

**EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS**

**FINANCIAL STATEMENTS  
WITH REQUIRED SUPPLEMENTARY INFORMATION  
AND OTHER SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITORS' REPORT  
YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

# Contents

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	<u>Page</u>
<b>Independent Auditors' Report</b>	1 - 2
<b>Management's Discussion and Analysis - Unaudited</b>	3 - 6
<b>Financial Statements</b>	
Statements of Fiduciary Net Position	7
Statements of Changes in Fiduciary Net Position	8
Notes to Financial Statements	9 - 26
<b>Required Supplementary Information - Unaudited</b>	
Schedules of Changes in Employer Net Pension Liability - Unaudited	27
Schedules of Annual Money-Weighted Rate of Return on Investments - Unaudited	28
Schedules of Employer Contributions - Unaudited	29 - 32
<b>Other Supplementary Information</b>	
Analysis of Financial Experience	33
Solvency Test - Aggregate Actuarial Liabilities	34
Schedules of Funding Progress	35
Schedule of Actuarial Present Values of Projected Benefit Payments	36 - 37
Schedule of Projection of Fiduciary Net Position	38 - 39

## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of Employees Retirement System of the City of St. Louis (the "System"), a Pension Trust Fund of the City of St. Louis, Missouri, which comprise the statements of fiduciary net position as of September 30, 2021 and 2020, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the System's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of Employees Retirement System of the City of St. Louis as of September 30, 2021 and 2020, 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.

### ***Other Matters***

#### ***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, 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 33 - 39 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.



February 28, 2022

**Employees Retirement System of the City of St. Louis  
Management's Discussion and Analysis - Unaudited  
Years Ended September 30, 2021 and 2020**

The following Management's Discussion and Analysis for the Employees Retirement System of the City of St. Louis (the "System") provides an overview of the System's financial activities for the fiscal years ended September 30, 2021 and 2020. This section should be read in conjunction with the System's financial statements and supplementary information.

**FINANCIAL HIGHLIGHTS**

The System's investments earned a return of 21.2% for FY 2021 as the economic recovery continued after a turbulent prior fiscal year impacted by the COVID-19 pandemic. Total assets and deferred outflows increased \$120.8 million and ended FY 2021 at \$923.0 million. Both domestic and international equities exhibited strong returns for FY 2021 of 35.5% and 23.8% respectively. Fixed income investments earned 2.8% while outperforming their benchmarks. Alternative investments had very solid returns. Hedge funds grew at 21.1% while real estate posted a 14.4% return for FY 2021.

Pension and retirement benefits increased 5.2% or \$3.7 million to \$74.3 million. The number of retirees and beneficiaries receiving a monthly benefit increased 1.3% to 4,960. Administrative expenses for FY 2021 held steady at \$920,000.

**FINANCIAL STATEMENTS**

The financial report of the System consists of two financial statements: the Statement of Fiduciary Net Position, and the Statement of Changes in Fiduciary Net Position. The Statement of Fiduciary Net Position provides the details of the System's assets and related liabilities other than benefit obligations. The net position of the System reflects the resources available for future benefit payments. The Statement of Changes in Fiduciary Net Position provides the details of the System's activity during the year that lead to the change in net position from the prior year.

In addition to the financial statements, the financial report contains the notes to the financial statements and supplementary information. These provide additional information for use in analyzing the financial statements and actuarial information related to the funded status of the System.

**FINANCIAL ANALYSIS**

Total assets and deferred outflows at September 30, 2021 and 2020 of \$923.0 million and \$802.2 million, respectively, were comprised of cash, investments and receivables. Investments increased by \$119.7 million or 15% to \$919.5 million in FY 2021 while showing a small increase of \$3.0 million or 0.4% to \$799.7 million in FY 2020. Receivables increased by \$83,000 and consisted of employer contributions and interest and dividend income at September 30, 2021. Currency exchange contracts ended FY 2021 as a net receivable and increased by \$539,172. The System does not participate in a securities lending program with its master custodian, U.S. Bank.

**Employees Retirement System of the City of St. Louis  
Management's Discussion and Analysis - Unaudited  
Years Ended September 30, 2021 and 2020**

Total liabilities at September 30, 2021 and 2020 were \$1,072,479 and \$896,337, respectively, and consisted of accounts payable, accrued expenses and global lending collateral. The difference in liabilities is primarily attributed to the increase of \$154,273 in investment management fees accrual at fiscal year-end.

The System received contributions in advance from the City Employers in the amounts of \$1,098,020 and \$974,801 due to an early deposit in the final quarters of both FY 2021 and FY 2020.

Net assets held in trust for pension benefits increased in FY 2021 by \$120.5 million to \$920.8 million.

**Condensed Statements of Fiduciary Net Position**

	2021	September 30		Total Change FY 2021		Total Change FY 2020	
		2020	2019	Amount	Percentage	Amount	Percentage
<b>Assets</b>							
Cash	\$ 1,328,823	\$ 897,869	\$ 59,712	\$ 430,954	48.0 %	\$ 838,157	1,403.7 %
Receivables	932,114	849,114	899,167	83,000	9.8 %	(50,053)	(5.6)%
Investments	<u>919,489,621</u>	<u>799,745,259</u>	<u>796,763,057</u>	<u>119,744,362</u>	15.0 %	<u>2,982,202</u>	0.4 %
Total Assets	<u>921,750,558</u>	<u>801,492,242</u>	<u>797,721,936</u>	<u>120,258,316</u>	15.0 %	<u>3,770,306</u>	0.5 %
<b>Deferred Outflows of Resources</b>							
Currency exchange	<u>1,209,745</u>	<u>670,573</u>	<u>703,641</u>	<u>539,172</u>	80.4 %	<u>(33,068)</u>	(4.7)%
Total Assets and Deferred Outflows	<u>922,960,303</u>	<u>802,162,815</u>	<u>798,425,577</u>	<u>120,797,488</u>	15.1 %	<u>3,737,238</u>	0.5 %
<b>Liabilities</b>							
Accounts payable	804,479	632,417	647,856	172,062	27.2 %	(15,439)	(2.4)%
Global collateral	<u>268,000</u>	<u>263,920</u>	<u>-</u>	<u>4,080</u>	100.0 %	<u>263,920</u>	100.0 %
Total Liabilities	<u>1,072,479</u>	<u>896,337</u>	<u>647,856</u>	<u>176,142</u>	19.7 %	<u>248,481</u>	38.4 %
<b>Deferred Inflows of Resources</b>							
Deferred inflows of resources	<u>1,098,021</u>	<u>974,801</u>	<u>-</u>	<u>123,220</u>	100.0 %	<u>-</u>	100.0 %
Total Liabilities and Deferred Inflows of Resources	<u>2,170,500</u>	<u>1,871,138</u>	<u>647,856</u>	<u>299,362</u>	16.0 %	<u>1,223,282</u>	188.8 %
<b>Net Position Held in Trust for</b>							
Pension Benefits	<u>\$ 920,789,803</u>	<u>\$ 800,291,677</u>	<u>\$ 797,777,721</u>	<u>\$ 120,498,126</u>	15.1 %	<u>\$ 2,513,956</u>	0.3 %

**Employees Retirement System of the City of St. Louis  
Management's Discussion and Analysis - Unaudited  
Years Ended September 30, 2021 and 2020**

**REVENUES – ADDITIONS TO FIDUCIARY NET POSITION**

The assets needed to finance retirement benefits are accumulated through the receipt of employer contributions, member purchases of creditable service and earnings on investments. Net investment income was \$162.7 million and \$43.3 million for FY 2021 and FY 2020, respectively. Investment performance showed positive returns in each quarter of FY 2021. Overall, the System's investments ended for FY 2021 with a 21.2% return. All investment classes had positive returns in FY 2021 led by strong performances in domestic and international equities and real estate. This compared to the prior year where fixed income and domestic equities led the recovery from the COVID-19 recession in the second quarter of FY 2020. Net investment income included custodial and investment management fees of \$5.3 million and \$4.8 million during FY 2021 and FY 2020, respectively.

Employer contributions increased by \$2.2 million or 7.3% in FY 2021. A higher employer contribution rate offset a small decline in covered pension wages.

**EXPENSES – DEDUCTIONS FROM FIDUCIARY NET POSITION**

The major expenses of the System include the payment of pension benefits to retirees and beneficiaries and administrative expenses. Retirement benefits totaled \$74.3 million in FY 2021. Other expenses within retirement benefits include refunds of member contributions and pension service transfer payments to other public plans within the State of Missouri which have a portability agreement with the System. Service transfer payments were \$211,970 and \$9,526 during FY 2021 and FY 2020, respectively. Contribution refunds were \$6,624 in FY 2021. Administrative expenses in FY 2021 held steady when compared to FY 2020.

**Condensed Statements of Changes in Fiduciary Net Position**

	2021	September 30 2020	2019	Total Change FY 2021		Total Change FY 2020	
				Amount	Percentage	Percentage	Percentage
<b>Additions</b>							
Net investment income	\$ 162,693,935	\$ 43,257,885	\$ 9,411,622	\$119,436,050	276.1 %	\$ 33,846,263	359.6 %
Employer contributions	32,804,416	30,581,795	29,629,568	2,222,621	7.3 %	952,227	3.2 %
Member contributions	174,691	151,774	147,584	22,917	15.1 %	4,190	2.8 %
Total Additions	<u>195,673,042</u>	<u>73,991,454</u>	<u>39,188,774</u>	<u>121,681,588</u>	164.5 %	<u>34,802,680</u>	88.8 %
<b>Deductions</b>							
Retirement benefits	74,255,118	70,557,232	67,890,918	3,697,886	5.2 %	2,666,314	3.9 %
Administrative expenses	919,798	920,268	875,268	(470)	(0.1)%	45,000	5.1 %
Total Deductions	<u>75,174,916</u>	<u>71,477,500</u>	<u>68,766,186</u>	<u>3,697,416</u>	5.2 %	<u>2,711,314</u>	3.9 %
Changes in Fiduciary Net Position	120,498,126	2,513,954	(29,577,412)	117,984,172	4,693.2 %	32,091,366	(108.5)%
Net position held in trust for pension benefits							
Beginning of year	800,291,675	797,777,721	827,355,133	2,513,954	0.3 %	(29,577,412)	(3.6)%
End of year	<u>\$ 920,789,801</u>	<u>\$ 800,291,675</u>	<u>\$ 797,777,721</u>	<u>\$120,498,126</u>	15.1 %	<u>\$ 2,513,954</u>	0.3 %

**Employees Retirement System of the City of St. Louis  
Management's Discussion and Analysis - Unaudited  
Years Ended September 30, 2021 and 2020**

**SUMMARY**

The System's investments earned a 21.2% for FY 2021 as the economic recovery continued after a turbulent prior fiscal year impacted by the COVID-19 pandemic. All asset classes participated with positive returns in the current fiscal year. The System's investments managed to post a positive return for FY 2020 of 6.4% despite the global pandemic causing a loss of 13.8% in the second quarter. The required employer contribution rates recommended by the actuary are currently 15.42% for the City of St. Louis and 15.34% for the other participating employers for the period July 1, 2021 through June 30, 2022. The prior year's contribution rates were 13.19% and 13.11%, respectively. The dual contribution rates are a result of a legal settlement involving the Retirement System, the City of St. Louis and the other participating employers.

The System remains in a position to meet its current pension obligations, as confirmed by the recent actuarial valuation.

The System is a qualified governmental plan under Section 401(a) of the Internal Revenue Code.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide the Board of Trustees, our members and other users of our financial report with a general overview of the System's finances and to demonstrate the System's accountability for its funds. If you have any questions about this report or need additional financial information, contact:

The Employees Retirement System of the City of St. Louis  
1114 Market Street, Suite 900  
St. Louis, MO 63101

**Employees Retirement System of the City of St. Louis**  
**Statements of Fiduciary Net Position**  
**September 30, 2021 and 2020**

	<b>Assets</b>	
	2021	2020
Cash	\$ 1,328,823	\$ 897,869
Receivables		
Other receivables	19,787	76,541
Accrued interest	912,327	623,683
Accrued dividends	-	148,890
Total Receivables	932,114	849,114
Investments, at fair value		
Temporary cash investments	12,255,848	20,906,458
Fixed income securities	114,541,630	120,675,671
Common stocks	362,081,382	235,717,423
Managed master limited partnerships	34,694,758	34,452,740
Managed international equity funds	139,853,161	169,278,305
Real estate funds	108,128,646	95,435,939
Domestic bond funds	35,899,456	63,882,498
Bank loan fund	44,151,927	-
Managed hedge fund of funds	67,882,813	59,396,225
Total Investments	919,489,621	799,745,259
 Total Assets	 921,750,558	 801,492,242

**Deferred Outflows of Resources**

Receivable Under Forward Foreign Currency Exchange Contracts	1,209,745	670,573
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**Liabilities**

Accounts payable	804,479	632,417
Other liabilities - securities lending collateral	268,000	263,920
 Total Liabilities	 1,072,479	 896,337

**Deferred Inflows of Resources**

Advance Contributions Received	1,098,021	974,801
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**Net Position**

Net Position Held in Trust for Pension Benefits	\$920,789,803	\$800,291,677
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**Employees Retirement System of the City of St. Louis**  
**Statements of Changes in Fiduciary Net Position**  
**Years Ended September 30, 2021 and 2020**

	<u>2021</u>	<u>2020</u>
Additions		
Contributions		
Employer contributions	\$ 32,804,416	\$ 30,581,795
Member contributions	<u>174,691</u>	<u>151,774</u>
Total Contributions	<u>32,979,107</u>	<u>30,733,569</u>
Investment income		
Interest and dividends	7,467,933	7,186,209
Net appreciation in fair value of investments	<u>160,556,463</u>	<u>40,884,650</u>
	168,024,396	48,070,859
Less investment expenses	<u>5,330,461</u>	<u>4,812,972</u>
Net investment income	<u>162,693,935</u>	<u>43,257,887</u>
Net Additions	<u>195,673,042</u>	<u>73,991,456</u>
Deductions		
Retirement benefits	74,255,118	70,557,232
Administrative expenses	<u>919,798</u>	<u>920,268</u>
Total Deductions	<u>75,174,916</u>	<u>71,477,500</u>
Net Increase in Net Position	120,498,126	2,513,956
Net Position Held in Trust for Pension Benefits, Beginning of Year	<u>800,291,677</u>	<u>797,777,721</u>
Net Position Held in Trust for Pension Benefits, End of Year	<u><u>\$920,789,803</u></u>	<u><u>\$800,291,677</u></u>

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**1. Description of System**

The following description of the Employees Retirement System of the City of St. Louis (the "System") is provided for general information purposes only. Participants should refer to the *Employees Retirement System Handbook* for a more complete description of the System's provisions.

**General**

The System is a cost-sharing, multiple-employer, defined benefit public employees' retirement system for all non-uniformed employees of the City of St. Louis and certain other public entities funded by or providing services to residents of the City of St. Louis. These additional employee groups covered by the System are the employees of the St. Louis Public Library, the Art Museum of St. Louis, the St. Louis Zoological Park, the City of St. Louis Water Division, the Airport Authority, the City Mental Health Board, the Metropolitan Taxicab Commission, Tower Grove Park, and civilian employees of the Police Department and Police and Firemen's Retirement Systems. The System became operative April 1, 1960 by municipal ordinance establishing the System under the authority of Senate Bill No. 329 of the 70th General Assembly of the State of Missouri. Responsibility for operation and administration of the System is vested in its Board of Trustees. The Board of Trustees consists of the Comptroller of the City of St. Louis, two members appointed by the Mayor of the City of St. Louis, two members elected by the membership of the System, and one member elected by the retired members of the System.

**Membership**

Membership consisted of the following at September 30,:

	2021	2020
Retirees and Beneficiaries		
Currently receiving benefits	4,956	4,890
Terminated employees entitled to but not yet receiving benefits	2,566	2,561
Current employees		
Fully vested	3,584	3,595
Non-vested	1,158	1,389
Total membership	12,264	12,435

**Benefits**

The System provides defined benefit payments for retirement, death, or disability to eligible employees or their beneficiaries based upon creditable service, final average compensation, and a benefit compensation base. Benefits vest to employees covered by the System after the employee has attained five years creditable service.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

Employees retire with full retirement benefits after the age of 65 or if an employee's age and creditable service combined equal or exceed 85 years. Employees may retire and receive a reduced benefit after age 60 with five years of creditable service, age 55 with at least 20 years of creditable service, or any age with 30 years of creditable service.

The monthly pension benefits of all retirees or their beneficiaries are adjusted according to the changes in the Consumer Price Index of the U.S. Department of Labor. Increases are limited each year, with total increases to retirees or their beneficiaries limited to 25 percent.

### **Contributions**

Employer contribution rates are established annually by the Board of Trustees based on an actuarial study. The required employer contribution rate recommended by the actuary is currently 15.42 percent for the City of St. Louis and 15.34 percent for the other participating employers for the period July 2021 through June 2022. Previously, the contribution rates were 13.19 percent and 13.11 percent for July 2020 through June 2021 and 12.26 percent and 12.18 percent for July 2019 through June 2020. The dual contribution rates are a result of a legal settlement involving the System, the City of St. Louis and the other participating employers.

Employees who became members of the System prior to October 14, 1977 and continued to make contributions may make voluntary contributions to the System equal to 3 percent of their compensation until the compensation equals the maximum annual taxable earnings under the Federal Social Security Act. Thereafter, employees may contribute 6 percent of their compensation for the remainder of the calendar year.

### **Funding Policy**

The System's funding policy provides for periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. If contributions are necessary, level percentage of payroll employer contribution rates are determined using the entry age normal actuarial cost method.

## **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.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**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 and employer contributions receivable for contributions related to the years ended September 30, 2021 and 2020.

**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 long-term expected rate of return on pension plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table.

Even though history provides a valuable perspective for setting the investment return assumption, the System relies primarily on an approach which builds upon the last capital market assumption. Specifically, the System uses Marquette Associates, Inc. capital market assumptions in analyzing the System's asset allocation. The table below is based on simulated capital market returns (generated in 1,000 Monte Carlo simulations), and presents average annualized 10 year return of all the simulations performed.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

Asset Class	Allocation Targets	Long-Term Expected Real Rate of Return
Large cap	25.00 %	7.27 %
Mid cap	7.50 %	7.60 %
Small cap	7.50 %	7.90 %
International large cap	12.00 %	7.47 %
Emerging markets	3.00 %	8.10 %
Bank loans	5.00 %	6.10 %
Fixed income	10.00 %	3.30 %
International fixed income	5.00 %	5.80 %
Core real estate	10.00 %	6.60 %
Infrastructure	5.00 %	7.50 %
Private equity	5.00 %	10.80 %
Hedge funds	5.00 %	6.70 %
Total/Average	<u>100.00 %</u>	<u>7.68 %</u>

**Investment Valuation and Income Recognition**

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 3 for discussion of fair value measurements. Securities traded on national or international exchanges are valued at the latest reported sales price at current exchange rates.

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.

**Derivatives**

The System currently retains Payden & Rygel Investment Counsel as a global fixed income investment manager. The System permits Payden & Rygel to utilize financial derivative instruments such as forwards, futures, and options. The use of these financial derivatives is defensive in nature; that is, used only to manage duration and foreign currency exposure and bond exposure. The System's investment policy requires that open currency exposure shall not exceed 10 percent of the global fixed income portfolio.

The System utilizes forward contract hedging to reduce the volatility in foreign currencies. Hedging techniques are traditionally used to limit exposure to price fluctuations. Management recognizes that fluctuations in foreign currencies could have a negative effect on the System's financial statements. Accordingly, the System entered into forward contracts in order to hedge this exposure.

**Investment Expenses**

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

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**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 administrative expense.

**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. These separate financial statement elements represent the use or acquisition of net position that applies to a future period or periods and will not be recognized as an outflow or inflow of resources until then. The System has deferred outflows in the statements of fiduciary net position that relate to receivables under forward foreign currency exchange contracts and deferred inflows that relate to advance contributions received from participating employers.

**Subsequent Events**

Management has evaluated subsequent events through February 28, 2022, the date the financial statements were available to be issued.

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

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

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, and accounts payable 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 September 30, 2021 and 2020.

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

- Level 1 Investments consist of fixed income and equity securities. 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 fixed income securities and foreign exchange contracts. Fixed income 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. Foreign exchange contracts are valued using a market approach that considers foreign exchange rates.

Investments also consist of co-mingled funds and pooled separate accounts. 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 NAV 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.



**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

<u>September 30, 2020</u>	<u>Fair Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Loomis High Yield Conservative Trust B	\$ 43,125,841	N/A	Daily	Daily
SSGA Passive Bond Market Index (NL) Fund	20,756,657	N/A	Monthly	15 days
Principal Real Estate Group Annuity Contract	95,435,939	N/A	Daily	7 days
Acadian Emerging Markets Mutual Equity Fund II	41,304,264	N/A	Daily	30 days
Kabouter International Opportunities Fund II	34,452,740	N/A	Daily	15-30 days
Silchester International Value Equity Group Trust	73,448,965	N/A	Monthly	5-10 days
Walter Scott Group Trust International Equity Fund	54,525,076	N/A	Daily	10 days
Entrust Capital Diversified Fund	7,789,237	N/A	Quarterly	90 days
Weatherflow Offshore Fund I	<u>51,606,988</u>	N/A	Quarterly	65 days
Total investments measured at NAV	<u>\$ 422,445,707</u>			

*Loomis High Yield Conservative Trust (B).* The fund may invest up to 100% of its market value in fixed income securities of any credit quality, including lower rated fixed income securities and up to 20% of its market value in non-U.S. currencies. The fund may also invest in fixed income securities of any maturity. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments.

*State Street Global Advisors Passive Bond Market Index (NL) Fund.* The investment objective of the fund is to approximate as closely as practicable, before expenses, the performance of the Barclays U.S. Aggregate Bond Index over the long term. The fund attempts to achieve its investment objective by investing in other collective investment funds, each an underlying fund, managed by the trustee, which have characteristics consistent with the fund's overall investment objective. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments.

*Principal Real Estate Group Annuity Contract.* Is a pooled separate account for investment and reinvestment in owned real estate, such as office buildings, industrial buildings, shopping centers, retail stores and similar property in accordance with applicable law. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments as reported by the fund manager. The fund reserves the right to defer payments that would exceed the amount of cash and other liquid assets held by the fund, reduced by amounts committed to purchase properties or needed for operating expenses. The fund will not defer requested payments for longer than three years.

*Acadian Emerging Markets Mutual Equity Fund II.* The fund's objective is to seek long-term capital appreciation by investing primarily in common stocks of emerging markets issuers. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments.

*Kabouter International Opportunities Fund II.* The primary purpose of the fund is to provide diversification while still providing the opportunity for capital appreciation. A low correlation between stocks, bonds, hedge funds, and real estate creates reduced portfolio volatility. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

*Silchester International Value Equity Group Trust.* The trust principally invests in a diversified portfolio of equity securities of companies ordinarily incorporated in any country other than the United States. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments. The trust may delay payment if the investment manager determines that such delay is reasonably necessary to prevent such redemption from having a material adverse impact on the group trust and/or the remaining participating trusts.

*Walter Scott Group Trust International Equity Fund.* The investment manager is authorized to allocate the assets without limitation among geographic regions and individual countries (other than the United States) based on its analysis of global economic, political and financial conditions. Not more than 5% of the fund's assets shall be invested in stocks domiciled or listed on exchanges in countries not included in the MSCI World index other than Canada, the republic of South Africa and Chinese stocks listed on the Hong Kong exchange. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments. Under certain circumstances (including the inability of a fund to liquidate positions or the default or delay in payments due to a fund from brokers, banks, or other persons), a fund may delay payment to an investor requesting redemption of the proportionate part of the NAV of the units being redeemed which represents sums which are the subject of such default or delay, or the fund may distribute property in kind as determined by the investment manager in payment of a redemption of units.

*Entrust Capital Diversified Fund.* The fund seeks to achieve above-average rates of return and long-term capital growth. The Fund seeks to achieve this objective by employing a multi-manager approach, maintaining investments through private investment entities and/or separately managed accounts with a broadly diversified group of investment management professionals specializing in alternative investment strategies. The Fund does not follow a rigid asset allocation policy but seeks diversification through a combination of managers trading a range of strategies, including but not limited to, hedging, distressed securities, arbitrage, and special situations. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments.

*Weatherflow Offshore Fund I.* The fund's investment objective is to achieve long-term returns commensurate with long term returns from a portfolio investment in the general equity markets, while experiencing volatility more like that of a portfolio invested in the general debt markets. The fund seeks to achieve this objective by investing predominantly in interests in portfolio funds - i.e., limited partnerships and similar pooled invested vehicles often referred to as "hedge funds" - managed by portfolio managers. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments.

*Pacific Asset Management Bank Loan Fund.* This fund seeks to provide high current income. The fair values of the investments in this fund have been determined using the NAV per share (or its equivalent) of the underlying investments as reported by the fund manager.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**4. 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 September 30, 2021, the System had \$2,959,105 in cash on deposit at US Bank. This balance was insured by the Federal Deposit Insurance Corporation ("FDIC") for \$250,000. The remaining balances are collateralized by securities held by the pledging financial institution's trust department in the System's name.

The System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, foreign currency, regulatory 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 such changes could materially affect the amounts reported in the statements of fiduciary net position.

**Concentration of Credit Risk**

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 at September 30,:

Investments	2021	
	Fair Value	Percentage of Total Net Position
Principal Global Investors - Real Estate Group Annuity Contract	\$ 108,128,646	11.74 %
Silchester International Advisors - International Value Equity Group Trust	\$ 52,222,532	5.67 %
Walter Scott & Partners Limited Group Trust -International Equity Fund	\$ 53,468,150	5.81 %
Weatherlow Offshore Fund I	\$ 62,638,414	6.80 %

Investments	2020	
	Fair Value	Percentage of Total Net Position
Acadian Asset Management - Emerging Markets Mutual Equity Fund II	\$ 41,304,264	5.16 %
Loomis High Yield Conservative Trust B	\$ 43,125,841	5.39 %
Principal Global Investors - Real Estate Group Annuity Contract	\$ 95,435,939	11.93 %
Silchester International Advisors - International Value Equity Group Trust	\$ 73,448,965	9.18 %
Walter Scott & Partners Limited Group Trust -International Equity Fund	\$ 54,525,076	6.81 %
Weatherlow Offshore Fund I	\$ 51,606,988	6.45 %

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**Credit Risk of Debt Securities**

The System's debt investments as of September 30, 2021 and 2020 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 portfolio credit rating shall be A or better and the credit rating of fixed income securities shall be Baa or better. Non-rated issues are allowed as long as the quality is sufficient to maintain the overall average rating noted.

As of September 30, 2021 and 2020, the System held the following fixed income investments with respective Moody's quality ratings or equivalent rating. Foreign investments not considered to have credit risk such as stocks and cash equivalents are not included in the following:

<u>Quality Rating</u>	<u>2021 Fair Value</u>	<u>2020 Fair Value</u>
Aaa	\$ 43,569,875	\$ 33,697,793
Aa1	866,193	1,107,025
Aa2	3,692,566	3,719,476
Aa3	2,725,136	2,894,524
A1	8,890,941	8,737,084
A2	9,611,906	7,783,527
A3	5,430,403	7,056,112
Baa1	7,690,230	8,013,391
Baa2	6,371,929	7,238,170
Baa3	4,766,973	2,666,937
Ba1	696,185	741,431
Ba2	936,767	597,718
Ba3	1,265,167	955,809
B1	335,807	248,145
B2	549,691	-
B3	585,333	224,100
Not rated	16,499,391	19,717,098
Total	<u>\$ 114,484,493</u>	<u>\$ 105,398,340</u>

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**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 September 30, 2021 is as follows:

Currency	Cash Equivalents	Equities	Total
Armenian Dram	\$ -	\$ 188,500	\$ 188,500
Australian Dollar	48,435	526,517	574,952
British Pound Sterling	88,480	1,774,117	1,862,597
Canadian Dollar	17,305	1,729,845	1,747,150
Columbian Peso	(872)	-	(872)
Danish Krone	10,158	67,904	78,062
Dominican Peso	-	148,352	148,352
Euro	1,156,158	8,179,987	9,336,145
Indonesian Rupiah	4,283	-	4,283
Japanese Yen	76,547	5,115,294	5,191,841
Mexican Peso	141,613	397,597	539,210
Moroccan Dirham	-	181,495	181,495
New Zealand Dollar	3,091	-	3,091
Norwegian Krone	(892)	-	(892)
Peruvian Nuevo Sol	(2,909)	-	(2,909)
Philippine Peso	-	116,024	116,024
Polish Zloty	66,778	-	66,778
Qatari Rial	-	227,250	227,250
Russian Ruble	879	-	879
Singapore Dollar	(1,746)	-	(1,746)
South African Rand	(412,590)	398,526	(14,064)
Swedish Krona	4,463	131,897	136,360
Swiss Franc	10,564	294,953	305,517
Uzbekistani Som	-	194,532	194,532
	<u>\$ 1,209,745</u>	<u>\$ 19,672,790</u>	20,882,535
Foreign investment denominated in U.S. Dollars			<u>23,934,857</u>
			<u>\$ 44,817,392</u>

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

The System's exposure to foreign currency risk in U.S. Dollars as of September 30, 2020 is as follows:

<u>Currency</u>	<u>Cash</u> <u>Equivalents</u>	<u>Equities</u>	<u>Total</u>
Australian Dollar	\$ 10,304	\$ 656,164	\$ 666,468
British Pound Sterling	109,333	1,937,593	2,046,926
Canadian Dollar	4,966	977,835	982,801
Danish Krone	6,566	70,551	77,117
Euro	506,664	7,822,567	8,329,231
Japanese Yen	1,430	5,373,527	5,374,957
Mexican Peso	13,471	399,906	413,377
Moroccan Dirham	-	184,134	184,134
Norwegian Krone	(434)	-	(434)
Polish Zloty	13,554	51,858	65,412
Qatari Rial	-	233,744	233,744
Swedish Krona	3,854	132,418	136,272
Swiss Franc	865	303,496	304,361
	<u>\$ 670,573</u>	<u>\$ 18,143,793</u>	18,814,366
Foreign investment denominated in U.S. Dollars			<u>19,329,454</u>
			<u>\$ 38,143,820</u>

**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, the effective duration of any fixed income portfolio cannot exceed 120% of the effective duration of the manager's broad market benchmark.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

Duration is a measure of a debt instrument's exposure to a change in interest rates and the related sensitivity of market price to parallel shifts in the yield curve. It uses the present value of cash flows, weighted for those cash flows as a percentage of the instruments' full price. The following schedule provides a summary of interest rate risk assumed by the System as of September 30,:

	2021	
Manager	Fair Value	Effective Duration
Payden and Rygel	\$ 43,069,791	8.0 years
Allegiant (PNC)	74,494,530	7.5 years
SSGA	35,899,456	6.9 years
Pacific Asset Management	44,151,910	0.26 years
Total	\$ 197,615,687	
	2020	
Manager	Fair Value	Effective Duration
Payden and Rygel	\$ 42,184,453	8.1 years
Allegiant (PNC)	65,244,714	7.7 years
SSGA	20,756,657	6.6 years
Loomis	43,125,841	5.9 years
Total	\$ 171,311,665	

**5. Tax Status of Plan**

The Internal Revenue Service has determined and informed the System by a letter dated June 12, 2014, that the System 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 tax exempt.

**6. Plan Termination**

The System is administered in accordance with the provisions of the Revised Code of the City of St. Louis. There are currently no plans to terminate the System.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**7. Deferred Retirement Option Plan**

On June 8, 2000, the Mayor of the City of St. Louis approved an ordinance passed by the Board of Alderman, authorizing a Deferred Retirement Option Plan ("DROP"), which became effective January 1, 2001. This plan allows members to work for an additional 5 years after reaching retirement age and defer receipt of their retirement allowance. The calculation of average salary for retirement benefits will not include the additional years of service after normal retirement age. The amount that would have been received as retirement benefit is put in a special DROP account monthly. Total DROP expense was \$9,968,291 and \$8,662,265 for the years ended September 30, 2021 and 2020, respectively. The DROP account will not be adjusted for cost of living increases.

The DROP account earns interest at the actuarial valuation rate of return and at the 10-year U.S. Treasury Bond yield as of each September 30, for DROP participants enrolling February 1, 2003 and thereafter.

After a member completely terminates employment, the member can withdraw amounts from the DROP account in a lump sum or according to a deferred retirement payment plan. At September 30, 2021 and 2020, 2,009 members have elected DROP participation and have DROP account balances of \$46,903,374 and \$48,674,986, respectively.

**8. Annual Money-Weighted Rate of Return**

The annual money-weighted rate of return was 21.0988 percent and 5.8030 percent for the years ended September 30, 2021 and 2020, respectively. The annual money-weighted rate of return expresses investment performance, net of investment expense, and is adjusted for the changing amounts actually invested.

**9. Funding Status**

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

	2021	2020
Actuarial value of assets	\$ 867,593,392	\$ 841,450,402
Actuarial accrual liability (AAL)	\$ 1,094,688,216	\$ 1,084,125,462
Unfunded AAL (UAAL)	\$ 227,094,824	\$ 242,675,060
Funded ratio	79.3 %	77.6 %
Annual covered payroll	\$ 223,736,639	\$ 228,162,770
UAAL as a percentage of payroll	101.5 %	106.4 %

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

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

	<u>October 1, 2021</u>
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the plan year.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Fixed 20 year period as of October 1, 2015 as a level percentage of payroll
Inflation rate	2.50%
Asset valuation method	5 year smoothing
Discount rate	7.25%
Mortality and death rates	Active: 135% of the Pub-2010 General Employee below-median income mortality table for males and 155% for females projected with generational mortality improvements from 2010 using Scale MP-2019. Healthy: 125% of the Pub-2010 General Retiree below-median income mortality table for males and 120% for females projected with generational mortality improvements from 2010 using Scale MP-2019. Disabled: 120% of the Pub-2010 Non-Safety Disabled Retiree mortality table for males and 110% for females projected with generational mortality improvements from 2010 using Scale MP-2019.
Rate of salary increases	Varies by service, ranging from 2.50% to 4.55%

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

	<u>October 1, 2020</u>
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the plan year.
Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Fixed 20 year period as of October 1, 2015 as a level percentage of payroll
Inflation rate	2.50%
Asset valuation method	5 year smoothing
Discount rate	7.25%
Mortality and death rates	Active: 135% of the Pub-2010 General Employee below-median income mortality table for males and 155% for females projected with generational mortality improvements from 2010 using Scale MP-2019. Healthy: 125% of the Pub-2010 General Retiree below-median income mortality table for males and 120% for females projected with generational mortality improvements from 2010 using Scale MP-2019. Disabled: 120% of the Pub-2010 Non-Safety Disabled Retiree mortality table for males and 110% for females projected with generational mortality improvements from 2010 using Scale MP-2019.
Rate of salary increases	Varies by service, ranging from 2.50% to 4.55%

**10. Employers' Net Pension Liability**

The components of the net pension liability (the System's liability determined in accordance with GASB Statement No. 67 less the fiduciary net position) as of September 30, 2021, 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 for the period October 1, 2014 through September 30, 2019, performed in 2020. The net pension liability as of September 30, 2021 and 2020 is \$173,898,412 and \$283,833,785, respectively, based on the actuarial valuation. The 2021 valuation was performed as of October 1, 2020, with a measurement date of September 30, 2021 and the 2020 valuation was performed as of October 1, 2019, with a measurement date of September 30, 2020.

**Employees Retirement System of the City of St. Louis**  
**Notes to Financial Statements**  
**September 30, 2021 and 2020**

**Schedule of Net Pension Liability**

The components of the net pension liability of all participating employers at September 30, are as follows:

	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 1,094,688,216	\$ 1,084,125,462
Less: Fiduciary net position	<u>920,789,804</u>	<u>800,291,677</u>
Employers' net pension liability	<u>\$ 173,898,412</u>	<u>\$ 283,833,785</u>
Plan net position as a percentage of total pension liability	84.1 %	73.8 %

**Sensitivity of Net Pension Eligibility to Changes in the Discount Rate**

The following presents the net pension liability at September 30, 2021 and 2020, calculated using the discount rate of 7.25 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>September 30, 2021</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Total pension liability	\$ 1,204,848,853	\$ 1,094,688,216	\$ 1,000,918,073
Fiduciary net position	<u>920,789,804</u>	<u>920,789,804</u>	<u>920,789,804</u>
Net pension liability	<u>\$ 284,059,049</u>	<u>\$ 173,898,412</u>	<u>\$ 80,128,269</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.4 %	84.1 %	92.0 %

  

<u>September 30, 2020</u>	<u>1% Decrease (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
Total pension liability	\$ 1,193,946,112	\$ 1,084,125,462	\$ 990,675,080
Fiduciary net position	<u>800,291,677</u>	<u>800,291,677</u>	<u>800,291,677</u>
Net pension liability	<u>\$ 393,654,435</u>	<u>\$ 283,833,785</u>	<u>\$ 190,383,403</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.0 %	73.8 %	80.8 %

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.

Under GASB Statement No. 68, employers participating in the plan would recognize a total pension expense of \$37,679,690 and \$49,947,185 for the fiscal years ended September 30, 2021 and 2020, respectively.

**Employees Retirement System of the City of St. Louis**  
**Required Supplementary Information**  
**Schedules of Changes in Employer Net Pension Liability - Unaudited**  
**Years Ended September 30,**

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 12,446,141	\$ 13,008,418	\$ 12,881,819	\$ 13,342,936	\$ 13,185,412	\$ 13,703,072	\$ 13,067,553	\$ 10,591,910
Interest	76,856,789	74,536,674	73,206,999	72,329,296	71,206,835	69,893,488	73,825,307	72,012,146
Difference between expected and actual experience	(4,485,058)	6,326,499	713,562	(12,970,671)	(4,372,137)	(3,601,576)	(2,701,109)	(3,664,735)
Changes of assumptions	-	45,356,360	-	-	-	-	(5,107,330)	-
Benefit payments	(74,255,118)	(70,557,233)	(67,890,918)	(66,788,634)	(63,532,834)	(60,972,546)	(59,065,812)	(56,317,073)
Net change in total pension liability	10,562,754	68,670,718	18,911,462	5,912,927	16,487,276	19,022,438	20,018,609	22,622,248
Total pension liability - beginning	<u>1,084,125,462</u>	<u>1,015,454,744</u>	<u>996,543,282</u>	<u>990,630,355</u>	<u>974,143,079</u>	<u>955,120,641</u>	<u>935,102,032</u>	<u>912,479,784</u>
Total pension liability - ending	<u>\$1,094,688,216</u>	<u>\$1,084,125,462</u>	<u>\$1,015,454,744</u>	<u>\$ 996,543,282</u>	<u>\$ 990,630,355</u>	<u>\$ 974,143,079</u>	<u>\$ 955,120,641</u>	<u>\$ 935,102,032</u>
Plan fiduciary net position								
Employer contributions	\$ 32,804,416	\$ 30,581,795	\$ 29,629,568	\$ 29,361,102	\$ 29,782,200	\$ 32,127,591	\$ 35,436,141	\$ 36,788,260
Member contributions	174,691	151,774	147,584	58,201	134,248	10,093	289,810	129,164
Net investment income	162,693,938	43,257,887	9,411,622	48,770,991	86,394,236	66,460,934	(28,435,882)	70,076,027
Benefit payments including refunds of employee contributions	(74,255,118)	(70,557,232)	(67,890,918)	(66,788,634)	(63,532,834)	(60,972,546)	(59,065,812)	(56,317,073)
Administrative expense	(919,799)	(920,268)	(875,268)	(962,177)	(763,273)	(722,132)	(722,758)	(670,957)
Net change in plan fiduciary net position	120,498,128	2,513,956	(29,577,412)	10,439,483	52,014,577	36,903,940	(52,498,501)	50,005,421
Plan fiduciary net position - beginning	<u>800,291,677</u>	<u>797,777,721</u>	<u>827,355,133</u>	<u>816,915,650</u>	<u>764,901,073</u>	<u>727,997,133</u>	<u>780,495,634</u>	<u>730,490,213</u>
Plan fiduciary net position - ending	<u>\$ 920,789,805</u>	<u>\$ 800,291,677</u>	<u>\$ 797,777,721</u>	<u>\$ 827,355,133</u>	<u>\$ 816,915,650</u>	<u>\$ 764,901,073</u>	<u>\$ 727,997,133</u>	<u>\$ 780,495,634</u>
Net pension liability - ending	<u>\$ 173,898,411</u>	<u>\$ 283,833,785</u>	<u>\$ 217,677,023</u>	<u>\$ 169,188,149</u>	<u>\$ 173,714,705</u>	<u>\$ 209,242,006</u>	<u>\$ 227,123,508</u>	<u>\$ 154,606,398</u>
Total pension liability	\$1,094,688,216	\$1,084,125,462	\$1,015,454,744	\$ 996,543,282	\$ 990,630,355	\$ 974,143,079	\$ 955,120,641	\$ 935,102,032
Less: Plan fiduciary net position	<u>920,789,805</u>	<u>800,291,677</u>	<u>797,777,721</u>	<u>827,355,133</u>	<u>816,915,650</u>	<u>764,901,073</u>	<u>727,997,133</u>	<u>780,495,634</u>
Net pension liability	<u>\$ 173,898,411</u>	<u>\$ 283,833,785</u>	<u>\$ 217,677,023</u>	<u>\$ 169,188,149</u>	<u>\$ 173,714,705</u>	<u>\$ 209,242,006</u>	<u>\$ 227,123,508</u>	<u>\$ 154,606,398</u>
Plan fiduciary net position as a percentage of the total pension liability	84.11 %	73.82 %	78.56 %	83.02 %	82.46 %	78.52 %	76.22 %	83.47 %
Covered employee payroll	\$ 239,764,174	\$ 245,561,257	\$ 240,731,698	\$ 239,956,558	\$ 239,583,848	\$ 237,354,364	\$ 238,385,100	\$ 237,794,875
Net pension liability as a percentage of covered employee payroll	72.53 %	115.59 %	90.42 %	70.51 %	72.51 %	88.16 %	95.28 %	65.02 %

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

**Employees Retirement System of the City of St. Louis**  
**Required Supplementary Information**  
**Schedules of Annual Money-Weighted Rate of Return on Investments - Unaudited**  
**Years Ended September 30,**

The System began tracking the annual money-weighted rate of return during the fiscal year ended September 30, 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>Years Ended September 30,</u>	<u>Annual money-weighted rate of return, net of investment expense</u>
2021	21.10 %
2020	5.80 %
2019	1.51 %
2018	6.48 %
2017	11.90 %
2016	9.45 %
2015	(3.79)%
2014	9.71 %

**Employees Retirement System of the City of St. Louis  
Required Supplementary Information  
Schedules of Employer Contributions - Unaudited  
September 30, 2021**

Years Ended September 30,	Actuarially Determined Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)	Covered Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2014	\$ 34,060,798	\$ 36,788,260	\$ (2,727,462)	\$237,794,875	15.47 %
2015	31,605,493	35,436,141	(3,830,648)	238,385,100	14.87 %
2016	28,534,042	32,127,591	(3,593,549)	237,354,364	13.54 %
2017	27,684,090	29,782,200	(2,098,110)	239,583,848	12.43 %
2018	28,061,249	29,361,102	(1,299,853)	239,956,558	12.24 %
2019	27,958,439	29,629,568	(1,671,129)	240,731,698	12.31 %
2020	30,122,002	30,581,795	(459,793)	245,561,257	12.45 %
2021	35,133,462	32,804,416	2,329,046	239,764,174	13.68 %

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

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

**Employees Retirement System of the City of St. Louis  
Required Supplementary Information  
Schedules of Employer Contributions - Unaudited  
September 30, 2021**

**Actuary Methods and Assumptions**

The actuarially determined contribution rates in the schedule of the System's contributions are calculated based on the actuarial valuation at the beginning of the plan year. The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule.

	<u>September 30, 2021</u>
Actuarial cost method	Entry age normal cost method
Asset valuation method	5 year smoothing
Amortization method	Fixed 20-year period as of October 1, 2015 as a level percentage of payroll. Future gains and losses and changes in actuarial assumptions will be amortized in layers over separate 20 year periods.
Discount rate	7.25%
Inflation	2.50%
Salary increases	3.00% plus merit component based on years of service
Mortality (Active)	135% of the Pub-2010 General Employee Below-Median Income Weighted mortality for males and 155% for females projected with generationally mortality improvements from 2010 using Scale MP-2019
Mortality (Healthy)	125% of the Pub-2010 General Retiree Below-Median Income Weighted mortality for males and 120% for females projected with generationally mortality improvements from 2010 using Scale MP-2019
Mortality (Disabled)	120% of the Pub-2010 Non-Safety Disabled Retiree mortality for males and 110% for females projected with generationally mortality improvements from 2010 using Scale MP-2019
	<u>September 30, 2020</u>
Actuarial cost method	Entry age normal cost method
Asset valuation method	5 year smoothing
Amortization method	Fixed 20-year period as of October 1, 2015 as a level percentage of payroll. Future gains and losses and changes in actuarial assumptions will be amortized in layers over separate 20 year periods.
Discount rate	7.25%
Inflation	2.50%
Salary increases	3.00% plus merit component based on years of service
Mortality	Healthy: RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA Disabled: RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA

**Employees Retirement System of the City of St. Louis  
Required Supplementary Information  
Schedules of Employer Contributions - Unaudited  
September 30, 2021**

	<u>September 30, 2019</u>
Actuarial cost method	Entry age normal cost method
Asset valuation method	5 year smoothing
Amortization method	Fixed 20-year period as of October 1, 2015 as a level percentage of payroll. Future gains and losses and changes in actuarial assumptions will be amortized in layers over separate 20 year periods.
Discount rate	7.50%
Inflation	2.50%
Salary increases	3.00% plus merit component based on years of service
Mortality	Healthy: RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA Disabled: RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA
	<u>September 30, 2018</u>
Actuarial cost method	Entry age normal cost method
Asset valuation method	5 year smoothing
Amortization method	Layered 20-year amortization of unfunded liability
Discount rate	7.50%
Inflation	2.50%
Salary increases	3.00% plus merit component based on years of service
Mortality	Healthy: RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA Disabled: RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA
	<u>September 30, 2017</u>
Actuarial cost method	Entry age normal cost method
Asset valuation method	5 year smoothing
Amortization method	Layered 20-year amortization of unfunded liability
Discount rate	7.50%
Inflation	2.50%
Salary increases	3.00% plus merit component based on years of service
Mortality	Healthy: RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA Disabled: RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA

**Employees Retirement System of the City of St. Louis  
 Required Supplementary Information  
 Schedules of Employer Contributions - Unaudited  
 September 30, 2021**

	September 30, 2016
Actuarial cost method	Entry age normal cost method
Asset valuation method	5 year smoothing
Amortization method	Layered 20-year amortization of unfunded liability
Discount rate	7.50%
Inflation	2.50%
Salary increases	3.00% plus merit component based on years of service
Mortality	Healthy: RP-2000 Healthy Mortality 3-year set-forward with generational projections using Scale AA Disabled: RP-2000 Disabled Mortality 3-year set-forward with generational projections using Scale AA

	September 30, 2015
Actuarial cost method	Projected unit credit method
Asset valuation method	5 year smoothing
Amortization method	Rolling 30-year level dollar amortization of unfunded liability
Discount rate	8.00%
Inflation	3.125%
Salary increases	3.50% plus merit component based on years of service
Mortality	Healthy: 1994 Group Annuity Mortality Table Disabled: 1983 Railroad Retirement Board Disabled Life Mortality Table

**Employees Retirement System of the City of St. Louis  
Other Supplementary Information  
Analysis of Financial Experience  
Years Ended September 30,**

**Gain and Loss in Unfunded Actuarial Liability During the Years Ended September 30 Resulting from Differences Between Assumed Experience and Actual Experience**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Investment Experience	\$ 8,836,482	\$ (9,292,857)	\$ (22,219,993)	\$ (9,504,274)	\$ (3,004,069)	\$ 533,258	\$ (2,743,842)	\$ 17,899,526
Liability Experience	<u>4,297,704</u>	<u>(6,489,657)</u>	<u>(872,215)</u>	<u>13,001,556</u>	<u>4,322,571</u>	<u>3,695,678</u>	<u>6,114,189</u>	<u>7,265,891</u>
Gain (or Loss) During Year from Combined Experience	13,134,186	(15,782,514)	(23,092,208)	3,497,282	1,318,502	4,228,936	3,370,347	25,165,417
Non-Recurring Gain (or Loss) Items	-	(45,365,360)	-	-	-	-	20,389,054	-
Composite Gain (or Loss) During Year	<u>\$ 13,134,186</u>	<u>\$ (61,147,874)</u>	<u>\$ (23,092,208)</u>	<u>\$ 3,497,282</u>	<u>\$ 1,318,502</u>	<u>\$ 4,228,936</u>	<u>\$ 23,759,401</u>	<u>\$ 25,165,417</u>

**Employees Retirement System of the City of St. Louis**  
**Other Supplementary Information**  
**Solvency Test - Aggregate Actuarial Liabilities**  
**September 30, 2021**

Valuation date	Active member contributions	Retirees & beneficiaries	Active member employer financed contributions	Actuarial value of reported assets	Portion of actuarial liabilities covered by reported assets		
October 1,	(1)	(2)	(3)	assets	(1)	(2)	(3)
2021	\$ -	\$ 673,034,165	\$ 421,654,051	\$ 867,593,392	100%	100%	46%
2020	-	648,506,475	435,618,987	841,450,402	100%	100%	44%
2019	-	589,148,288	426,306,456	830,686,015	100%	100%	57%
2018	-	563,779,679	432,763,603	831,005,302	100%	100%	62%
2017	-	540,747,179	449,883,176	818,839,562	100%	100%	62%
2016	-	517,161,890	456,981,189	797,664,391	100%	100%	61%
2015	-	501,123,197	453,997,444	770,006,025	100%	100%	59%
2014	-	494,664,459	417,314,687	737,967,928	100%	100%	58%
2013	-	475,937,321	413,511,258	685,397,323	100%	100%	51%
2012	-	460,581,077	406,310,985	653,001,852	100%	100%	47%
2011	-	441,520,555	400,242,766	661,932,240	100%	100%	55%

**Employees Retirement System of the City of St. Louis**  
**Other Supplementary Information**  
**Schedules of Funding Progress**  
**September 30, 2021**

Actuarial Valuation Date October 1,	Actuarial Value of Assets	Actuarial Liability	Unfunded Actuarial Liability	Funded Ratio	Covered Pension Payroll	Percentage of Covered Payroll
2021	\$ 867,593,392	\$ 1,094,688,216	\$ 227,094,824	79.25 %	\$ 223,736,639	101.50 %
2020	841,450,402	1,084,125,462	242,675,060	77.62 %	228,162,770	106.36 %
2019	830,686,015	1,015,454,744	184,768,729	81.80 %	228,673,586	80.80 %
2018	831,005,302	996,543,282	165,537,980	83.39 %	228,447,481	72.46 %
2017	818,839,562	990,630,355	171,790,793	82.66 %	227,253,901	75.59 %
2016	797,664,391	974,143,079	176,478,688	81.88 %	226,907,701	77.78 %
2015	770,006,025	955,120,641	185,114,616	80.62 %	228,422,585	81.04 %
2014	737,967,928	911,979,146	174,011,218	80.92 %	227,039,143	76.64 %
2013	685,397,323	889,448,579	204,051,256	77.06 %	224,623,445	90.84 %
2012	653,001,852	866,890,445	213,888,593	75.33 %	224,822,252	95.14 %
2011	661,932,240	841,763,321	179,831,081	78.64 %	223,060,719	80.62 %

**Employees Retirement System of the City of St. Louis**  
**Other Supplementary Information**  
**Schedule of Actuarial Present Values of Projected Benefit Payments**  
**September 30, 2021**

Fiscal Years Ending 9/30	Benefit Payments				Present Value of Benefit Payments		
	Beginning Fiduciary Net Position	Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 7.25%	Unfunded Portion at 2.26%	Using a Single Discount Rate of 7.25%
2022	\$ 920,789,804	\$ 81,921,495	\$ 81,921,495	\$ -	\$ 79,104,414	\$ -	\$ 79,104,414
2023	\$ 937,511,838	\$ 81,258,736	\$ 81,258,736	\$ -	\$ 73,160,070	\$ -	\$ 73,160,070
2024	\$ 954,228,247	\$ 83,823,446	\$ 83,823,446	\$ -	\$ 70,367,522	\$ -	\$ 70,367,522
2025	\$ 967,852,491	\$ 85,440,234	\$ 85,440,234	\$ -	\$ 66,876,246	\$ -	\$ 66,876,246
2026	\$ 978,554,548	\$ 87,267,089	\$ 87,267,089	\$ -	\$ 63,688,737	\$ -	\$ 63,688,737
2027	\$ 985,881,599	\$ 91,282,511	\$ 91,282,511	\$ -	\$ 62,115,849	\$ -	\$ 62,115,849
2028	\$ 989,203,761	\$ 93,334,868	\$ 93,334,868	\$ -	\$ 59,219,054	\$ -	\$ 59,219,054
2029	\$ 990,386,642	\$ 93,516,010	\$ 93,516,010	\$ -	\$ 55,323,062	\$ -	\$ 55,323,062
2030	\$ 991,337,431	\$ 97,291,488	\$ 97,291,488	\$ -	\$ 53,665,823	\$ -	\$ 53,665,823
2031	\$ 988,404,507	\$ 98,310,796	\$ 98,310,796	\$ -	\$ 50,562,304	\$ -	\$ 50,562,304
2032	\$ 984,238,960	\$ 98,047,800	\$ 98,047,800	\$ -	\$ 47,018,221	\$ -	\$ 47,018,221
2033	\$ 980,162,606	\$ 96,595,765	\$ 96,595,765	\$ -	\$ 43,190,589	\$ -	\$ 43,190,589
2034	\$ 977,484,001	\$ 95,983,925	\$ 95,983,925	\$ -	\$ 39,890,798	\$ -	\$ 39,890,798
2035	\$ 975,779,797	\$ 95,241,684	\$ 95,241,684	\$ -	\$ 37,022,309	\$ -	\$ 37,022,309
2036	\$ 974,688,439	\$ 93,540,245	\$ 93,540,245	\$ -	\$ 33,902,309	\$ -	\$ 33,902,309
2037	\$ 950,869,811	\$ 91,090,335	\$ 91,090,335	\$ -	\$ 30,783,226	\$ -	\$ 30,783,226
2038	\$ 928,654,809	\$ 90,388,636	\$ 90,388,636	\$ -	\$ 28,481,206	\$ -	\$ 28,481,206
2039	\$ 905,813,895	\$ 88,480,479	\$ 88,480,479	\$ -	\$ 25,995,292	\$ -	\$ 25,995,292
2040	\$ 883,716,362	\$ 86,252,795	\$ 86,252,795	\$ -	\$ 23,627,791	\$ -	\$ 23,627,791
2041	\$ 859,339,479	\$ 85,256,469	\$ 85,256,469	\$ -	\$ 21,776,094	\$ -	\$ 21,776,094
2042	\$ 826,050,593	\$ 82,906,164	\$ 82,906,164	\$ -	\$ 19,744,319	\$ -	\$ 19,744,319
2043	\$ 793,804,473	\$ 80,914,816	\$ 80,914,816	\$ -	\$ 17,967,435	\$ -	\$ 17,967,435
2044	\$ 762,142,376	\$ 79,302,477	\$ 79,302,477	\$ -	\$ 16,419,030	\$ -	\$ 16,419,030
2045	\$ 730,983,784	\$ 76,666,368	\$ 76,666,368	\$ -	\$ 14,800,225	\$ -	\$ 14,800,225
2046	\$ 702,752,696	\$ 74,160,862	\$ 74,160,862	\$ -	\$ 13,348,759	\$ -	\$ 13,348,759
2047	\$ 677,825,021	\$ 72,647,772	\$ 72,647,772	\$ -	\$ 12,192,454	\$ -	\$ 12,192,454
2048	\$ 652,523,820	\$ 70,321,665	\$ 70,321,665	\$ -	\$ 11,004,256	\$ -	\$ 11,004,256
2049	\$ 627,667,538	\$ 67,338,982	\$ 67,338,982	\$ -	\$ 9,825,186	\$ -	\$ 9,825,186
2050	\$ 603,977,069	\$ 65,639,210	\$ 65,639,210	\$ -	\$ 8,929,770	\$ -	\$ 8,929,770
2051	\$ 580,217,880	\$ 63,392,164	\$ 63,392,164	\$ -	\$ 8,041,095	\$ -	\$ 8,041,095
2052	\$ 556,956,058	\$ 60,853,017	\$ 60,853,017	\$ -	\$ 7,197,214	\$ -	\$ 7,197,214
2053	\$ 534,544,879	\$ 58,733,935	\$ 58,733,935	\$ -	\$ 6,477,003	\$ -	\$ 6,477,003
2054	\$ 512,643,439	\$ 56,236,051	\$ 56,236,051	\$ -	\$ 5,782,326	\$ -	\$ 5,782,326
2055	\$ 491,698,072	\$ 54,398,142	\$ 54,398,142	\$ -	\$ 5,215,242	\$ -	\$ 5,215,242
2056	\$ 471,108,396	\$ 52,199,530	\$ 52,199,530	\$ -	\$ 4,666,161	\$ -	\$ 4,666,161
2057	\$ 451,280,774	\$ 49,512,219	\$ 49,512,219	\$ -	\$ 4,126,750	\$ -	\$ 4,126,750
2058	\$ 432,781,003	\$ 47,341,013	\$ 47,341,013	\$ -	\$ 3,679,053	\$ -	\$ 3,679,053
2059	\$ 415,174,941	\$ 44,852,359	\$ 44,852,359	\$ -	\$ 3,250,024	\$ -	\$ 3,250,024
2060	\$ 398,858,656	\$ 41,965,108	\$ 41,965,108	\$ -	\$ 2,835,256	\$ -	\$ 2,835,256
2061	\$ 384,340,597	\$ 39,478,506	\$ 39,478,506	\$ -	\$ 2,486,952	\$ -	\$ 2,486,952
2062	\$ 371,338,362	\$ 37,065,110	\$ 37,065,110	\$ -	\$ 2,177,081	\$ -	\$ 2,177,081
2063	\$ 359,887,354	\$ 34,874,561	\$ 34,874,561	\$ -	\$ 1,909,945	\$ -	\$ 1,909,945
2064	\$ 349,870,909	\$ 32,775,237	\$ 32,775,237	\$ -	\$ 1,673,634	\$ -	\$ 1,673,634
2065	\$ 341,299,480	\$ 30,770,626	\$ 30,770,626	\$ -	\$ 1,465,054	\$ -	\$ 1,465,054
2066	\$ 334,180,607	\$ 28,837,845	\$ 28,837,845	\$ -	\$ 1,280,215	\$ -	\$ 1,280,215
2067	\$ 328,545,907	\$ 26,965,266	\$ 26,965,266	\$ -	\$ 1,116,163	\$ -	\$ 1,116,163
2068	\$ 324,440,951	\$ 25,154,845	\$ 25,154,845	\$ -	\$ 970,839	\$ -	\$ 970,839
2069	\$ 321,912,741	\$ 23,405,738	\$ 23,405,738	\$ -	\$ 842,268	\$ -	\$ 842,268
2070	\$ 321,012,317	\$ 21,716,435	\$ 21,716,435	\$ -	\$ 728,651	\$ -	\$ 728,651
2071	\$ 321,795,936	\$ 20,089,003	\$ 20,089,003	\$ -	\$ 628,481	\$ -	\$ 628,481

**Employees Retirement System of the City of St. Louis**  
**Other Supplementary Information**  
**Schedule of Actuarial Present Values of Projected Benefit Payments (continued)**  
**September 30, 2021**

Fiscal Years Ending 9/30	Beginning Fiduciary Net Position	Benefit Payments			Present Value of Benefit Payments		
		Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 7.25%	Unfunded Portion at 2.26%	Using a Single Discount Rate of 7.25%
2072	\$ 324,321,707	\$ 18,526,029	\$ 18,526,029	\$ -	\$ 540,404	\$ -	\$ 540,404
2073	\$ 328,649,212	\$ 17,028,709	\$ 17,028,709	\$ -	\$ 563,149	\$ -	\$ 563,149
2074	\$ 334,841,084	\$ 15,598,259	\$ 15,598,259	\$ -	\$ 395,565	\$ -	\$ 395,565
2075	\$ 342,963,260	\$ 14,235,516	\$ 14,235,516	\$ -	\$ 336,603	\$ -	\$ 336,603
2076	\$ 353,085,572	\$ 12,940,575	\$ 12,940,575	\$ -	\$ 285,299	\$ -	\$ 285,299
2077	\$ 365,282,812	\$ 11,714,183	\$ 11,714,183	\$ -	\$ 240,803	\$ -	\$ 240,803
2078	\$ 379,634,423	\$ 10,556,812	\$ 10,556,812	\$ -	\$ 202,342	\$ -	\$ 202,342
2079	\$ 396,225,117	\$ 9,468,849	\$ 9,468,849	\$ -	\$ 169,220	\$ -	\$ 169,220
2080	\$ 415,145,349	\$ 8,450,435	\$ 8,450,435	\$ -	\$ 140,811	\$ -	\$ 140,811
2081	\$ 436,491,983	\$ 7,710,200	\$ 7,710,200	\$ -	\$ 116,548	\$ -	\$ 116,548
2082	\$ 460,369,066	\$ 6,621,188	\$ 6,621,188	\$ -	\$ 95,918	\$ -	\$ 95,918
2083	\$ 486,888,816	\$ 5,808,793	\$ 5,808,793	\$ -	\$ 78,461	\$ -	\$ 78,461
2084	\$ 516,172,578	\$ 5,063,136	\$ 5,063,136	\$ -	\$ 63,766	\$ -	\$ 63,766
2085	\$ 548,351,626	\$ 4,382,713	\$ 4,382,713	\$ -	\$ 51,465	\$ -	\$ 51,465
2086	\$ 583,568,312	\$ 3,929,279	\$ 3,765,836	\$ -	\$ 41,232	\$ -	\$ 41,232
2087	\$ 621,977,055	\$ 3,210,427	\$ 3,210,427	\$ -	\$ 32,775	\$ -	\$ 32,775
2088	\$ 663,745,624	\$ 2,714,080	\$ 2,714,080	\$ -	\$ 25,835	\$ -	\$ 25,835
2089	\$ 709,056,437	\$ 2,274,059	\$ 2,274,059	\$ -	\$ 20,183	\$ -	\$ 20,183
2090	\$ 758,107,977	\$ 1,887,213	\$ 1,887,213	\$ -	\$ 15,617	\$ -	\$ 15,617
2091	\$ 811,116,378	\$ 1,550,099	\$ 1,550,099	\$ -	\$ 11,960	\$ -	\$ 11,960
2092	\$ 868,317,008	\$ 1,258,969	\$ 1,258,969	\$ -	\$ 9,057	\$ -	\$ 9,057
2093	\$ 929,966,183	\$ 1,009,999	\$ 1,009,999	\$ -	\$ 6,775	\$ -	\$ 6,775
2094	\$ 996,342,760	\$ 799,400	\$ 799,400	\$ -	\$ 5,000	\$ -	\$ 5,000
2095	\$ 1,067,749,739	\$ 623,435	\$ 623,435	\$ -	\$ 3,636	\$ -	\$ 3,636
2096	\$ 1,144,515,955	\$ 478,453	\$ 478,453	\$ -	\$ 2,602	\$ -	\$ 2,602
2097	\$ 1,226,997,869	\$ 360,851	\$ 360,851	\$ -	\$ 1,829	\$ -	\$ 1,829
2098	\$ 1,315,581,512	\$ 267,083	\$ 267,083	\$ -	\$ 1,263	\$ -	\$ 1,263
2099	\$ 1,410,684,576	\$ 193,722	\$ 193,722	\$ -	\$ 854	\$ -	\$ 854
2100	\$ 1,512,758,586	\$ 137,511	\$ 137,511	\$ -	\$ 565	\$ -	\$ 565
2101	\$ 1,622,291,175	\$ 95,391	\$ 95,391	\$ -	\$ 366	\$ -	\$ 366
2102	\$ 1,739,808,497	\$ 64,585	\$ 64,585	\$ -	\$ 231	\$ -	\$ 231
2103	\$ 1,865,877,728	\$ 42,624	\$ 42,624	\$ -	\$ 142	\$ -	\$ 142
2104	\$ 2,001,109,721	\$ 27,387	\$ 27,387	\$ -	\$ 85	\$ -	\$ 85
2105	\$ 2,146,161,813	\$ 17,108	\$ 17,108	\$ -	\$ 50	\$ -	\$ 50
2106	\$ 2,301,740,827	\$ 10,380	\$ 10,380	\$ -	\$ 28	\$ -	\$ 28
2107	\$ 2,468,606,287	\$ 6,111	\$ 6,111	\$ -	\$ 15	\$ -	\$ 15
2108	\$ 2,647,573,914	\$ 3,489	\$ 3,489	\$ -	\$ 8	\$ -	\$ 8
2109	\$ 2,839,519,409	\$ 1,928	\$ 1,928	\$ -	\$ 4	\$ -	\$ 4
2110	\$ 3,045,382,570	\$ 1,031	\$ 1,031	\$ -	\$ 2	\$ -	\$ 2
2111	\$ 3,266,171,739	\$ 532	\$ 532	\$ -	\$ 1	\$ -	\$ 1
2112	\$ 3,502,968,639	\$ 265	\$ 265	\$ -	\$ -	\$ -	\$ -
2113	\$ 3,756,933,590	\$ 128	\$ 128	\$ -	\$ -	\$ -	\$ -
2114	\$ 4,029,311,144	\$ 59	\$ 59	\$ -	\$ -	\$ -	\$ -
2115	\$ 4,321,436,141	\$ 26	\$ 26	\$ -	\$ -	\$ -	\$ -
2116	\$ 4,634,740,234	\$ 11	\$ 11	\$ -	\$ -	\$ -	\$ -
2117	\$ 4,970,758,889	\$ 5	\$ 5	\$ -	\$ -	\$ -	\$ -
2118	\$ 5,331,138,903	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -
2119	\$ 5,717,646,473	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -
2120	\$ 6,132,175,841	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

**Employees Retirement System of the City of St. Louis**  
**Other Supplementary Information**  
**Schedule of Projection of Fiduciary Net Position**  
**September 30, 2021**

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2022	\$ 920,789,804	\$ 34,501,972	\$ 81,921,495	\$ 894,947	\$ 65,036,504	\$ 937,511,838
2023	\$ 937,511,838	\$ 32,546,187	\$ 81,258,736	\$ 778,007	\$ 66,206,965	\$ 954,228,247
2024	\$ 954,228,247	\$ 30,866,052	\$ 83,823,446	\$ 689,244	\$ 67,270,882	\$ 967,852,492
2025	\$ 967,852,491	\$ 28,632,080	\$ 85,440,234	\$ 613,963	\$ 68,124,173	\$ 978,554,548
2026	\$ 978,554,548	\$ 26,385,283	\$ 87,267,089	\$ 548,462	\$ 68,757,319	\$ 985,881,599
2027	\$ 985,881,599	\$ 25,961,617	\$ 91,282,511	\$ 489,474	\$ 69,132,530	\$ 989,203,761
2028	\$ 989,203,761	\$ 25,664,428	\$ 93,334,868	\$ 438,210	\$ 69,291,531	\$ 990,386,642
2029	\$ 990,386,642	\$ 25,495,189	\$ 93,516,010	\$ 394,750	\$ 69,366,359	\$ 991,337,431
2030	\$ 991,337,431	\$ 25,415,719	\$ 97,291,488	\$ 356,511	\$ 69,299,356	\$ 988,404,507
2031	\$ 988,404,507	\$ 25,416,440	\$ 98,310,796	\$ 322,831	\$ 69,051,641	\$ 984,238,960
2032	\$ 984,238,960	\$ 25,502,381	\$ 98,047,800	\$ 294,028	\$ 68,763,092	\$ 980,162,606
2033	\$ 980,162,606	\$ 25,660,578	\$ 96,595,765	\$ 269,209	\$ 68,525,790	\$ 977,484,001
2034	\$ 977,484,001	\$ 25,853,701	\$ 95,683,925	\$ 245,847	\$ 68,371,778	\$ 975,779,707
2035	\$ 975,779,707	\$ 26,102,160	\$ 95,241,684	\$ 225,293	\$ 68,273,548	\$ 974,688,439
2036	\$ 974,688,439	\$ 2,512,385	\$ 93,540,245	\$ 206,305	\$ 67,415,538	\$ 950,869,812
2037	\$ 950,869,812	\$ 3,260,334	\$ 91,090,335	\$ 188,227	\$ 65,803,225	\$ 928,654,809
2038	\$ 928,654,809	\$ 3,493,170	\$ 90,388,636	\$ 171,949	\$ 64,226,502	\$ 905,813,895
2039	\$ 905,813,895	\$ 3,886,524	\$ 88,480,479	\$ 156,629	\$ 62,653,051	\$ 883,716,362
2040	\$ 883,716,362	\$ 989,547	\$ 86,252,795	\$ 141,322	\$ 61,027,688	\$ 859,339,479
2041	\$ 859,339,479	\$ (6,919,781)	\$ 85,256,469	\$ 127,289	\$ 59,014,652	\$ 826,050,593
2042	\$ 826,050,593	\$ (5,945,882)	\$ 82,906,164	\$ 114,144	\$ 56,720,070	\$ 793,804,473
2043	\$ 793,804,473	\$ (5,129,900)	\$ 80,914,816	\$ 100,092	\$ 54,482,712	\$ 762,142,376
2044	\$ 762,142,376	\$ (4,053,030)	\$ 79,302,477	\$ 86,555	\$ 52,283,470	\$ 730,983,784
2045	\$ 730,983,784	\$ (1,692,558)	\$ 76,666,368	\$ 75,003	\$ 50,202,840	\$ 702,752,696
2046	\$ 702,752,696	\$ 957,350	\$ 74,160,862	\$ 64,247	\$ 48,340,084	\$ 677,825,021
2047	\$ 677,825,021	\$ 819,428	\$ 72,647,772	\$ 54,991	\$ 46,582,134	\$ 652,523,820
2048	\$ 652,523,820	\$ 685,182	\$ 70,321,665	\$ 45,982	\$ 44,826,183	\$ 627,667,538
2049	\$ 627,667,538	\$ 559,918	\$ 67,338,982	\$ 37,576	\$ 43,126,171	\$ 603,977,069
2050	\$ 603,977,069	\$ 444,536	\$ 65,639,210	\$ 29,833	\$ 41,465,317	\$ 580,217,880
2051	\$ 580,217,880	\$ 333,610	\$ 63,392,164	\$ 22,388	\$ 39,819,121	\$ 556,956,058
2052	\$ 556,956,058	\$ 237,911	\$ 60,853,017	\$ 15,966	\$ 38,219,893	\$ 534,544,879
2053	\$ 534,544,879	\$ 175,801	\$ 58,733,935	\$ 11,798	\$ 36,668,491	\$ 512,643,439
2054	\$ 512,643,439	\$ 131,377	\$ 56,236,051	\$ 8,817	\$ 35,168,125	\$ 491,698,072
2055	\$ 491,698,072	\$ 101,216	\$ 54,398,142	\$ 6,793	\$ 33,714,042	\$ 471,108,396
2056	\$ 471,108,396	\$ 78,330	\$ 52,199,530	\$ 5,257	\$ 32,298,835	\$ 451,280,774
2057	\$ 451,280,774	\$ 60,042	\$ 49,512,219	\$ 4,029	\$ 30,956,436	\$ 432,781,003
2058	\$ 432,781,003	\$ 45,972	\$ 47,341,013	\$ 3,085	\$ 29,692,064	\$ 415,174,941
2059	\$ 415,174,941	\$ 34,511	\$ 44,852,359	\$ 2,316	\$ 28,503,879	\$ 398,858,656
2060	\$ 398,858,656	\$ 25,272	\$ 41,965,108	\$ 1,696	\$ 27,423,473	\$ 384,340,597
2061	\$ 384,340,597	\$ 18,254	\$ 39,478,506	\$ 1,225	\$ 26,459,243	\$ 371,338,362
2062	\$ 371,338,362	\$ 12,600	\$ 37,065,110	\$ 846	\$ 25,602,348	\$ 359,887,354
2063	\$ 359,887,354	\$ 8,661	\$ 34,874,561	\$ 581	\$ 24,850,037	\$ 349,870,909
2064	\$ 349,870,909	\$ 5,674	\$ 32,775,237	\$ 381	\$ 24,198,514	\$ 341,299,480
2065	\$ 341,299,480	\$ 3,581	\$ 30,770,626	\$ 240	\$ 23,648,412	\$ 334,180,607
2066	\$ 334,180,607	\$ 2,207	\$ 28,837,845	\$ 148	\$ 23,201,086	\$ 328,545,907
2067	\$ 328,545,907	\$ 1,159	\$ 26,965,266	\$ 78	\$ 22,859,228	\$ 324,440,951
2068	\$ 324,440,951	\$ 595	\$ 25,154,845	\$ 40	\$ 22,626,080	\$ 321,912,741
2069	\$ 321,912,741	\$ 263	\$ 23,405,738	\$ 18	\$ 22,505,069	\$ 321,012,317
2070	\$ 321,012,317	\$ 112	\$ 21,716,435	\$ 8	\$ 22,499,949	\$ 321,795,936
2071	\$ 321,795,936	\$ 56	\$ 20,089,003	\$ 4	\$ 22,614,722	\$ 324,321,707

**Employees Retirement System of the City of St. Louis**  
**Other Supplementary Information**  
**Schedule of Projection of Fiduciary Net Position (continued)**  
**September 30, 2021**

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2072	\$ 324,321,707	\$ 31	\$ 18,526,029	\$ 2	\$ 22,853,506	\$ 328,649,212
2073	\$ 328,649,212	\$ 4	\$ 17,028,709	\$ -	\$ 23,220,578	\$ 334,841,084
2074	\$ 334,841,084	\$ -	\$ 15,598,259	\$ -	\$ 23,720,435	\$ 342,963,260
2075	\$ 342,963,260	\$ -	\$ 14,235,516	\$ -	\$ 24,357,828	\$ 353,085,572
2076	\$ 353,085,572	\$ -	\$ 12,940,575	\$ -	\$ 25,137,816	\$ 365,282,812
2077	\$ 365,282,812	\$ -	\$ 11,714,183	\$ -	\$ 26,065,794	\$ 379,634,423
2078	\$ 379,634,423	\$ -	\$ 10,556,812	\$ -	\$ 27,147,507	\$ 396,225,117
2079	\$ 396,225,117	\$ -	\$ 9,468,849	\$ -	\$ 28,389,081	\$ 415,145,349
2080	\$ 415,145,349	\$ -	\$ 8,450,435	\$ -	\$ 29,797,069	\$ 436,491,983
2081	\$ 436,491,983	\$ -	\$ 7,501,417	\$ -	\$ 31,378,500	\$ 460,369,066
2082	\$ 460,369,066	\$ -	\$ 6,621,188	\$ -	\$ 33,140,939	\$ 486,888,816
2083	\$ 486,888,816	\$ -	\$ 5,808,793	\$ -	\$ 35,092,555	\$ 516,172,578
2084	\$ 516,172,578	\$ -	\$ 5,063,136	\$ -	\$ 37,242,184	\$ 548,351,626
2085	\$ 548,351,626	\$ -	\$ 4,382,713	\$ -	\$ 39,599,399	\$ 583,568,312
2086	\$ 583,568,312	\$ -	\$ 3,765,836	\$ -	\$ 42,174,580	\$ 621,977,055
2087	\$ 621,977,055	\$ -	\$ 3,210,427	\$ -	\$ 44,978,995	\$ 663,745,624
2088	\$ 663,745,624	\$ -	\$ 2,714,080	\$ -	\$ 48,024,894	\$ 709,056,437
2089	\$ 709,056,437	\$ -	\$ 2,274,059	\$ -	\$ 51,325,599	\$ 758,107,977
2090	\$ 758,107,977	\$ -	\$ 1,887,213	\$ -	\$ 54,895,614	\$ 811,116,378
2091	\$ 811,116,378	\$ -	\$ 1,550,099	\$ -	\$ 58,750,729	\$ 868,317,008
2092	\$ 868,317,008	\$ -	\$ 1,258,969	\$ -	\$ 62,908,144	\$ 929,966,183
2093	\$ 929,966,183	\$ -	\$ 1,009,999	\$ -	\$ 67,386,576	\$ 996,342,760
2094	\$ 996,342,760	\$ -	\$ 799,400	\$ -	\$ 72,206,379	\$ 1,067,749,739
2095	\$ 1,067,749,739	\$ -	\$ 623,435	\$ -	\$ 77,389,652	\$ 1,144,515,955
2096	\$ 1,144,515,955	\$ -	\$ 478,453	\$ -	\$ 82,960,366	\$ 1,226,997,869
2097	\$ 1,226,997,869	\$ -	\$ 360,851	\$ -	\$ 88,944,494	\$ 1,315,581,512
2098	\$ 1,315,581,512	\$ -	\$ 267,083	\$ -	\$ 95,370,147	\$ 1,410,684,576
2099	\$ 1,410,684,576	\$ -	\$ 193,722	\$ -	\$ 102,267,732	\$ 1,512,758,586
2100	\$ 1,512,758,586	\$ -	\$ 137,511	\$ -	\$ 109,670,100	\$ 1,622,291,175
2101	\$ 1,622,291,175	\$ -	\$ 95,391	\$ -	\$ 117,612,713	\$ 1,739,808,497
2102	\$ 1,739,808,497	\$ -	\$ 64,585	\$ -	\$ 126,133,816	\$ 1,865,877,728
2103	\$ 1,865,877,728	\$ -	\$ 42,624	\$ -	\$ 135,274,617	\$ 2,001,109,721
2104	\$ 2,001,109,721	\$ -	\$ 27,387	\$ -	\$ 145,079,479	\$ 2,146,161,813
2105	\$ 2,146,161,813	\$ -	\$ 17,108	\$ -	\$ 155,596,122	\$ 2,301,740,827
2106	\$ 2,301,740,827	\$ -	\$ 10,380	\$ -	\$ 166,875,840	\$ 2,468,606,287
2107	\$ 2,468,606,287	\$ -	\$ 6,111	\$ -	\$ 178,973,738	\$ 2,647,573,914
2108	\$ 2,647,573,914	\$ -	\$ 3,489	\$ -	\$ 191,948,984	\$ 2,839,519,409
2109	\$ 2,839,519,409	\$ -	\$ 1,928	\$ -	\$ 205,865,089	\$ 3,045,382,570
2110	\$ 3,045,382,570	\$ -	\$ 1,031	\$ -	\$ 220,790,200	\$ 3,266,171,739
2111	\$ 3,266,171,739	\$ -	\$ 532	\$ -	\$ 236,797,432	\$ 3,502,968,639
2112	\$ 3,502,968,639	\$ -	\$ 265	\$ -	\$ 253,965,217	\$ 3,756,933,590
2113	\$ 3,756,933,590	\$ -	\$ 128	\$ -	\$ 272,377,681	\$ 4,029,311,144
2114	\$ 4,029,311,144	\$ -	\$ 59	\$ -	\$ 292,125,056	\$ 4,321,436,141
2115	\$ 4,321,436,141	\$ -	\$ 26	\$ -	\$ 313,304,119	\$ 4,634,740,234
2116	\$ 4,634,740,234	\$ -	\$ 11	\$ -	\$ 336,018,667	\$ 4,970,758,889
2117	\$ 4,970,758,889	\$ -	\$ 5	\$ -	\$ 360,380,019	\$ 5,331,138,903
2118	\$ 5,331,138,903	\$ -	\$ 1	\$ -	\$ 386,507,570	\$ 5,717,646,473
2119	\$ 5,717,646,473	\$ -	\$ 1	\$ -	\$ 414,529,369	\$ 6,132,175,841
2120	\$ 6,132,175,841	\$ -	\$ -	\$ -	\$ 444,582,748	\$ 6,576,758,589

February 28, 2022

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

We have audited the financial statements of the Employees Retirement System of the City of St. Louis (the "System") for the year ended September 30, 2021 and have issued our report thereon dated February 28, 2022. 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 December 1, 2021. Professional standards also require that we communicate to you the following information related to our audit.

### **Our Responsibility under U.S. Generally Accepted Auditing Standards**

As stated in our engagement letter dated December 1, 2021, our responsibility as prescribed by professional standards is to express an opinion about whether the financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles as related to governmental units. Our audit of the financial statements does not relieve you or management of your responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform the audit to obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the System solely for the purpose to determine our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

## **Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you.

## **Significant Audit Findings**

### *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 2021. 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 fixed income and equity securities.

Management's estimate of the fair value of certain fixed income securities and the foreign exchange contracts is based on values provided by the custodian of the investments.

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 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. These disclosures in the financial statements will be updated annually based on future investment fair value.

The disclosures relating to the System's debt investments, as described in Note 4 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 disclosure of the expected long-term real rate of return is based on an analysis performed by Marquette Associates, and the corresponding investment allocation option approved by the Board in 2019. There have been no updates to this information in the current fiscal year.

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.

#### *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 auditor's 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 February 28, 2022.

#### *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**

With respect to the required and other supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with the Governmental Accounting Standards Board 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.

This information is intended solely for the use of the Board of Trustees and management of Employees 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*