0 percent target allocation to Global Multi-Sector Fixed Income is allocated 3.6 percent to Domestic Bonds and 5.4 percent International Bonds.

Alternative Assets include the target allocations to Global Asset Allocation, Hedge Funds, Private Equity and Private Debt. The Alternative Assets return assumption is based on an aggregation of multiple global asset class assumptions.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

2. Summary of Significant Accounting Policies

Basis of Presentation and Accounting

The financial statements 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 financial statements are prepared using the accrual basis of accounting.

Use of Estimates

The preparation of financial statements 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.

Receivables

Receivables consist of pending interest and dividends payable on investments held at the end of the year. Other receivables are amounts due to the System from members or family members of a deceased member for overpaid benefits.

Investment Valuation

Investments are reported 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. See Note 4 for discussion of fair value measurements. Short-term investments are reported at cost, which approximates fair value. Securities traded on national or international exchanges are valued at the latest reported sales price at current exchange rates.

Limited Partnerships

Fair values of the limited partnership investments are based on valuations of the underlying companies of the limited partnerships as reported by the general partner. Certain limited partnerships reflect values on a quarter lag basis due to the nature of those investments and the time it takes to value them.

Alternative Investments

For alternative investments where no readily ascertainable fair value exists, management, in consultation with their investment advisors, values these investments in good faith based upon audited financial statements, cash flow analysis, purchase and sales of similar investments, other practices used within the industry, or other information provided by the underlying investment advisors. The estimated fair value of these investments may differ significantly from values that would have been used had a ready market existed.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Investment Income

Investment income includes: realized gains (losses), unrealized appreciation (depreciation), dividends, interest, and other investment income. 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.

Investment Expenses

Investment expenses consist of investment manager, investment advisor, limited partnership, and custodial bank fees.

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.

Furniture and Equipment

Acquisitions of furniture and equipment are charged to operating expense when purchased. The value of furniture and equipment owned by the System is deemed to be immaterial in relation to the total assets of the System.

Property and Building

The System records property, building, and related improvements at cost while expenditures for normal repairs and maintenance, which do not extend the useful life of the assets, are charged to operations as incurred. The System uses the straight-line method for the depreciation of the building and improvements over the estimated life of 40 years.

Long-Lived Asset Impairment

The System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. The System does not believe any impairment exists as of December 31, 2022 and 2021.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statements of fiduciary net position will sometimes include separate sections for deferred outflows and inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to future periods and deferred inflows of resources represent the acquisition of net assets that applies to future periods. The System has deferred outflows and inflows in the statements of fiduciary net position that relate to pension related deferrals required by GASB Statement No. 68.

Pensions

Pension-related expenses, liabilities, deferred outflows of resources, and deferred inflows of resources have been determined on the same basis as they are reported by the System. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Subsequent Events

The System has evaluated subsequent events through April 18, 2023, the date the financial statements were available to be issued.

Recent Accounting Pronouncements

The following GASB Statements are effective for various reporting periods beginning after December 15, 2022.

- GASB Statement No. 94: *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- GASB Statement No. 96: *Subscription-Based Information Technology Arrangements*
- GASB Statement No. 99: *Omnibus 2022*
- GASB Statement No. 100: *Accounting Changes and Error Corrections*
- GASB Statement No. 101: *Compensated Balances*

Based on preliminary analysis, the System does not expect the new guidance to have a significant impact on its financial statements.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

3. Investments

At December 31, 2022 and 2021, investments consisted of the following:

	2022	
	<u>Fair Value</u>	<u>Cost</u>
Cash equivalents	\$ 42,341,245	\$ 42,341,245
Bonds		
U.S. Government and agency issues	27,967,198	31,627,324
Corporate	24,014,626	29,204,790
Foreign investments (bonds and stocks)	82,019,025	83,030,978
Common and preferred stocks	183,586,017	157,451,421
Mutual and co-mingled funds	300,787,261	207,776,469
Real estate partnerships	56,478,101	71,057,149
Limited partnerships	89,578,769	85,428,316
	<u>\$806,772,242</u>	<u>\$707,917,692</u>
	2021	
	<u>Fair Value</u>	<u>Cost</u>
Cash equivalents	\$ 40,980,094	\$ 40,980,094
Bonds		
U.S. Government and agency issues	28,800,098	29,576,387
Corporate	32,828,877	34,292,287
Foreign investments (bonds and stocks)	94,236,786	79,731,976
Common and preferred stocks	230,724,806	159,315,378
Mutual and co-mingled funds	402,073,191	261,297,717
Real estate partnerships	54,001,917	69,463,204
Limited partnerships	79,213,149	71,822,292
	<u>\$962,858,918</u>	<u>\$746,479,335</u>

4. Fair Value Measurements

The framework for measuring fair value establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into Levels 1, 2, and 3. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical instruments in active markets.

- Level 2 Inputs to the valuation methodology include quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in inactive markets, inputs other than quoted prices that are observable for the instrument, or inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The fair value amounts presented in the tables are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of fiduciary net position. The instrument's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Carrying amounts of certain financial instruments such as cash, receivables, accounts payable, and accrued expenses approximate fair value due to their short maturities or because the terms are similar to market terms. There have been no changes in the methodologies used at December 31, 2022 and 2021.

Following is a description of the valuation methodologies used for investments measured at fair value.

- Level 1 Investments consist of publicly traded common and preferred stocks and mutual funds. These investments are valued using the closing price reported on the active market on which the individual securities are traded.
- Level 2 Investments consist of corporate and foreign bonds and stocks, U.S. government securities and agency issues, and cash equivalent accounts. These securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.
- Level 3 Investments consist of real estate partnerships and limited partnerships. Real estate partnerships are valued at fair value as determined by the general partner. Limited partnerships are valued based on valuations of the underlying companies of the limited partnerships as reported by the general partner.

Investments also consist of co-mingled funds. These securities are valued at the NAV based on shares held by the System at year-end. The NAV is used as a practical expedient to estimate fair value.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

The following table presents the fair value measurements of instruments recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at December 31, 2022 and 2021:

	2022			
	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 42,341,245	\$ -	\$ 42,341,245	\$ -
U.S. Government and agency issues	27,967,198	-	27,967,198	-
Corporate bonds	24,014,626	-	24,014,626	-
Foreign investments	82,019,025	-	82,019,025	-
Common and preferred stocks	183,586,017	183,586,017	-	-
Mutual funds	195,428,613	195,428,613	-	-
Real estate partnerships	56,478,101	-	-	56,478,101
Limited partnerships	89,578,769	-	-	89,578,769
Total assets in fair value hierarchy	701,413,594	<u>\$379,014,630</u>	<u>\$176,342,094</u>	<u>\$146,056,870</u>
Investments measured at NAV	<u>105,358,648</u>			
	<u>\$806,772,242</u>			

	2021			
	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 40,980,094	\$ -	\$ 40,980,094	\$ -
U.S. Government and agency issues	28,800,098	-	28,800,098	-
Corporate bonds	32,828,877	-	32,828,877	-
Foreign investments	94,236,786	-	94,236,786	-
Common and preferred stocks	230,724,806	230,724,806	-	-
Mutual funds	262,128,076	262,128,076	-	-
Real estate partnerships	54,001,917	-	-	54,001,917
Limited partnerships	79,213,149	-	-	79,213,149
Total assets in fair value hierarchy	822,913,803	<u>\$492,852,882</u>	<u>\$196,845,855</u>	<u>\$133,215,066</u>
Investments measured at NAV	<u>139,945,115</u>			
	<u>\$962,858,918</u>			

Investments measured at fair value based on NAV per share practical expedient as of December 31, are as follows:

December 31, 2022	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Co-mingled funds	\$ 105,358,648	N/A	Daily	30 days

December 31, 2021	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Co-mingled funds	\$ 139,945,115	N/A	Daily	30 days

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

The following table provides a summary of changes in fair value of the System's Level 3 assets for the years ended December 31, 2022 and 2021, as follows:

	<u>Limited Partnerships</u>	<u>Real Estate Partnerships</u>	<u>Total</u>
December 31, 2020	\$ 62,928,944	\$ 46,928,887	\$ 109,857,831
Realized gains	6,231,172	326,398	6,557,570
Unrealized gains	9,540,952	5,239,365	14,780,317
Purchases, sales, issuances, and settlements (net)	(1,917,327)	-	(1,917,327)
Investment income, net	2,429,408	1,915,300	4,344,708
Management fees	-	(408,033)	(408,033)
December 31, 2021	79,213,149	54,001,917	133,215,066
Realized gains	3,638,927	29,379	3,668,306
Unrealized gains (losses)	(868,982)	882,239	13,257
Purchases, sales, issuances, and settlements (net)	5,178,501	-	5,178,501
Investment income, net	2,417,174	2,038,987	4,456,161
Management fees	-	(474,421)	(474,421)
December 31, 2022	<u>\$ 89,578,769</u>	<u>\$ 56,478,101</u>	<u>\$ 146,056,870</u>

All assets have been valued using a market approach, except for Level 3 assets. Fair values in Level 2 are calculated using quoted market prices for similar assets in markets that are not active. The following table describes the valuation technique used to calculate fair values for assets in Level 3. Annually, management determines if the current valuation techniques used in the fair value measurements are still appropriate and evaluates and adjusts the unobservable inputs used in the fair value measurements based on third-party information. There were no changes in the valuation techniques during the current year.

<u>December 31, 2022</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Inputs</u>
Limited Partnerships	\$ 89,578,769	Basis in LLC	Undistributed Income
Real Estate Partnerships	\$ 56,478,101	Basis in LLC	Undistributed Income

<u>December 31, 2021</u>	<u>Fair Value</u>	<u>Valuation Technique</u>	<u>Unobservable Inputs</u>
Limited Partnerships	\$ 79,213,149	Basis in LLC	Undistributed Income
Real Estate Partnerships	\$ 54,001,917	Basis in LLC	Undistributed Income

The significant unobservable inputs used in the fair value measurement of the System's investments in limited partnerships are the original cost of the investment in the partnership plus the cumulative net income of the partnership through the end of the most recent fiscal year. Significant increases or decreases in the partnership's cumulative net income as of December 31, 2022 and 2021 could result in a significantly higher or lower fair value measurement.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

5. Risks and Uncertainties

Custodial Credit Risk

Financial instruments that potentially subject the System to concentrations of custodial credit and market risk consist principally of cash and investments. The System places its temporary cash investments with major financial institutions. At December 31, 2022, the System had approximately \$10,736,000 in cash on deposit at US Bank. These balances were insured by the Federal Deposit Insurance Corporation ("FDIC") for \$250,000. The remaining balances are collateralized by US Bank's assets held jointly in the name of US Bank, N.A. and the System, held by the Federal Home Loan Bank of Cincinnati as Trustee. Regulations require that government entities, in case of bank failure, have collateral to cover losses that could exceed the FDIC limit of \$250,000. The fair value of the collateralized securities at December 31, 2022 was \$11,000,000. A significant portion of the System's investments are held in trust by US Bank of St. Louis, N.A.

On December 28, 2022 and December 30, 2021, the System received \$26,736,269 and \$29,216,318, respectively, from the St. Louis Board of Education for the 2022 and 2021 St. Louis Public Schools' annual regular pension contribution and sick leave conversion contribution and held it in a cash equivalents account until investment allocations were implemented.

The System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of fiduciary net position.

Concentration of Credit Risk

At December 31, 2022 and 2021, the System had the following concentrations, defined as investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of net position held in trust for pension benefits.

2022		
Investments	Fair Value	Percentage of Total Net Position
UBS Realty Investors, LLC	\$ 56,478,101	6.9%
Causeway	\$ 48,057,015	5.9%
Fidelity Institutional Asset Mgmt	\$ 42,377,586	5.2%
Mellon Capital Management	\$ 42,886,573	5.2%
Edgar Lomax Company	\$ 73,437,780	9.0%

Public School Retirement System of the City of St. Louis
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2021		
Investments	Fair Value	Percentage of Total Net Position
UBS Realty Investors, LLC	\$ 54,001,917	5.6%
Causeway	\$ 51,663,366	5.3%
Fidelity Institutional Asset Mgmt	\$ 60,688,510	6.2%
Edgar Lomax Company	\$ 73,418,532	7.6%

Credit Risk of Debt Securities

The System's debt investments as of December 31, 2022 were rated by Moody's Investor Services ("Moody's") and the ratings are presented using the Moody's rating scale. The System's policy to limit credit risk is that the overall average quality of each high-grade domestic fixed income portfolio shall be AA or better and the average quality rating of securities held in a domestic high-yield portfolio shall be B or better. The overall average quality of each global fixed income portfolio shall be A or better. Non-rated issues are allowed as long as the quality is sufficient to maintain the overall average rating noted.

As of December 31, 2022, the System held the following fixed income investments with respective Moody's quality ratings or equivalent rating. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk. Foreign investments not considered to have credit risk such as stocks and cash equivalents are not included in the following:

Quality Rating	Corporate bonds	Foreign government and corporate obligations	U.S. Government and agency issues	Total
Aaa	\$ 2,626,479	\$ 164,124	\$ 14,067,812	\$ 16,858,415
Aa1	12,195	-	-	12,195
Aa2	137,023	-	-	137,023
Aa3	235,212	-	370,906	606,118
A1	682,121	-	-	682,121
A2	1,138,747	-	-	1,138,747
A3	520,214	-	141,816	662,030
Baa1	995,503	86,320	-	1,081,823
Baa2	2,163,784	-	-	2,163,784
Baa3	3,410,262	474,295	-	3,884,557
Ba1	884,832	35,190	-	920,022
Ba2	397,921	-	-	397,921
Ba3	305,484	116,157	-	421,641
B1	305,512	61,844	-	367,356
B2	146,559	75,287	-	221,846
B3	170,958	12,712	-	183,670
Caa1	43,060	-	-	43,060
Caa2	11,266	-	-	11,266
Not rated	9,827,494	1,474,420	13,386,664	24,688,578
Total	\$ 24,014,626	\$ 2,500,349	\$ 27,967,198	\$ 54,482,173

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As of December 31, 2021, the System held the following fixed income investments with respective Moody's quality ratings or equivalent rating.

Quality Rating	Corporate bonds	Foreign Government and corporate obligations	U.S. Government and agency issues	Total
Aaa	\$ 3,175,002	\$ 209,655	\$ 15,345,754	\$ 18,730,411
Aa1	19,416	-	-	19,416
Aa2	147,017	-	-	147,017
Aa3	343,631	-	459,424	803,055
A1	868,381	-	-	868,381
A2	1,300,314	-	-	1,300,314
A3	790,829	-	139,376	930,205
Baa1	1,267,648	76,755	52,107	1,396,510
Baa2	2,401,794	-	-	2,401,794
Baa3	4,479,614	325,109	-	4,804,723
Ba1	912,070	216,916	-	1,128,986
Ba2	648,559	41,276	-	689,835
Ba3	702,823	147,929	-	850,752
B1	443,801	43,453	-	487,254
B2	177,584	87,448	-	265,032
B3	516,455	41,566	-	558,021
Caa1	74,324	-	-	74,324
Caa2	24,803	-	-	24,803
Caa3	-	8,720	-	8,720
Ca	38,534	-	-	38,534
Not rated	<u>14,496,278</u>	<u>2,139,245</u>	<u>12,803,437</u>	<u>29,438,960</u>
Total	<u>\$ 32,828,877</u>	<u>\$ 3,338,072</u>	<u>\$ 28,800,098</u>	<u>\$ 64,967,047</u>

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Notes to Financial Statements
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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System does not have a formal policy to limit foreign currency risk. The System's exposure to foreign currency risk in U.S. Dollars as of December 31, 2022 is as follows:

Currency	Cash Equivalents	Equities	Total
British Pound Sterling	\$ 54,255	\$ 17,211,264	\$ 17,265,519
Canadian Dollar	3,451	1,847,275	1,850,726
Danish Krone	-	380,027	380,027
Euro	59,550	25,785,754	25,845,304
Hong Kong Dollar	-	2,668,961	2,668,961
Japanese Yen	19,520	5,430,935	5,450,455
Korean Won	-	1,887,099	1,887,099
Swedish Krona	-	769,147	769,147
Swiss Franc	2,736	5,091,638	5,094,374
Thai Baht	-	315,229	315,229
	<u>\$ 139,512</u>	<u>\$ 61,387,329</u>	<u>61,526,841</u>

Foreign investment denominated in U.S. Dollars	<u>20,631,696</u>
	<u>\$ 82,158,537</u>

The System's exposure to foreign currency risk in U.S. Dollars as of December 31, 2021 is as follows:

Currency	Cash Equivalents	Equities	Total
British Pound Sterling	\$ 1	\$ 17,023,264	\$ 17,023,265
Canadian Dollar	6	2,042,721	2,042,727
Danish Krone	-	344,448	344,448
Euro	-	29,475,939	29,475,939
Hong Kong Dollar	-	1,962,650	1,962,650
Japanese Yen	-	6,397,970	6,397,970
Korean Won	-	2,666,924	2,666,924
Mexican Peso	-	193,443	193,443
Swedish Krona	-	1,106,422	1,106,422
Swiss Franc	-	8,852,379	8,852,379
	<u>\$ 7</u>	<u>\$ 70,066,160</u>	<u>70,066,167</u>

Foreign investment denominated in U.S. Dollars	<u>24,170,619</u>
	<u>\$ 94,236,786</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The System's fixed income investments are managed in accordance with policies established by the Board that are specific as to the degree of interest rate risk that can be taken. The System's policies established by the Board manage the interest rate risk within the portfolio using various methods, including effective duration, option adjusted duration, average maturity, and segmented time distribution, which reflects total fair value of investments maturing during a given time period. The System does not have a specific investment policy on interest rate risk. However, domestic bond managers are limited to seven years average duration and global bond managers cannot differ from the passive benchmark by more than two years as a means of managing its exposure to fair value losses arising from increasing interest rates.

The segmented time distribution of the various investment types of the System's debt securities at December 31, 2022 is as follows:

Type	2022 Fair Value	Less than 1 year	1 to 5 years	6 to 10 years	More than 10 years
Corporate bonds	\$ 24,014,626	\$ 46,080	\$ 7,301,162	\$ 6,353,403	\$ 10,313,981
Foreign government and corporate obligations	2,500,349	-	678,147	697,398	1,124,804
U.S. Government and agency issues	<u>27,967,198</u>	<u>4,871</u>	<u>5,402,114</u>	<u>3,034,226</u>	<u>19,525,987</u>
Total	<u>\$ 54,482,173</u>	<u>\$ 50,951</u>	<u>\$ 13,381,423</u>	<u>\$ 10,085,027</u>	<u>\$ 30,964,772</u>

The segmented time distribution of the various investment types of the System's debt securities at December 31, 2021 is as follows:

Type	2021 Fair Value	Less than 1 year	1 to 5 years	6 to 10 years	More than 10 years
Corporate bonds	\$ 32,828,877	\$ 165,965	\$ 9,318,485	\$ 9,115,759	\$ 14,228,668
Foreign government and corporate obligations	3,338,072	-	884,565	800,698	1,652,809
U.S. Government and agency issues	<u>28,800,098</u>	<u>5,253</u>	<u>5,666,918</u>	<u>4,323,844</u>	<u>18,804,083</u>
Total	<u>\$ 64,967,047</u>	<u>\$ 171,218</u>	<u>\$ 15,869,968</u>	<u>\$ 14,240,301</u>	<u>\$ 34,685,560</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

6. Property and Building

Property and building as of December 31, consists of:

	<u>2022</u>	<u>2021</u>
Land	\$ 229,451	\$ 229,451
Building	2,065,061	2,065,061
Tenant improvements	<u>158,120</u>	<u>158,120</u>
	2,452,632	2,452,632
Less accumulated depreciation	<u>984,144</u>	<u>932,517</u>
Property and Building, net	<u>\$ 1,468,488</u>	<u>\$ 1,520,115</u>

Depreciation expense totaled \$51,627 for each of the years ended December 31, 2022 and 2021.

7. Occupancy

The System occupies offices in a building it owns. Occupancy expenses for the years ended December 31, 2022 and 2021 were \$40,532 and \$51,926, respectively.

The System leases a portion of its building to an unrelated party. The current lease agreement extends the term to May 2024 with an annual rent of \$177,288. Rental income received for the years ended December 31, 2022 and 2021 totaled \$173,594 and \$170,397, respectively.

8. Tax Status of Plan

The Internal Revenue Service has determined and informed the System by a letter dated December 15, 2016, that the System and related trust and amendments are designed in accordance with the applicable sections of the Internal Revenue Code ("IRC"). Management believes that the System is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the System is qualified and the related trust is tax-exempt.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

9. Retirement Plan of the System

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

At December 31, 2022 and 2021, the System reported a liability of \$713,847 and \$688,612, respectively, as its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2021 and 2020, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The System's proportionate share of the net pension liability was based on the System's actual employer's compensation relative to the actual compensation of all participating employers for the System's plan years ended December 31, 2021 and 2020. At December 31, 2021 and 2020, the System's portion was 0.24% and 0.19%, respectively.

For the year ended December 31, 2022, the System recognized pension expense of \$(233,541) consisting of the current year contribution, pension liability adjustment, and amortization of deferred outflows and inflows of resources. At December 31, 2022, the System reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,019	\$ 37,612
Changes in assumptions	19,927	198,933
Net difference between projected and actual earnings on pension plan investments	-	116,385
Changes in proportion and differences between employer contributions and proportionate share of contributions	225,492	60,820
System contributions subsequent to the measurement date of December 31, 2021	<u>81,943</u>	<u>-</u>
Total	<u>\$ 331,381</u>	<u>\$ 413,750</u>

Public School Retirement System of the City of St. Louis
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For the year ended December 31, 2021, the System recognized pension expense of \$13,612 consisting of the current year contribution, pension liability adjustment, and amortization of deferred outflows and inflows of resources. At December 31, 2021, the System reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 4,917	\$ 9,076
Changes in assumptions	-	352,146
Net difference between projected and actual earnings on pension plan investments	82,062	119,378
Changes in proportion and differences between employer contributions and proportionate share of contributions	47,316	126,059
System contributions subsequent to the measurement date of December 31, 2020	<u>80,206</u>	<u>-</u>
Total	<u>\$ 214,501</u>	<u>\$ 606,659</u>

The System's total pension liability in the December 31, 2021 and 2020 actuarial valuation was determined using the actuarial assumptions disclosed in Note 12.

Deferred outflows of resources of \$81,943 resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other 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:

<u>Year</u>	<u>Amount</u>
2023	\$ (177,632)
2024	(19,461)
2025	12,991
2026	<u>19,790</u>
Total	<u>\$ (164,312)</u>

Discount Rate

The discount rate used to measure the total pension liability was 7.00 and 7.50 percent for the years ended December 31, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the funding policy established prior to the year ended December 31, 2022. Based on those assumptions, the System's contributions will continue to follow the current funding policy.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Sensitivity of the System's proportionate share of the net pension liability to changes in the discount rate

The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.00 and 7.50 percent for the years ended December 31, 2022 and 2021, respectively, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

System's proportionate share of the net pension liability for the year ended December 31,	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
2022	\$ 1,008,266	\$ 713,847	\$ 460,866
System's proportionate share of the net pension liability for the year ended December 31,	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
2021	\$ 924,557	\$ 688,612	\$ 492,888

10. Annual Money-Weighted Rate of Return

The annual money-weighted rate of return was 5.99 percent and 6.13 percent for the years ended December 31, 2022 and 2021, respectively. The annual money-weighted rate of return expresses investment performance, net of investment expense, and adjusted for the changing amounts actually invested.

11. Funding Status

The funded status as of January 1, which is the most recent actuarial date is as follows:

	2022	2021
Actuarial value of assets	\$ 943,201,853	\$ 894,251,149
Actuarial accrual liability (AAL)	\$ 1,279,847,074	\$ 1,136,451,964
Unfunded AAL (UAAL)	\$ 336,645,221	\$ 242,200,815
Funded ratio	73.7 %	78.7 %
Annual covered payroll	\$ 259,440,417	\$ 264,676,845
UAAL as a percentage of payroll	129.8 %	91.5 %

The funded ratio decreased by 5.0% from the previous year.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Additional information regarding assumptions used in the actuarial valuation is as follows:

	<u>January 1, 2022</u>	<u>January 1, 2021</u>
Actuarial cost method	Entry age normal	Frozen entry age
Rate of investment return	7.00%, 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 experience	Various by age and year of membership based on actual experience
Mortality and death rates	a) PubG-2010 (Below Median) Mortality Table, amount weighted, projected fully generationally using projection scale MP- 2021. The mortality assumption for retired participants receiving benefits increased by 2% for males and 10% for females. b) PubG-2010 (Below Median) Mortality Table, amount weighted, projected fully generationally using projection scale MP- 2021.	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	PubT/G-2010 Mortality Disability Table, amount weighted, projected fully generationally using projection scale MP-2021.	RP-2014 Disability Mortality Table (rolled back to 2006), projected fully generationally using projection scale MP-2015
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 5 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 5 years of employment and at the rate of 3.5% per year thereafter
Asset valuation method	The smoothed market value method	The assumed yield method of valuing assets

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2022 and 2021

Effective January 1, 2022, amortization is based on a fifteen (15) year closed, level dollar amount. All future changes in the accrued liability due to amendments, experience gains and losses, and assumption changes are amortized over a 15-year closed, layered method.

12. Employers' Net Pension Liability

The components of the net pension liability (the retirement system's liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) as of December 31, 2022, are shown in the *Schedule of Net Pension Liability* below.

Actuarial valuation of an ongoing plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was performed in 2021. The net pension liability as of December 31, 2022 and 2021 is \$454,771,409 and \$296,612,468, respectively, based on actuarial valuations. The 2022 valuation was performed as of June 2021, with a measurement date of January 1, 2022, rolled forward and updated to December 31, 2022 using generally accepted actuarial procedures. The 2021 valuation was performed as of June 2020, with a measurement date of January 1, 2021, rolled forward and updated to December 31, 2021 using generally accepted actuarial procedures.

Schedule of Net Pension Liability

The components of the net pension liability of all participating employers at December 31, 2022 and 2021, are as follows:

	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 1,272,639,388	\$ 1,269,440,124
Less: Fiduciary net position	<u>817,867,979</u>	<u>972,827,656</u>
Employers' net pension liability	<u>\$ 454,771,409</u>	<u>\$ 296,612,468</u>
Plan net position as a percentage of total pension liability	64.27 %	76.63 %

Sensitivity of Net Pension Eligibility to Changes in the Discount Rate

The following presents the net pension liability at December 31, 2022, calculated using the discount rate of 7.00 percent, as well as what the net pension liability would have been if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
Net pension liability - 2022	\$ 576,965,826	\$ 454,771,409	\$ 351,369,418

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Notes to Financial Statements
December 31, 2022 and 2021

The following presents the net pension liability at December 31, 2021, calculated using the discount rate of 7.00 percent, as well as what the net pension liability would have been if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability - 2021	\$ 420,110,630	\$ 296,612,468	\$ 192,027,293

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 contributions will continue to follow the current funding policy.

Under GASB Statement No. 68, employers participating in the plan would recognize a proportionate share of total pension expense of (\$31,972,935) and (\$97,039,617) for their fiscal years beginning after June 15, 2022 and 2021, respectively.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Changes of Employer Net Pension Liability
For The Years Ended December 31,

	2022	2021	2020	2019
Total pension liability				
Service cost	\$ 21,576,380	\$ 21,761,352	\$ 23,374,806	\$ 40,762,465
Interest	86,429,627	93,253,627	92,951,028	78,546,085
Changes of benefit terms	(1,389,661)	-	-	-
Difference between expected and actual experience	11,135,437	(22,232,218)	3,525,167	(631,432)
Changes of assumptions	-	11,880,738	-	(392,633,162)
Benefit payments	(114,552,519)	(113,687,442)	(112,681,273)	(113,101,170)
Net change in total pension liability	3,199,264	(9,023,943)	7,169,728	(387,057,214)
Total pension liability - beginning	<u>1,269,440,124</u>	<u>1,278,464,067</u>	<u>1,271,294,339</u>	<u>1,658,351,553</u>
Total pension liability - ending	<u>\$1,272,639,388</u>	<u>\$1,269,440,124</u>	<u>\$1,278,464,067</u>	<u>\$1,271,294,339</u>
Plan fiduciary net position				
Employer contributions	\$ 41,034,190	\$ 41,226,981	\$ 41,822,334	\$ 43,902,706
Employee contributions	22,794,266	20,880,189	17,607,279	17,019,685
Net investment income	(102,915,817)	111,154,045	76,895,738	127,614,501
Benefit payments including refunds of employee contributions	(114,552,519)	(113,687,442)	(112,681,273)	(113,101,170)
Administrative expense	(1,319,797)	(1,523,071)	(1,906,813)	(1,590,013)
Other	-	-	(255,913)	-
Net change in plan fiduciary net position	(154,959,677)	58,050,702	21,481,352	73,845,709
Plan fiduciary net position - beginning	<u>972,827,656</u>	<u>914,776,954</u>	<u>893,295,602</u>	<u>819,449,893</u>
Plan fiduciary net position - ending	<u>\$ 817,867,979</u>	<u>\$ 972,827,656</u>	<u>\$ 914,776,954</u>	<u>\$ 893,295,602</u>
Net pension liability - ending	<u>\$ 454,771,409</u>	<u>\$ 296,612,468</u>	<u>\$ 363,687,113</u>	<u>\$ 377,998,737</u>
Total pension liability	\$1,272,639,388	\$1,269,440,124	\$1,278,464,067	\$1,271,294,339
Less: Plan fiduciary net position	817,867,979	972,827,656	914,776,954	893,295,602
Employer net pension liability	<u>\$ 454,771,409</u>	<u>\$ 296,612,468</u>	<u>\$ 363,687,113</u>	<u>\$ 377,998,737</u>
Plan fiduciary net position as a percentage of the total pension liability	64.27 %	76.63 %	71.55 %	70.27 %
Covered payroll	\$ 259,440,417	\$ 264,676,845	\$ 272,973,377	\$ 263,772,380
Employer net pension liability as a percentage of covered payroll	175 %	112 %	133 %	143 %

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

The blended rate was changed from 4.78 percent to 7.50 percent at December 31, 2019.

The blended rate was changed from 7.50 percent to 7.00 percent at December 31, 2021.

The interest crediting rate updated from 5.0 percent to 2.0 percent effective January 1, 2023.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Changes of Employer Net Pension Liability (continued)
For The Years Ended December 31,

	2018	2017	2016	2015	2014
Total pension liability					
Service cost	\$ 41,332,913	\$ 19,950,269	\$ 19,260,511	\$ 19,136,245	\$ 18,728,870
Interest	79,257,906	92,276,865	92,358,115	93,242,628	93,305,719
Changes of benefit terms	-	18,979,978	-	-	-
Difference between expected and actual experience	(21,350,805)	(8,215,370)	6,392,416	(10,065,347)	-
Changes of assumptions	-	397,218,720	70,532,232	-	-
Benefit payments	<u>(114,010,652)</u>	<u>(112,950,471)</u>	<u>(113,608,409)</u>	<u>(113,384,329)</u>	<u>(113,082,656)</u>
Net change in total pension liability	(14,770,638)	407,259,991	74,934,865	(11,070,803)	(1,048,067)
Total pension liability - beginning	<u>1,673,122,191</u>	<u>1,265,862,200</u>	<u>1,190,927,335</u>	<u>1,201,998,138</u>	<u>1,203,046,205</u>
Total pension liability - ending	<u>\$1,658,351,553</u>	<u>\$1,673,122,191</u>	<u>\$1,265,862,200</u>	<u>\$1,190,927,335</u>	<u>\$1,201,998,138</u>
Plan fiduciary net position					
Employer contributions	\$ 48,797,779	\$ 41,077,344	\$ 39,519,979	\$ 40,708,503	\$ 41,757,458
Employee contributions	14,248,567	12,591,552	12,652,029	11,664,711	11,887,933
Net investment income	(41,671,079)	124,796,919	44,492,088	(5,342,651)	35,000,792
Benefit payments including refunds of employee contributions	(114,010,652)	(112,950,471)	(113,608,409)	(113,384,329)	(113,082,656)
Administrative expense	(1,996,982)	(1,613,506)	(1,554,314)	(1,466,261)	(1,350,393)
Other	-	-	-	(431,423)	-
Net change in plan fiduciary net position	(94,632,367)	63,901,838	(18,498,627)	(68,251,450)	(25,786,866)
Plan fiduciary net position - beginning	<u>914,082,260</u>	<u>850,180,422</u>	<u>868,679,049</u>	<u>936,930,499</u>	<u>962,717,365</u>
Plan fiduciary net position - ending	<u>\$ 819,449,893</u>	<u>\$ 914,082,260</u>	<u>\$ 850,180,422</u>	<u>\$ 868,679,049</u>	<u>\$ 936,930,499</u>
Net pension liability - ending	<u>\$ 838,901,660</u>	<u>\$ 759,039,931</u>	<u>\$ 415,681,778</u>	<u>\$ 322,248,286</u>	<u>\$ 265,067,639</u>
Total pension liability	\$1,658,351,553	\$1,673,122,191	\$1,265,862,200	\$1,190,927,335	\$1,201,998,138
Less: Plan fiduciary net position	<u>819,449,893</u>	<u>914,082,260</u>	<u>850,180,422</u>	<u>868,679,049</u>	<u>936,930,499</u>
Employer net pension liability	<u>\$ 838,901,660</u>	<u>\$ 759,039,931</u>	<u>\$ 415,681,778</u>	<u>\$ 322,248,286</u>	<u>\$ 265,067,639</u>
Plan fiduciary net position as a percentage of the total pension liability	49.41 %	54.63 %	67.16 %	72.94 %	77.95 %
Covered payroll	\$ 265,773,659	\$ 260,223,066	\$ 252,127,288	\$ 245,699,583	\$ 243,280,015
Employer net pension liability as a percentage of covered payroll	316 %	292 %	165 %	131 %	109 %

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of the System's Proportionate Share of the Net Pension Liability
For The Years Ended December 31,

	<u>2022</u>		<u>2021</u>		<u>2020</u>		<u>2019</u>		<u>2018</u>
System's proportion of the net pension liability	0.24 %		0.19 %		0.21 %		0.19 %		0.23 %
System's proportionate share of the net pension liability	\$ 713,847	\$	688,612	\$	1,051,687	\$	1,621,273	\$	1,727,361
System's covered payroll	\$ 560,925	\$	446,482	\$	509,484	\$	453,896	\$	535,096
System's proportionate share of the net pension liability as a percentage of its covered payroll	127.26 %		154.20 %		206.40 %		357.19 %		322.81 %
Plan fiduciary net position as a percentage of the total pension liability	76.63 %		71.55 %		70.25 %		49.41 %		54.63 %
	<u>2017</u>		<u>2016</u>		<u>2015</u>		<u>2014</u>		
System's proportion of the net pension liability	0.21 %		0.20 %		0.22 %		0.22 %		
System's proportionate share of the net pension liability	\$ 876,434	\$	649,399	\$	570,232	\$	517,013		
System's covered payroll	\$ 478,280	\$	454,115	\$	472,849		not available		
System's proportionate share of the net pension liability as a percentage of its covered payroll	183.25 %		143.00 %		120.59 %		not available		
Plan fiduciary net position as a percentage of the total pension liability	67.16 %		72.94 %		77.95 %		72.30 %		

* The amounts presented for each fiscal year were determined as of December 31 of the previous year.

The goal is to provide a full 10-year history as the information becomes available.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Annual Money-Weighted Rate of Return on Investments
For The Years Ended December 31,

The System began tracking the annual money-weighted rate of return during the fiscal year ended December 31, 2014. The annual money-weighted rate of return for future years will appear in the following schedule as they occur. The goal is to provide a full 10-year history as the information becomes available.

<u>Year Ended December 31,</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense, adjusted for the changing amounts actually invested	<u>5.99 %</u>	<u>6.13 %</u>	<u>8.90 %</u>	<u>16.83 %</u>	<u>(5.09)%</u>	<u>15.55 %</u>	<u>5.52 %</u>	<u>(1.00)%</u>	<u>3.93 %</u>

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Employer Contributions
December 31, 2022

Board of Education

Year Ended December 31,	Actuarially Determined Contribution	Statutory Annual Required Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)	Covered Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2013	\$ 27,962,472	\$ 31,555,696	\$ 27,962,472	\$ -	\$ 185,606,968	15.07 %
2014	31,555,696	31,072,850	31,555,696	-	191,273,081	16.50 %
2015	31,072,850	29,007,501	31,072,850	-	195,853,519	15.87 %
2016	29,007,501	30,459,434	29,007,501	-	191,534,175	15.14 %
2017	30,459,434	37,376,323	30,459,434	-	193,647,262	15.73 %
2018	37,376,323	31,344,663	37,376,323	-	195,723,057	19.10 %
2019	34,715,003	29,884,664	31,344,663	3,370,340 *	195,904,143	16.00 %
2020	36,133,150	29,106,335	29,884,664	6,248,486 *	192,817,182	15.50 %
2021	35,274,153	26,692,454	29,106,335	6,167,818 *	194,042,234	15.00 %
2022	31,478,829	23,639,359	26,692,454	4,786,375 *	184,085,888	14.50 %

*The Board of Education paid the statutory required contribution that was recognized by the System a year in arrears.

The actuarial determined contribution is determined from the prior year census; therefore the contributions are recognized one year in arrears.

Retirement System

Year Ended December 31,	Actuarially Determined Contribution	Statutory Annual Required Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)	Covered Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2013	\$ 91,361	\$ 85,890	\$ 91,361	\$ -	\$ 606,427	15.07 %
2014	85,590	83,960	85,590	-	518,799	16.50 %
2015	83,960	79,497	83,960	-	529,203	15.87 %
2016	79,497	74,644	79,497	-	524,915	15.14 %
2017	74,644	100,565	74,644	-	474,551	15.73 %
2018	100,565	98,558	100,565	-	526,616	19.10 %
2019	98,558	64,408	98,558	-	556,184	17.72 %
2020	75,452	75,904	74,309	1,143	402,634	18.46 %
2021	91,988	80,206	80,206	11,782	506,024	15.85 %
2022	94,588	81,944	81,944	12,644	553,144	14.81 %

The actuarial determined contribution is determined from the prior year census; therefore the contributions are recognized one year in arrears.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Employer Contributions
December 31, 2022

Charter Schools

Year Ended December 31,	Actuarially Determined Contribution	Statutory Annual Required Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)*	Covered Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2013	\$ 7,313,765	\$ 5,625,992	\$ 6,765,907	\$ 547,858 *	\$ 48,546,696	13.94 %
2014	5,625,992	7,440,420	8,527,507	(2,901,515) *	34,101,634	25.01 %
2015	7,440,420	8,123,754	8,445,676	(1,005,256) *	46,897,293	18.01 %
2016	8,123,754	9,123,878	9,718,163	(1,594,409) *	53,640,493	18.12 %
2017	9,123,878	12,216,701	10,130,296	(1,006,418) *	58,005,475	17.46 %
2018	12,216,701	11,090,133	11,018,669	1,198,032 *	63,973,393	17.22 %
2019	12,282,602	10,935,647	12,267,081	15,521 *	69,313,332	17.70 %
2020	13,221,261	11,763,768	11,746,232	1,475,029 *	70,552,564	16.65 %
2021	14,256,585	11,605,483	11,930,457	2,326,128 *	78,425,119	15.21 %
2022	13,686,528	12,600,355	14,215,977	(529,449) *	80,037,813	17.76 %

*Charter Schools report and pay employer contributions in the current year as service is credited.

The actuarial determined contribution is determined from the prior year census; therefore the contributions are recognized one year in arrears.

Total Board of Education, Retirement System, and Charter Schools

Year Ended December 31	Actuarially Determined Contribution	Statutory Annual Required Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)	Covered Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2013	\$35,367,598	\$ 37,267,578	\$ 34,819,740	\$ 547,858	\$234,760,091	14.83 %
2014	37,267,278	38,597,230	40,168,793	(2,901,515)	225,893,514	17.78 %
2015	38,597,230	37,210,752	39,602,486	(1,005,256)	243,280,015	16.28 %
2016	37,210,752	39,657,956	38,805,161	(1,594,409)	245,699,583	15.79 %
2017	39,657,956	49,693,589	40,664,374	(1,006,418)	252,127,288	16.13 %
2018	49,693,589	42,533,354	48,495,557	1,198,032	260,223,066	18.64 %
2019	47,096,163	40,884,719	43,710,302	3,385,861	265,773,659	16.45 %
2020	49,429,863	40,946,007	41,705,205	7,724,658	263,772,380	15.81 %
2021	49,622,726	38,378,143	41,116,998	8,505,728	272,973,377	15.06 %
2022	45,259,945	36,321,658	40,990,375	4,269,570	264,676,845	15.49 %

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Employer Contributions
December 31, 2022

Additional information related to the actuarial valuation on the previous page follows:

	<u>2022</u>	<u>2021</u>
Actuarial cost method	Entry age normal	Frozen entry age
Rate of investment return	7.00%, 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 experience	Various by age and year of membership based on actual experience
Mortality and death rates	<p>a) PubG-2010 (Below Median) Mortality Table, amount weighted, projected fully generationally using projection scale MP- 2021. The mortality assumption for retired participants receiving benefits increased by 2% for males and 10% for females.</p> <p>b) PubG-2010 (Below Median) Mortality Table, amount weighted, projected fully generationally using projection scale MP- 2021.</p>	<p>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.</p> <p>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.</p>
Disability rates	PubT/G-2010 Mortality Disability Table, amount weighted, projected fully generationally using projection scale MP-2021.	RP-2014 Disability Mortality Table (rolled back to 2006), projected fully generationally using projection scale MP- 2015
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 5 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 5 years of employment and at the rate of 3.5% per year thereafter
Asset valuation method	The smoothed market value method	The assumed yield method of valuing assets

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

Effective January 1, 2022, amortization is based on a fifteen (15) year closed, level dollar amount. All future changes in the accrued liability due to amendments, experience gains and losses, and assumption changes are amortized over a 15-year closed, layered method.

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Operating Expenses
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Actuarial services	\$ 135,165	\$ 143,339
Accounting and auditing fees	90,968	89,336
Computer programming and consulting	78,005	93,294
Conventions, conferences, seminars - Trustees (see below)	34,911	1,600
Depreciation expense	51,627	51,627
Dues and subscriptions	8,575	8,780
Health insurance consulting	49,843	39,843
Insurance - group health	81,286	77,271
Insurance - casualty and bonding	117,324	121,685
Legal fees and expenses	106,648	107,665
Medical fees	-	400
Miscellaneous expense	24,959	11,413
Occupancy expense	40,532	51,926
Office repairs and maintenance	44,112	41,061
Office supplies and expenses	12,729	12,794
Payroll taxes	38,902	37,000
Pension expense	(233,541)	13,612
Postage	64,047	60,113
Printing and publishing	19,447	33,739
Salaries - administrative and clerical	510,123	483,754
Telephone	12,685	13,639
Utilities	<u>31,450</u>	<u>29,180</u>
 Total Operating Expenses	 <u>\$ 1,319,797</u>	 <u>\$ 1,523,071</u>

Trustees' Expenses

The Trustees attended conferences and business meetings in connection with business of the System. The Trustees received no salaries but were allowed expenses relating to their attendance at such events as follows:

	<u>2022</u>	<u>2021</u>
Lodging, meals, and miscellaneous	\$ 11,181	\$ -
Transportation and registration	<u>23,730</u>	<u>1,600</u>
Total Trustees' Expenses	<u>\$ 34,911</u>	<u>\$ 1,600</u>

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Investment Expenses
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Investment management fees		
Causeway Capital Management	\$ 271,509	\$ 307,069
Earnest Partners	27,273	30,288
Edgar Lomax Company	304,663	317,391
Entrust Capital Diversified Fund LTD	-	7,832
Fidelity Institutional Asset Management	260,145	300,452
Invesco Global Performance	241,022	-
Intech Investment Management	104,662	165,103
Lazard Asset Management	198,127	228,391
Loomis Sayles & Company, LP	229,110	236,578
Manulife Asset Management	107,816	120,539
Mellon Capital Management	11,658	63,728
NCM Capital	-	31,488
OFI Global Asset Management	-	308,953
Systematic Financial Management	287,904	335,560
TCW Asset Management Company	181,253	240,197
UBS Realty Investors LLC	474,421	408,033
US Bank Trust	102,682	110,060
Westfield Capital Management	246,637	323,714
Whitebox Multi-Strategy Fund, L.P.	355,046	320,923
Xponance	<u>300,166</u>	<u>327,567</u>
 Total Investment Management Fees	 3,704,094	 4,183,866
 NEPC, LLC	 -	 189,414
AndCo LLC	189,250	-
Banking services	<u>31,136</u>	<u>42,201</u>
 Total Investment Expenses	 <u>\$ 3,924,480</u>	 <u>\$ 4,415,481</u>

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Professional/Consultant Fees
Years Ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Actuarial services	\$ 135,165	\$ 143,339
Accounting and auditing fees	90,968	89,336
Building property management	40,532	51,926
Health insurance consulting	49,843	39,843
Legal expenses	106,648	107,665
Technology consulting	<u>78,005</u>	<u>93,294</u>
 Total Fees	 <u><u>\$ 501,161</u></u>	 <u><u>\$ 525,403</u></u>

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Limited Partnerships
Years Ended December 31, 2022 and 2021

Partnership Name	Style	Investments at Fair Value as of December 31, 2022
Alidade Capital Fund V, LP.	Private Equity & Private Debt	\$ 1,102,028
Asia Alternatives Capital Partners VI, L.P.	Private Equity & Private Debt	2,126,449
Asia Alternatives Delaware VI, L.P.	Private Equity & Private Debt	66,146
Bain Capital Special Situations Asia II, L.P.	Private Equity & Private Debt	553,961
BIG Real Estate Fund I, L.P.	Private Equity & Private Debt	5,484,831
BIG Real Estate Fund II, L.P.	Private Equity & Private Debt	2,655,842
Brightwood Capital Fund IV, L.P.	Private Equity & Private Debt	9,873,103
Crayhill Principal Strategies Fund II, L.P.	Private Equity & Private Debt	2,482,838
ElmTree U.S. Net Lease Fund IV, L.P.	Private Equity & Private Debt	3,523,742
Fairview Private Markets Fund VI, L.P.	Private Equity & Private Debt	673,429
Fort Washington Private Equity Investors IX, L.P.	Private Equity & Private Debt	17,391,888
GCM Grosvenor Advance Fund, L.P.	Private Equity & Private Debt	5,865,170
HarbourVest Global Fund, L.P.	Private Equity & Private Debt	1,786,427
Kayne Anderson Real Estate Partners VI, L.P.	Private Equity & Private Debt	1,480,131
Landmark Equity Partners XIV, L.P.	Private Equity & Private Debt	383,667
Landmark Equity Partners XV, L.P.	Private Equity & Private Debt	2,245,821
Landmark Equity Partners XVI, L.P.	Private Equity & Private Debt	8,594,623
MC Credit Partner, L.P.	Private Equity & Private Debt	4,019,720
Mesirow Financial Private Equity Partnership Fund III, L.P.	Private Equity & Private Debt	224,550
Mesirow Financial Private Equity Partnership Fund V, L.P.	Private Equity & Private Debt	4,322,809
Monroe Capital Private Credit Fund II L.P.	Private Equity & Private Debt	2,738,926
Monroe Capital Private Credit Fund III L.P.	Private Equity & Private Debt	9,469,690
Pantheon Global Secondary Fund III B, L.P.	Private Equity & Private Debt	110,756
Vista Foundation Fund II, L.P.	Private Equity & Private Debt	2,402,222
		<u>\$ 89,578,769</u>

Partnership Name	Style	Investments at Fair Value as of December 31, 2021
Asia Alternatives Capital Partners VI, L.P.	Private Equity & Private Debt	\$ 652,939
Bain Capital Special Situations Asia II, L.P.	Private Equity & Private Debt	455,993
BIG Real Estate Fund I, L.P.	Private Equity & Private Debt	6,121,710
Brightwood Capital Fund IV, L.P.	Private Equity & Private Debt	9,462,082
Crayhill Principal Strategies Fund II, L.P.	Private Equity & Private Debt	1,691,490
ElmTree U.S. Net Lease Fund III, L.P.	Private Equity & Private Debt	1,621,972
Fort Washington Private Equity Investors IX, L.P.	Private Equity & Private Debt	17,177,846
GCM Grosvenor Advance Fund, L.P.	Private Equity & Private Debt	2,739,998
HarbourVest Global Fund, L.P.	Private Equity & Private Debt	376,748
Kayne Anderson Real Estate Partners VI, L.P.	Private Equity & Private Debt	502,462
Landmark Equity Partners XIV, L.P.	Private Equity & Private Debt	560,695
Landmark Equity Partners XV, L.P.	Private Equity & Private Debt	4,136,838
Landmark Equity Partners XVI, L.P.	Private Equity & Private Debt	6,774,688
MC Credit Partner, L.P.	Private Equity & Private Debt	3,405,111
Mesirow Financial Private Equity Partnership Fund III, L.P.	Private Equity & Private Debt	374,199
Mesirow Financial Private Equity Partnership Fund V, L.P.	Private Equity & Private Debt	3,371,881
Monroe Capital Private Credit Fund II L.P.	Private Equity & Private Debt	4,733,066
Monroe Capital Private Credit Fund III L.P.	Private Equity & Private Debt	9,688,702
Pantheon Global Secondary Fund III B, L.P.	Private Equity & Private Debt	217,484
Vista Foundation Fund II, L.P.	Private Equity & Private Debt	5,147,245
		<u>\$ 79,213,149</u>

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Required Annual Contribution
December 31, 2022 and 2021

As determined by the actuary, the required annual contribution is as follows at January 1, 2022:

	<u>Board of Education</u>	<u>Retirement System</u>	<u>Charter Schools</u>	<u>Total</u>
Actuarially Determined Employer Contribution (ADEC):				
Normal Cost contribution	\$ 14,525,814	\$ 50,353	\$ 7,742,614	\$ 22,318,781
Actuarial accrued liability contribution	23,255,821	80,615	12,395,920	35,732,356
Member contributions	(13,676,596)	(47,410)	(7,289,960)	(21,013,966)
ADEC	<u>\$ 24,105,039</u>	<u>\$ 83,558</u>	<u>\$ 12,848,574</u>	<u>\$ 37,037,171</u>
Covered payroll	\$ 168,852,563	\$ 585,315	\$ 90,002,539	\$ 259,440,417
ADEC as % of covered payroll	14.28 %	14.28 %	14.28 %	14.28 %
Statutory Annual Required Contribution (ARC):				
Covered payroll	\$ 168,852,563	\$ 585,315	\$ 90,002,539	\$ 259,440,417
Statutory required contribution rate	14.00 %	14.00 %	14.00 %	14.00 %
ARC	<u>\$ 23,639,359</u>	<u>\$ 81,944</u>	<u>\$ 12,600,355</u>	<u>\$ 36,321,658</u>

The actuarial and statutory determined contribution is determined from the prior year census for the Board of Education and Retirement System; therefore the contributions are recognized one year in arrears.

As determined by the actuary, the required annual contribution is as follows at January 1, 2021:

	<u>Board of Education</u>	<u>Retirement System</u>	<u>Charter Schools</u>	<u>Total</u>
Actuarially Determined Employer Contribution (ADEC):				
Normal Cost contribution	\$ 12,395,193	\$ 37,245	\$ 5,389,246	\$ 17,821,684
Actuarial accrued liability contribution	19,083,636	57,343	8,297,282	27,438,261
ADEC	<u>\$ 31,478,829</u>	<u>\$ 94,588</u>	<u>\$ 13,686,528</u>	<u>\$ 45,259,945</u>
Covered payroll	\$ 184,085,888	\$ 553,144	\$ 80,037,813	\$ 264,676,845
ADEC as % of covered payroll	17.10 %	17.10 %	17.10 %	17.10 %
Statutory Annual Required Contribution (ARC):				
Covered payroll	\$ 184,085,888	\$ 553,144	\$ 80,037,813	\$ 264,676,845
Statutory required contribution rate	14.50 %	14.50 %	14.50 %	14.50 %
ARC	<u>\$ 26,692,454</u>	<u>\$ 80,206</u>	<u>\$ 11,605,483</u>	<u>\$ 38,378,143</u>

The actuarial and statutory determined contribution is determined from the prior year census for the Board of Education and Retirement System; therefore the contributions are recognized one year in arrears.

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Actuarial Present Values of Projected Benefit Payments
000's omitted
December 31, 2022

Fiscal Year Ending 12/31	Beginning Fiduciary Net Position	Benefit Payments			Present Value of Benefit Payments			Using a Single Discount Rate of
		Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 7.00%	Unfunded Portion at 4.31%		
2023	\$ 817,868	\$ 108,928	\$ 108,928	\$ -	\$ 105,305	\$ -	\$ 105,305	
2024	\$ 817,745	\$ 107,053	\$ 107,053	\$ -	\$ 96,721	\$ -	\$ 96,721	
2025	\$ 816,461	\$ 105,327	\$ 105,327	\$ -	\$ 88,937	\$ -	\$ 88,937	
2026	\$ 814,379	\$ 103,780	\$ 103,780	\$ -	\$ 81,897	\$ -	\$ 81,897	
2027	\$ 811,144	\$ 102,708	\$ 102,708	\$ -	\$ 75,749	\$ -	\$ 75,749	
2028	\$ 806,345	\$ 102,099	\$ 102,099	\$ -	\$ 70,374	\$ -	\$ 70,374	
2029	\$ 799,632	\$ 101,483	\$ 101,483	\$ -	\$ 65,373	\$ -	\$ 65,373	
2030	\$ 791,001	\$ 100,741	\$ 100,741	\$ -	\$ 60,650	\$ -	\$ 60,650	
2031	\$ 780,590	\$ 99,857	\$ 99,857	\$ -	\$ 56,184	\$ -	\$ 56,184	
2032	\$ 768,501	\$ 99,060	\$ 99,060	\$ -	\$ 52,090	\$ -	\$ 52,090	
2033	\$ 754,557	\$ 98,161	\$ 98,161	\$ -	\$ 48,420	\$ -	\$ 48,420	
2034	\$ 738,796	\$ 97,097	\$ 97,097	\$ -	\$ 44,596	\$ -	\$ 44,596	
2035	\$ 722,742	\$ 95,824	\$ 95,824	\$ -	\$ 41,132	\$ -	\$ 41,132	
2036	\$ 706,658	\$ 94,581	\$ 94,581	\$ -	\$ 37,942	\$ -	\$ 37,942	
2037	\$ 690,573	\$ 93,198	\$ 93,198	\$ -	\$ 34,941	\$ -	\$ 34,941	
2038	\$ 674,725	\$ 91,842	\$ 91,842	\$ -	\$ 32,180	\$ -	\$ 32,180	
2039	\$ 659,160	\$ 90,476	\$ 90,476	\$ -	\$ 29,628	\$ -	\$ 29,628	
2040	\$ 643,986	\$ 89,234	\$ 89,234	\$ -	\$ 27,309	\$ -	\$ 27,309	
2041	\$ 629,128	\$ 87,787	\$ 87,787	\$ -	\$ 25,109	\$ -	\$ 25,109	
2042	\$ 614,872	\$ 86,406	\$ 86,406	\$ -	\$ 23,097	\$ -	\$ 23,097	
2043	\$ 601,256	\$ 85,027	\$ 85,027	\$ -	\$ 21,242	\$ -	\$ 21,242	
2044	\$ 588,378	\$ 83,634	\$ 83,634	\$ -	\$ 19,527	\$ -	\$ 19,527	
2045	\$ 576,360	\$ 82,311	\$ 82,311	\$ -	\$ 17,961	\$ -	\$ 17,961	
2046	\$ 565,247	\$ 80,942	\$ 80,942	\$ -	\$ 16,507	\$ -	\$ 16,507	
2047	\$ 555,193	\$ 79,681	\$ 79,681	\$ -	\$ 15,186	\$ -	\$ 15,186	
2048	\$ 546,232	\$ 78,267	\$ 78,267	\$ -	\$ 13,941	\$ -	\$ 13,941	
2049	\$ 538,654	\$ 77,155	\$ 77,155	\$ -	\$ 12,844	\$ -	\$ 12,844	
2050	\$ 532,289	\$ 76,027	\$ 76,027	\$ -	\$ 11,828	\$ -	\$ 11,828	
2051	\$ 527,297	\$ 74,756	\$ 74,756	\$ -	\$ 10,869	\$ -	\$ 10,869	
2052	\$ 523,967	\$ 73,098	\$ 73,098	\$ -	\$ 9,933	\$ -	\$ 9,933	
2053	\$ 522,861	\$ 71,394	\$ 71,394	\$ -	\$ 9,067	\$ -	\$ 9,067	
2054	\$ 524,243	\$ 69,747	\$ 69,747	\$ -	\$ 8,278	\$ -	\$ 8,278	
2055	\$ 528,256	\$ 67,853	\$ 67,853	\$ -	\$ 7,527	\$ -	\$ 7,527	
2056	\$ 535,378	\$ 65,873	\$ 65,873	\$ -	\$ 6,829	\$ -	\$ 6,829	
2057	\$ 545,953	\$ 63,707	\$ 63,707	\$ -	\$ 6,172	\$ -	\$ 6,172	
2058	\$ 560,455	\$ 61,442	\$ 61,442	\$ -	\$ 5,563	\$ -	\$ 5,563	
2059	\$ 579,297	\$ 59,071	\$ 59,071	\$ -	\$ 4,999	\$ -	\$ 4,999	
2060	\$ 602,918	\$ 56,607	\$ 56,607	\$ -	\$ 4,477	\$ -	\$ 4,477	
2061	\$ 631,785	\$ 54,157	\$ 54,157	\$ -	\$ 4,003	\$ -	\$ 4,003	
2062	\$ 666,273	\$ 51,703	\$ 51,703	\$ -	\$ 3,572	\$ -	\$ 3,572	
2063	\$ 706,817	\$ 49,252	\$ 49,252	\$ -	\$ 3,180	\$ -	\$ 3,180	
2064	\$ 753,872	\$ 46,812	\$ 46,812	\$ -	\$ 2,824	\$ -	\$ 2,824	
2065	\$ 807,914	\$ 44,391	\$ 44,391	\$ -	\$ 2,503	\$ -	\$ 2,503	
2066	\$ 869,435	\$ 41,996	\$ 41,996	\$ -	\$ 2,213	\$ -	\$ 2,213	
2067	\$ 938,970	\$ 39,629	\$ 39,629	\$ -	\$ 1,952	\$ -	\$ 1,952	
2068	\$ 1,017,077	\$ 37,296	\$ 37,296	\$ -	\$ 1,717	\$ -	\$ 1,717	

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Projection of Fiduciary Net Position
000's omitted
December 31, 2022

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2023	\$ 817,868	\$ 54,816	\$ 108,928	\$ 1,353	\$ 55,342	\$ 817,745
2024	\$ 817,745	\$ 51,860	\$ 107,053	\$ 1,387	\$ 55,296	\$ 816,461
2025	\$ 816,461	\$ 49,485	\$ 105,327	\$ 1,421	\$ 55,181	\$ 814,379
2026	\$ 814,379	\$ 46,999	\$ 103,780	\$ 1,457	\$ 55,003	\$ 811,144
2027	\$ 811,144	\$ 44,670	\$ 102,708	\$ 1,493	\$ 54,732	\$ 806,345
2028	\$ 806,345	\$ 42,573	\$ 102,099	\$ 1,531	\$ 54,344	\$ 799,632
2029	\$ 799,632	\$ 40,596	\$ 101,483	\$ 1,569	\$ 53,825	\$ 791,001
2030	\$ 791,001	\$ 38,756	\$ 100,741	\$ 1,608	\$ 53,182	\$ 780,590
2031	\$ 780,590	\$ 36,994	\$ 99,857	\$ 1,648	\$ 52,422	\$ 768,501
2032	\$ 768,501	\$ 35,264	\$ 99,060	\$ 1,689	\$ 51,541	\$ 754,557
2033	\$ 754,557	\$ 33,593	\$ 98,161	\$ 1,732	\$ 50,539	\$ 738,796
2034	\$ 738,796	\$ 33,357	\$ 97,097	\$ 1,775	\$ 49,461	\$ 722,742
2035	\$ 722,742	\$ 33,185	\$ 95,824	\$ 1,819	\$ 48,374	\$ 706,658
2036	\$ 706,658	\$ 33,075	\$ 94,581	\$ 1,865	\$ 47,286	\$ 690,573
2037	\$ 690,573	\$ 33,056	\$ 93,198	\$ 1,911	\$ 46,205	\$ 674,725
2038	\$ 674,725	\$ 33,094	\$ 91,842	\$ 1,959	\$ 45,142	\$ 659,160
2039	\$ 659,160	\$ 33,209	\$ 90,476	\$ 2,008	\$ 44,101	\$ 643,986
2040	\$ 643,986	\$ 33,349	\$ 89,234	\$ 2,058	\$ 43,085	\$ 629,128
2041	\$ 629,128	\$ 33,540	\$ 87,787	\$ 2,110	\$ 42,101	\$ 614,872
2042	\$ 614,872	\$ 33,796	\$ 86,406	\$ 2,163	\$ 41,157	\$ 601,256
2043	\$ 601,256	\$ 34,107	\$ 85,027	\$ 2,217	\$ 40,259	\$ 588,378
2044	\$ 588,378	\$ 34,471	\$ 83,634	\$ 2,272	\$ 39,417	\$ 576,360
2045	\$ 576,360	\$ 34,893	\$ 82,311	\$ 2,329	\$ 38,634	\$ 565,247
2046	\$ 565,247	\$ 35,359	\$ 80,942	\$ 2,387	\$ 37,916	\$ 555,193
2047	\$ 555,193	\$ 35,894	\$ 79,681	\$ 2,447	\$ 37,273	\$ 546,232
2048	\$ 546,232	\$ 36,485	\$ 78,267	\$ 2,508	\$ 36,712	\$ 538,654
2049	\$ 538,654	\$ 37,120	\$ 77,155	\$ 2,571	\$ 36,241	\$ 532,289
2050	\$ 532,289	\$ 37,815	\$ 76,027	\$ 2,635	\$ 35,855	\$ 527,297
2051	\$ 527,297	\$ 38,554	\$ 74,756	\$ 2,701	\$ 35,573	\$ 523,967
2052	\$ 523,967	\$ 39,339	\$ 73,098	\$ 2,768	\$ 35,421	\$ 522,861
2053	\$ 522,861	\$ 40,184	\$ 71,394	\$ 2,838	\$ 35,430	\$ 524,243
2054	\$ 524,243	\$ 41,059	\$ 69,747	\$ 2,909	\$ 35,610	\$ 528,256
2055	\$ 528,256	\$ 41,971	\$ 67,853	\$ 2,981	\$ 35,985	\$ 535,378
2056	\$ 535,378	\$ 42,922	\$ 65,873	\$ 3,056	\$ 36,582	\$ 545,953
2057	\$ 545,953	\$ 43,913	\$ 63,707	\$ 3,132	\$ 37,428	\$ 560,455
2058	\$ 560,455	\$ 44,941	\$ 61,442	\$ 3,210	\$ 38,553	\$ 579,297
2059	\$ 579,297	\$ 45,996	\$ 59,071	\$ 3,291	\$ 39,987	\$ 602,918
2060	\$ 602,918	\$ 47,086	\$ 56,607	\$ 3,373	\$ 41,761	\$ 631,785
2061	\$ 631,785	\$ 48,201	\$ 54,157	\$ 3,457	\$ 43,901	\$ 666,273
2062	\$ 666,273	\$ 49,354	\$ 51,703	\$ 3,544	\$ 46,437	\$ 706,817
2063	\$ 706,817	\$ 50,543	\$ 49,252	\$ 3,632	\$ 49,396	\$ 753,872
2064	\$ 753,872	\$ 51,763	\$ 46,812	\$ 3,723	\$ 52,814	\$ 807,914
2065	\$ 807,914	\$ 53,010	\$ 44,391	\$ 3,816	\$ 56,718	\$ 869,435
2066	\$ 869,435	\$ 54,294	\$ 41,996	\$ 3,912	\$ 61,149	\$ 938,970
2067	\$ 938,970	\$ 55,606	\$ 39,629	\$ 4,009	\$ 66,139	\$ 1,017,077
2068	\$ 1,017,077	\$ 56,953	\$ 37,296	\$ 4,110	\$ 71,731	\$ 1,104,355