

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

**SCHEDULES OF PENSION INFORMATION
FOR PARTICIPATING EMPLOYERS
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2022 AND 2021**

Contents

| | <u>Page</u> |
|---|-------------|
| Independent Auditors' Report | 1 - 3 |
| Schedules of Pension Information for Participating Employers | |
| Schedules of Employer Allocations | 4 |
| Schedules of Pension Amounts by Employer | 5 - 12 |
| Notes to Schedules | 13 - 19 |

Independent Auditors' Report

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

Opinions

We have audited the accompanying schedules of employer allocations of Public School Retirement System of the City of St. Louis (the "System") as of and for the years ended December 31, 2022 and 2021, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension plan expense ("specified column totals") included in the accompanying schedules of pension amounts by employer of the System as of and for the years ended December 31, 2022 and 2021, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension plan expense for the total of all participating entities of the System as of and for the years ended December 31, 2022 and 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Schedules

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

Auditors' Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the schedules of employer allocations and the specified column totals included in the schedules of pension amounts by employer are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the schedules.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer, 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 Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer.
- 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 Schedule of Employer Allocations and the specified column totals included in the Schedule of Pension Amounts by Employer.
- 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.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the years ended December 31, 2022 and 2021, and our report thereon, dated April 18, 2023, expressed an unmodified opinion on those financial statements.

Restriction of Use

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

Anders Minkler-Heber & Helms LLP

November 9, 2023

Public School Retirement System of the City of St. Louis
Schedules of Employer Allocations
As of and for the Years Ended December 31, 2022 and 2021

| Employer | Employer Name | 2022 | | | 2021 | |
|--------------------------------------|--|-----------------------|--------------------------------|--|-----------------------|--------------------------------|
| | | Compensation | Employer Allocation Percentage | | Compensation | Employer Allocation Percentage |
| 1 | Public School Retirement System of the City of St. Louis | \$ 589,410 | 0.24 % | | \$ 560,925 | 0.24 % |
| 2 | St. Louis Public Schools | 164,600,661 | 65.73 | | 156,345,815 | 67.08 |
| 3 | The Atlas School | 1,607,503 | 0.64 | | 676,784 | 0.29 |
| 4 | Carondelet Leadership Academy | - | - | | - | - |
| 5 | City Garden Montessori School | 3,449,508 | 1.38 | | 2,468,155 | 1.06 |
| 6 | Confluence Academy | 18,779,629 | 7.50 | | 18,200,213 | 7.81 |
| 7 | St. Louis Voices Academy | 112,367 | 0.05 | | - | - |
| 8 | Momentum Academy (formerly EAGLE College Preparatory School) | 5,183,864 | 2.07 | | 4,132,109 | 1.77 |
| 9 | Gateway Science Academy of St. Louis | 9,448,271 | 3.77 | | 8,752,864 | 3.76 |
| 10 | Grand Center Arts Academy | - | - | | - | - |
| 11 | Hawthorn Leadership School for Girls | 1,347,449 | 0.54 | | 1,223,026 | 0.52 |
| 12 | KIPP Inspire Academy | 15,909,085 | 6.35 | | 14,489,880 | 6.22 |
| 13 | La Salle Middle School | 996,978 | 0.40 | | 1,074,956 | 0.46 |
| 14 | Lafayette Preparatory Academy | 2,404,806 | 0.96 | | 2,280,800 | 0.98 |
| 15 | Lift for Life Academy | 6,655,392 | 2.66 | | 5,545,908 | 2.38 |
| 16 | North Side Community School | 3,213,913 | 1.28 | | 3,284,028 | 1.41 |
| 17 | Preclarus Mastery Academy | - | - | | - | - |
| 18 | Premier Charter School | 8,037,146 | 3.21 | | 7,769,668 | 3.33 |
| 19 | South City Preparatory Academy | - | - | | - | - |
| 20 | St. Louis Language Immersion School | 2,840,343 | 1.13 | | 2,770,136 | 1.19 |
| 21 | The Arch Community School | - | - | | 657,035 | 0.28 |
| 22 | The Biome | 1,138,115 | 0.46 | | 1,278,012 | 0.55 |
| 23 | Kairos Academies | 3,326,642 | 1.33 | | 850,980 | 0.37 |
| 24 | The Soulard School | 760,948 | 0.30 | | 710,111 | 0.30 |
| Total Compensation for all Employers | | <u>\$ 250,402,030</u> | <u>100.00 %</u> | | <u>\$ 233,071,405</u> | <u>100.00 %</u> |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer
As of and for the Year Ended December 31, 2022

| ER# | Employer Name | Net Pension Liability | | Deferred Outflows of Resources | | | | |
|-----|--|---------------------------------|------------------------------|---|------------------------|---|---|--------------------------------------|
| | | Beginning Net Pension Liability | Ending Net Pension Liability | Difference Between Expected and Actual Experience | Changes in Assumptions | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources |
| 1 | Public School Retirement System of the City of St. Louis | \$ 713,847 | \$ 1,070,465 | \$ 19,503 | \$ 11,017 | \$ 212,462 | \$ 115,565 | \$ 358,548 |
| 2 | St. Louis Public Schools | 198,969,574 | 298,941,964 | 5,446,436 | 3,076,568 | 59,332,791 | - | 67,855,795 |
| 3 | The Atlas School | 861,292 | 2,919,491 | 53,190 | 30,046 | 579,449 | 1,685,868 | 2,348,553 |
| 4 | Carondelet Leadership Academy | - | - | - | - | - | - | - |
| 5 | City Garden Montessori School | 3,141,035 | 6,264,876 | 114,140 | 64,475 | 1,243,427 | 1,660,853 | 3,082,895 |
| 6 | Confluence Academy | 23,162,044 | 34,106,905 | 621,395 | 351,012 | 6,769,401 | 2,692,680 | 10,434,488 |
| 7 | St. Louis Voices Academy | - | 204,077 | 3,718 | 2,100 | 40,504 | 131,722 | 178,044 |
| 8 | Momentum Academy (formerly EAGLE College Preparatory School) | 5,258,625 | 9,414,752 | 171,528 | 96,892 | 1,868,602 | 1,815,442 | 3,952,464 |
| 9 | Gateway Science Academy of St. Louis | 11,139,112 | 17,159,619 | 312,632 | 176,599 | 3,405,772 | 1,558,750 | 5,453,752 |
| 10 | Grand Center Arts Academy | - | - | - | - | - | - | - |
| 11 | Hawthorn Leadership School for Girls | 1,556,453 | 2,447,190 | 44,585 | 25,185 | 485,708 | 436,764 | 992,243 |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2022

| ER# | Employer Name | Net Pension Liability | | Deferred Outflows of Resources | | | | |
|-----|-------------------------------------|---------------------------------|------------------------------|---|------------------------|---|---|--------------------------------------|
| | | Beginning Net Pension Liability | Ending Net Pension Liability | Difference Between Expected and Actual Experience | Changes in Assumptions | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources |
| 12 | KIPP Inspire Academy | \$ 18,440,182 | \$ 28,893,524 | \$ 526,412 | \$ 297,358 | \$ 5,734,670 | \$ 2,278,204 | \$ 8,836,644 |
| 13 | La Salle Middle School | 1,368,016 | 1,810,677 | 32,989 | 18,635 | 359,376 | 358,207 | 769,206 |
| 14 | Lafayette Preparatory Academy | 2,902,603 | 4,367,525 | 79,572 | 44,948 | 866,849 | 627,572 | 1,618,941 |
| 15 | Lift for Life Academy | 7,057,860 | 12,087,290 | 220,219 | 124,397 | 2,399,036 | 1,919,249 | 4,662,901 |
| 16 | North Side Community School | 4,179,336 | 5,836,996 | 106,344 | 60,072 | 1,158,503 | 386,643 | 1,711,562 |
| 17 | Preclarus Mastery Academy | - | - | - | - | - | - | - |
| 18 | Premier Charter School | 9,887,873 | 14,596,783 | 265,939 | 150,223 | 2,897,111 | 1,053,266 | 4,366,539 |
| 19 | South City Preparatory Academy | - | - | - | - | - | 444 | 444 |
| 20 | St. Louis Language Immersion School | 3,525,344 | 5,158,532 | 93,984 | 53,089 | 1,023,844 | 610,930 | 1,781,847 |
| 21 | The Arch Community School | 836,159 | - | - | - | - | 174,401 | 174,401 |
| 22 | The Biome | 1,626,430 | 2,067,005 | 37,659 | 21,273 | 410,251 | 533,858 | 1,003,041 |
| 23 | Kairos Academies | 1,082,978 | 6,041,731 | 110,075 | 62,179 | 1,199,138 | 3,396,802 | 4,768,194 |
| 24 | The Soulard School | 903,705 | 1,382,007 | 25,179 | 14,222 | 274,295 | 318,769 | 632,465 |
| | | <u>\$296,612,468</u> | <u>\$454,771,409</u> | <u>\$ 8,285,499</u> | <u>\$ 4,680,290</u> | <u>\$ 90,261,189</u> | <u>\$ 21,755,989</u> | <u>\$124,982,967</u> |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2022

| | | <u>Deferred Inflows of Resources</u> | | | | | |
|-----|--|---|---------------------------|--|---|---|---|
| ER# | Employer Name | Difference Between Expected and Actual Experience | Changes in Assumptions | Difference Between Projected and Actual Investment Earnings | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Inflows of Resources | Total Employer Pension Plan Expense |
| 1 | Public School Retirement System of the City of St. Louis | \$ (20,614) | \$ - | \$ - | \$ (42,533) | \$ (63,147) | \$ (75,259) |
| 2 | St. Louis Public Schools | (5,757,128) | - | - | (13,681,907) | (19,439,035) | (21,017,267) |
| 3 | The Atlas School | (56,225) | - | - | - | (56,225) | (205,256) |
| 4 | Carondelet Leadership Academy | - | - | - | (2,170,677) | (2,170,677) | - |
| 5 | City Garden Montessori School | (120,651) | - | - | (32,154) | (152,805) | (440,455) |
| 6 | Confluence Academy | (656,843) | - | - | (907,209) | (1,564,052) | (2,397,903) |
| 7 | St. Louis Voices Academy | (3,930) | - | - | - | (3,930) | (14,348) |
| 8 | Momentum Academy (formerly EAGLE College Preparatory School) | (181,313) | - | - | - | (181,313) | (661,909) |
| 9 | Gateway Science Academy of St. Louis | (330,466) | - | - | - | (330,466) | (1,206,416) |
| 10 | Grand Center Arts Academy | - | - | - | (1,542,387) | (1,542,387) | - |
| 11 | Hawthorn Leadership School for Girls | (47,129) | - | - | (59,168) | (106,297) | (172,051) |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2022

| <u>Deferred Inflows of Resources</u> | | | | | | | |
|--------------------------------------|--|---|---------------------------|--|---|---|---|
| ER# | Employer Name | Difference Between Expected and Actual Experience | Changes in Assumptions | Difference Between Projected and Actual Investment Earnings | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Inflows of Resources | Total Employer Pension Plan Expense |
| 12 | KIPP Inspire Academy | \$ (556,442) | \$ - | \$ - | \$ - | \$ (556,442) | \$ (2,031,374) |
| 13 | La Salle Middle School | (34,871) | - | - | (185,108) | (219,979) | (127,301) |
| 14 | Lafayette Preparatory Academy | (84,111) | - | - | (53,441) | (137,552) | (307,061) |
| 15 | Lift for Life Academy | (232,781) | - | - | - | (232,781) | (849,803) |
| 16 | North Side Community School | (112,411) | - | - | (389,706) | (502,117) | (410,373) |
| 17 | Preclarus Mastery Academy | - | - | - | (378,625) | (378,625) | - |
| 18 | Premier Charter School | (281,110) | - | - | (363,695) | (644,805) | (1,026,234) |
| 19 | South City Preparatory Academy | - | - | - | (648,673) | (648,673) | - |
| 20 | St. Louis Language Immersion School | (99,345) | - | - | (159,160) | (258,505) | (362,673) |
| 21 | The Arch Community School | - | - | - | (827,476) | (827,476) | - |
| 22 | The Biome | (39,807) | - | - | (311,766) | (351,573) | (145,322) |
| 23 | Kairos Academies | (116,354) | - | - | - | (116,354) | (424,767) |
| 24 | The Soulard School | (26,615) | - | - | (2,304) | (28,919) | (97,163) |
| | | <u>\$ (8,758,146)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (21,755,989)</u> | <u>\$ (30,514,135)</u> | <u>\$ (31,972,935)</u> |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer
As of and for the Year Ended December 31, 2021

| ER# | Employer Name | Net Pension Liability | | Deferred Outflows of Resources | | | | |
|-----|--|---------------------------------|------------------------------|---|------------------------|---|---|--------------------------------------|
| | | Beginning Net Pension Liability | Ending Net Pension Liability | Difference Between Expected and Actual Experience | Changes in Assumptions | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources |
| 1 | Public School Retirement System of the City of St. Louis | \$ 688,612 | \$ 713,847 | \$ 4,019 | \$ 19,927 | \$ - | \$ 225,492 | \$ 249,438 |
| 2 | St. Louis Public Schools | 255,412,436 | 198,969,574 | 1,120,123 | 5,554,624 | - | - | 6,674,746 |
| 3 | The Atlas School | - | 861,292 | 4,849 | 24,045 | - | 1,156,776 | 1,185,670 |
| 4 | Carondelet Leadership Academy | 2,227,273 | - | - | - | - | 11,070 | 11,070 |
| 5 | City Garden Montessori School | 2,679,345 | 3,141,035 | 17,683 | 87,688 | - | 1,412,861 | 1,518,232 |
| 6 | Confluence Academy | 25,849,057 | 23,162,044 | 130,393 | 646,614 | - | 5,721,670 | 6,498,677 |
| 7 | St. Louis Voices Academy | - | - | - | - | - | - | - |
| 8 | Momentum Academy (formerly EAGLE College Preparatory School) | 5,485,289 | 5,258,625 | 29,604 | 146,805 | - | 2,134,425 | 2,310,834 |
| 9 | Gateway Science Academy of St. Louis | 11,685,039 | 11,139,112 | 62,709 | 310,970 | - | 3,174,601 | 3,548,280 |
| 10 | Grand Center Arts Academy | 2,061,652 | - | - | - | - | - | - |
| 11 | Hawthorn Leadership School for Girls | 1,266,360 | 1,556,453 | 8,762 | 43,451 | - | 703,296 | 755,509 |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2021

| ER# | Employer Name | Net Pension Liability | | Deferred Outflows of Resources | | | | |
|-----|-------------------------------------|---------------------------------|------------------------------|---|------------------------|---|---|--------------------------------------|
| | | Beginning Net Pension Liability | Ending Net Pension Liability | Difference Between Expected and Actual Experience | Changes in Assumptions | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources |
| 12 | KIPP Inspire Academy | \$ 21,005,348 | \$ 18,440,182 | \$ 103,811 | \$ 514,794 | \$ - | \$ 4,811,982 | \$ 5,430,587 |
| 13 | La Salle Middle School | 1,362,815 | 1,368,016 | 7,701 | 38,191 | - | 774,739 | 820,631 |
| 14 | Lafayette Preparatory Academy | 2,777,315 | 2,902,603 | 16,341 | 81,032 | - | 1,204,256 | 1,301,629 |
| 15 | Lift for Life Academy | 7,310,406 | 7,057,860 | 39,733 | 197,034 | - | 2,413,781 | 2,650,548 |
| 16 | North Side Community School | 4,499,931 | 4,179,336 | 23,528 | 116,673 | - | 821,205 | 961,407 |
| 17 | Preclarus Mastery Academy | 587,532 | - | - | - | - | - | - |
| 18 | Premier Charter School | 10,476,839 | 9,887,873 | 55,665 | 276,038 | - | 2,120,710 | 2,452,414 |
| 19 | South City Preparatory Academy | 1,047,733 | - | - | - | - | 999 | 999 |
| 20 | St. Louis Language Immersion School | 3,707,732 | 3,525,344 | 19,846 | 98,417 | - | 1,191,590 | 1,309,853 |
| 21 | The Arch Community School | 915,647 | 836,159 | 4,707 | 23,343 | - | 359,781 | 387,831 |
| 22 | The Biome | 1,131,941 | 1,626,430 | 9,156 | 45,405 | - | 1,015,391 | 1,069,952 |
| 23 | Kairos Academies | 596,212 | 1,082,978 | 6,097 | 30,233 | - | 1,151,311 | 1,187,641 |
| 24 | The Soulard School | 912,599 | 903,705 | 5,088 | 25,230 | - | 775,980 | 806,297 |
| | | <u>\$363,687,113</u> | <u>\$296,612,468</u> | <u>\$ 1,669,815</u> | <u>\$ 8,280,514</u> | <u>\$ -</u> | <u>\$ 31,181,916</u> | <u>\$ 41,132,245</u> |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2021

| | | Deferred Inflows of Resources | | | | | |
|-----|--|---|---------------------------|--|---|---|---|
| ER# | Employer Name | Difference Between Expected and Actual Experience | Changes in Assumptions | Difference Between Projected and Actual Investment Earnings | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Inflows of Resources | Total Employer Pension Plan Expense |
| 1 | Public School Retirement System of the City of St. Louis | \$ (37,612) | \$ (198,933) | \$ (116,385) | \$ (60,820) | \$ (413,750) | \$ (233,541) |
| 2 | St. Louis Public Schools | (10,483,440) | (55,448,605) | (32,440,095) | (20,619,151) | (118,991,291) | (65,094,806) |
| 3 | The Atlas School | (45,380) | (240,024) | (140,425) | - | (425,829) | (281,780) |
| 4 | Carondelet Leadership Academy | - | - | - | (4,221,065) | (4,221,065) | - |
| 5 | City Garden Montessori School | (165,497) | (875,340) | (512,116) | (72,346) | (1,625,299) | (1,027,620) |
| 6 | Confluence Academy | (1,220,377) | (6,454,771) | (3,776,351) | - | (11,451,499) | (7,577,685) |
| 7 | St. Louis Voices Academy | - | - | - | - | - | - |
| 8 | Momentum Academy (formerly EAGLE College Preparatory School) | (277,070) | (1,465,467) | (857,369) | - | (2,599,906) | (1,720,410) |
| 9 | Gateway Science Academy of St. Louis | (586,905) | (3,104,235) | (1,816,126) | - | (5,507,266) | (3,644,268) |
| 10 | Grand Center Arts Academy | - | - | - | (3,083,592) | (3,083,592) | - |
| 11 | Hawthorn Leadership School for Girls | (82,007) | (433,751) | (253,765) | (310,861) | (1,080,384) | (509,209) |

Public School Retirement System of the City of St. Louis
Schedule of Pension Amounts by Employer (Continued)
As of and for the Year Ended December 31, 2021

| Deferred Inflows of Resources | | | | | | | |
|--------------------------------------|--|--|-----------------------------------|--|--|--|--|
| ER# | Employer Name | Difference Between Expected and Actual Experience | Changes in Assumptions | Difference Between Projected and Actual Investment Earnings | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Inflows of Resources | Total Employer Pension Plan Expense |
| 12 | KIPP Inspire Academy | \$ (971,588) | \$ (5,138,888) | \$ (3,006,496) | \$ - | \$ (9,116,972) | \$ (6,032,883) |
| 13 | La Salle Middle School | (72,079) | (381,237) | (223,042) | - | (676,358) | (447,559) |
| 14 | Lafayette Preparatory Academy | (152,934) | (808,894) | (473,242) | - | (1,435,070) | (949,614) |
| 15 | Lift for Life Academy | (371,869) | (1,966,876) | (1,050,717) | - | (3,389,462) | (2,309,047) |
| 16 | North Side Community School | (220,204) | (1,164,692) | (681,401) | (47,838) | (2,114,135) | (1,367,310) |
| 17 | Preclarus Mastery Academy | - | - | - | (682,502) | (682,502) | - |
| 18 | Premier Charter School | (520,979) | (2,755,541) | (1,612,124) | - | (4,888,644) | (3,234,913) |
| 19 | South City Preparatory Academy | - | - | - | (1,830,835) | (1,830,835) | - |
| 20 | St. Louis Language Immersion School | (185,746) | (982,439) | (574,774) | (168,932) | (1,911,891) | (1,153,350) |
| 21 | The Arch Community School | (44,056) | (233,020) | (136,328) | (2,131) | (415,535) | (273,557) |
| 22 | The Biome | (85,694) | (453,252) | (265,174) | (81,843) | (885,963) | (532,102) |
| 23 | Kairos Academies | (57,061) | (301,803) | (176,569) | - | (535,433) | (354,307) |
| 24 | The Soulard School | (47,615) | (251,843) | (147,340) | - | (446,798) | (295,656) |
| | | <u>\$ (15,628,113)</u> | <u>\$ (82,659,611)</u> | <u>\$ (48,259,839)</u> | <u>\$ (31,181,916)</u> | <u>\$ (177,729,479)</u> | <u>\$ (97,039,617)</u> |

Public School Retirement System of the City of St. Louis
Notes to Schedules
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 Public School District, and of all employees of the System.

Operations and management of the System are generally prescribed in the Statutes and are supervised by the Board of Trustees. The System's annual reports for December 31, 2022 and 2021 are available at www.psrstl.org.

Membership and Eligibility

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

Benefits

Upon retirement at age 65, or at any age if age plus years of credited service equals or exceeds 80 (Rule of 80) for the years ended December 31, 2022 and 2021, members receive monthly payments for life of yearly benefits equal to years of credited service multiplied by two percent of average final compensation, but not to exceed sixty percent of average final compensation. Early retirement can occur at age 60 with five years of service. The service retirement allowance is reduced five ninths of one percent for each month of commencement prior to age 65 or the age at which the Rule of 80 would apply for the years ended December 31, 2022 and 2021, would have been satisfied had the employee continued working until that age, if earlier.

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

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

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

Contributions by Members

Member contribution rates are established by state laws and are paid by the employee based on Missouri Revised Statutes 169.440 - 169.597. Active members hired before January 1, 2018 contribute 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 members hired on or after January 1, 2018 contribute 9.00% of covered compensation.

Accumulated contributions are credited at the rate of interest established by the Board of Trustees. The current crediting rate is 2.00%.

Contributions by Employers

The System's statutory required contribution rate applied to St. Louis Public Schools and the System for the year ended December 31, 2022 was 14.50% of annual payroll. For Charter School employers, the System's statutory required contribution rate was set at 14.00% of covered payroll for the year ended December 31, 2022. These contribution rates shall be decreased by 0.50% in each subsequent year until reaching 9.00% of covered payroll. After this, the contribution rate will remain at 9.00% of covered payroll.

The System's statutory required contribution rate applied to St. Louis Public Schools and the System for the year ended December 31, 2021 was 15.00% of annual payroll. For Charter School employers, the System's statutory required contribution rate was set at 14.50% of covered payroll for the year ended December 31, 2021. These contribution rates shall be decreased by 0.50% in each subsequent year until reaching 9.00% of covered payroll. After this, the contribution rate will remain at 9.00% of covered payroll.

2. Summary of Significant Accounting Policies

Basis of Presentation and Accounting

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

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

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

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

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

Total employer compensation as of and for the years ended December 31, 2022 and 2021, was used as the basis for determining each employer's proportionate share of the collective pension amounts reported on the schedules.

Use of Estimates

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

Fair Value Measurements

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

Subsequent Events

The System has evaluated subsequent events through November 9, 2023, the date the schedules were available to be issued.

3. Schedules of Employer Allocations

The Schedules of Employer Allocations reflect employer compensation as of and for the years ended December 31, 2022 and 2021 and includes the following for each individual employer:

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

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

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

| | <u>2022</u> | <u>2021</u> |
|--|-----------------------|-----------------------|
| Total pension liability | \$ 1,272,639,388 | \$ 1,269,440,124 |
| 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 % |
| Covered employee payroll | \$ 250,402,030 | \$ 233,071,405 |
| Employers' net pension liability as a percentage of employee covered payroll | 181.62 % | 127.26 % |

4. Schedules of Pension Amounts by Employer

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

For the year ended December 31, 2022, the System recognized pension expense of \$(31,972,935) 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 | \$ 8,285,499 | \$ (8,758,146) |
| Changes in assumptions | 4,680,290 | - |
| Net difference between projected and actual earnings on pension plan investments | 90,261,189 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | <u>21,755,989</u> | <u>(21,755,989)</u> |
| Total | <u>\$ 124,982,967</u> | <u>\$ (30,514,135)</u> |

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

For the year ended December 31, 2021, the System recognized pension expense of \$(97,039,617) 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:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Difference between expected and actual experience | \$ 1,669,815 | \$ (15,628,113) |
| Changes in assumptions | 8,280,514 | (82,659,611) |
| Net difference between projected and actual earnings on pension plan investments | - | (48,259,839) |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | <u>31,181,916</u> | <u>(31,181,916)</u> |
| Total | <u>\$ 41,132,245</u> | <u>\$ (177,729,479)</u> |

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 years ending December 31, as follows:

| Amortization Schedule | |
|-----------------------|----------------------|
| Year | Amount |
| 2023 | \$ 10,129,400 |
| 2024 | 25,198,447 |
| 2025 | 25,296,383 |
| 2026 | <u>33,844,602</u> |
| Total | <u>\$ 94,468,832</u> |

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

The following presents the net pension liability as of December 31, 2022 and 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 one-percentage-point lower or one-percentage-point higher than the current rate:

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|------------------------------|------------------------|----------------------------------|------------------------|
| Net pension liability - 2022 | \$ 576,965,826 | \$ 454,771,409 | \$ 351,369,418 |
| 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 fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members.

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

Under GASB Statement No. 68, employers participating in the plan could 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.

6. Actuarial Methods and Assumptions

The information presented in the aforementioned schedules was determined as part of the 2022 and 2021 actuarial valuation prepared by Buck Global, LLC (Buck) in June 2023 and 2022, respectively.

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

| | <u>2022</u> | <u>2021</u> |
|---|---|---|
| Actuarial cost method | Entry age normal | Entry age normal |
| Rate of investment return | 7.00%, net of expenses | 7.00%, net of expenses |
| Participant account interest crediting rate | 2.00% | 5.00% |
| Turnover or withdrawal rates | Various by age and year of membership based on actual | Various by age and year of membership based on actual |
| Mortality and death rates | a) 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) 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. |
| Disability rates | PubT/G-2010 Mortality Disability Table, amount weighted, projected fully generationally using projection scale MP-2021. | PubT/G-2010 Mortality Disability Table, amount weighted, projected fully generationally using projection scale MP-2021. |
| 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 |

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

| | <u>2022</u> | <u>2021</u> |
|---------------------------|--|--|
| Rates of salary increases | Salaries are assumed to increase at the rate of 5.0% per year for the first five years of employment and at the rate of 3.5% per year thereafter | Salaries are assumed to increase at the rate of 5.0% per year for the first five years of employment and at the rate of 3.5% per year thereafter |
| Asset valuation method | The smoothed market value method | The smoothed market value method |

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

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.