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Employees Retirement System of the City of St. Louis

GASB 67 and 68 Report as of September 30, 2014

Produced by Cheiron

July 2015

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BOARD SUMMARY

The purpose of this report and its exhibits is to provide accounting and financial disclosure information under Government Accounting Standards Board Statements 67 and 68 for the Employees Retirement System of the City of St. Louis, participating employers, and the City of St. Louis. This information includes:

- Schedule of Changes in the Net Pension Liability and Related Ratios,
- Calculation of the Net Pension Liability at the discount rate, as well as discount rates 1% higher and lower than the discount rate,
- Schedule of Employer Contributions,
- Disclosure of Deferred Inflows and Outflows, and
- Calculation of the Proportionate Share and Pension Expense for the participating employers and the City of St. Louis.

Highlights

This report is the first report under GASB 68, and is a supplement to the GASB 67 exhibits under the same reporting date previously provided with the annual actuarial valuation report. The reporting date for the Employees Retirement System of the City of St. Louis is September 30, 2014. Measurements as of the reporting date are based on the fair market value of assets and the Total Pension Liability as of September 30, 2014.

Beginning of year measurements are based on the actuarial valuation as of September 30, 2013. There were no significant events during the year. However, liability gains and losses due to experience are included in the reconciliation from one year to the next.

The table on the next page provides a summary of the key results during this reporting period.

Summary of Results	Measurement Date	
	9/30/2013	9/30/2014
Total Pension Liability	$ 912,479,784	$ 935,102,032
Plan Fiduciary Net Position	730,490,213	780,495,634
Net Pension Liability	181,989,571	154,606,398
Deferred Outflows	0	0
Deferred Inflows	0	12,168,901
Net Impact on Statement of Net Position	$ 181,989,571	$ 166,775,299
Pension Expense ($ Amount)	N/A	$ 21,573,988
Pension Expense (% of Payroll)	N/A	9.60%
Discount Rate	8.09%	8.09%

BOARD SUMMARY

If the employers elect to use September 30, 2014 as their initial measurement date under GASB 68, a Net Pension Liability of $181,989,571 would be recognized as of the beginning of the reporting year to be split among the participating employers and the City based on their Proportionate Share.

As of the end of the reporting year, the employers and the City would report a total Net Pension Liability of $154,606,398 and Deferred Inflows of $12,168,901. Consequently, the collective net impact on the employers' and City's Statement of Net Position would be $166,775,299 at the end of the reporting year. In addition, any contributions between the measurement date and the reporting date by each employer and the City would be reported as deferred outflows to match the cash outflow reported.

For the measurement year ending September 30, 2014, the collective Pension Expense is $21,573,988 or 9.60% of payroll. This amount is not expected to be the same as the employers' and City's contribution to the System ($36,788,260), but instead represents the change in the net impact on the employers' and City's Statement of Net Position plus employer and City contributions [12,168,901 + 36,788,260 - 27,383,173]. A breakdown of the Pension Expense is shown in this report.

If any employer elects to use September 30, 2015 as their initial measurement date under GASB 68, its share of the Net Pension Liability (NPL) of $154,606,398 would be recognized as of the beginning of the reporting year. The employer's share of NPL and Deferred Inflows and Outflows at the end of the reporting year as well as the Pension Expense would be determined by the measurements as of September 30, 2015.

CERTIFICATION

The purpose of this report is to provide accounting and financial reporting information under GASB 67 and 68 for the Employees Retirement System of the City of St. Louis (ERS). This report is for the use of the System, participating employers, the City of St. Louis, and their auditors in preparing financial reports in accordance with applicable law and accounting requirements. This report is not appropriate for other purposes, including the measurement of funding requirements for the Employees Retirement System of the City of St. Louis.

In preparing our report, we relied on information (some oral and some written) supplied by the Employees Retirement System of the City of St. Louis staff. This information includes, but is not limited to, the plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

The membership data, actuarial assumptions, and plan provisions are the same as described in the September 30, 2014 Actuarial Valuation Report for the Employees Retirement System of the City of St. Louis, except that it has been assumed that the rate of investment return is net only of investment expenses, rather than net of both investment and administrative expenses. The administrative expense rate is assumed to be 0.09% of active member payroll.

Future reporting requirements may differ significantly from the current reporting requirement presented in this report due to such factors as the following: plan experience differing from that anticipated by the assumptions; changes in assumptions; and changes in plan provisions or applicable law.

To the best of our knowledge, this report and its contents have been prepared in accordance with generally recognized and accepted actuarial principles and practices that are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This report does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

This report was prepared for the Employees Retirement System of the City of St. Louis for the purposes described herein and for the use by the plan auditor in completing an audit related to the matters herein. This report is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

Sincerely,
Cheiron

Stephen T. McElhaney, FSA, FCA, MAAA
Principal Consulting Actuary

Michael J. Noble, FSA, FCA, MAAA
Principal Consulting Actuary

DETERMINATION OF DISCOUNT RATE

The System's Fiduciary Net Position is projected, based on the methods outlined in paragraphs 41-43 of GASB 67, to be sufficient to make all projected benefit payments for the current members when due. Therefore, the long-term expected rate of return on System investments (i.e. 8.09%) was applied to all periods of projected benefit payments to determine the Total Pension Liability (TPL).

NOTE DISCLOSURES

The schedules of Required Supplementary Information generally start with one year of information as of the implementation of GASB 67, but eventually will need to build up to 10 years of information. The schedule below shows the changes in NPL and related ratios required by GASB.

Schedule of Changes in Net Pension Liability and Related Ratios	FYE 2014
Total Pension Liability	
Service Cost	$ 10,591,910
Interest	72,012,146
Change in Benefits	0
Change in Assumptions	0
Differences between Expected and Actual Experience	(3,664,735)
Benefit Payments	(56,317,073)
Net Change in Total Pension Liability	$ 22,622,248
Total Pension Liability – Beginning	$ 912,479,784
Total Pension Liability – Ending	$ 935,102,032
Plan Fiduciary Net Position	
Contributions – Employer	$ 36,788,260
Contributions – Employees	129,164
Net Investment Income	70,076,027
Benefit Payments	(56,317,073)
Administrative Expenses	(670,957)
Net Change in Plan Fiduciary Net Position	$ 50,005,421
Plan Fiduciary Net Position - Beginning	$ 730,490,213
Plan Fiduciary Net Position – Ending	$ 780,495,634
Net Pension Liability - Ending	$ 154,606,398
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.47%
Covered Employee Payroll	$ 253,501,719
Net Pension Liability as a Percentage of Covered Employee Payroll	60.99%

NOTE DISCLOSURES

Changes in the discount rate affect the measurement of the TPL. Lower discount rates produce a higher TPL and higher discount rates produce a lower TPL. Because the discount rate does not affect the measurement of assets, the percentage change in the NPL can be very significant for a relatively small change in the discount rate. The table below shows the sensitivity of the NPL to the discount rate.

Sensitivity of Net Pension Liability to Changes in Discount Rate

	1% Decrease 7.09%	Discount Rate 8.09%	1% Increase 9.09%
Total Pension Liability	$ 1,028,648,784	$ 935,102,032	$ 855,046,558
Plan Fiduciary Net Position	780,495,634	780,495,634	780,495,634
Net Pension Liability	$ 248,153,150	$154,606,398	$ 74,550,924
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	75.9%	83.5%	91.3%

A one percent decrease in the discount rate increases the TPL by approximately 10.0% and increases the NPL by approximately 60.5%. A one percent increase in the discount rate decreases the TPL by approximately 8.6% and decreases the NPL by approximately 51.8%.

NOTE DISCLOSURES

If an Actuarially Determined Contribution is calculated, the following schedule is required. An Actuarially Determined Contribution is a contribution amount determined in accordance with Actuarial Standards of Practice.

Schedule of Employer Contributions	FYE 2014
Actuarially Determined Contribution	$ 34,060,798
Contributions in Relation to the Actuarially Determined Contribution	36,788,260
Contribution Deficiency / (Excess)	$ (2,727,462)
Covered Employee Payroll	$ 253,501,719
Contributions as a Percentage of Covered Employee Payroll	14.51%

Notes to Schedule

Valuation Date	October 1, 2013
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the plan year.

Key Methods and Assumptions Used to Determine Contribution Rates

Actuarial Cost Method	Projected Unit Credit Cost Method
Asset Valuation Method	Five 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 employee's years of service
Mortality	1994 Group Annuity Mortality Table

A complete description of the methods and assumptions used to determine contribution rates for the year ending September 30, 2014 can be found in the October 1, 2013 actuarial valuation report.

EMPLOYER REPORTING AMOUNTS

The participating employers are not required to implement GASB 68 until their reporting dates for their first fiscal year that ends after June 15, 2015. For employers with fiscal years ending June 30, 2015 or September 30, 2015, the amounts can be based upon the September 30, 2014 measurement date. However, employers with fiscal years ending December 31, 2015 will not use these measurements but rather will need to wait until measurements are available as of September 30, 2015. The schedules in this section are provided for employers who either elect to implement GASB 68 early or elect to use the 2014 measurement date for their 2015 reporting. First, the collective amounts for the System are developed and then the collective amounts are allocated to individual employers based on their Proportionate Shares.

The impact of experience gains or losses and assumption changes on the TPL are recognized in the collective Pension Expense over the average expected remaining service life of all active and inactive members of the System. As of the measurement date, this average was 3.77 years, which was rounded to 4.00 years for recognition purposes. During the measurement year there was an experience gain of $3.6 million, of which $0.9 million was recognized in the current year and identical amounts will be recognized in each of the next 3 years, resulting in a Deferred Inflow of Resources of approximately $2.7 million.

The impact of investment gains or losses is recognized over a period of five years. During the measurement year, there was an investment gain of approximately $11.8 million. Approximately $2.4 million of that was recognized in the current year and identical amounts will be recognized in each of the next four years, resulting in a Deferred Inflow of Resources of approximately $5.8 million.

The table below summarizes the current balances of collective Deferred Outflows and Deferred Inflows of Resources along with the net recognition over the next five years.

	Deferred Outflow of Resources	Deferred Inflow of Resources
Differences between expected and actual experience	$ 0	$ 2,748,551
Changes in assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	9,420,350
Total	$ 0	$ 12,168,901

Amounts reported as deferred outflows and inflows of resources will be recognized in the pension expense as follows:

Year ended September 30:	
2015	$ (3,271,272)
2016	(3,271,270)
2017	(3,271,272)
2018	(2,355,087)
2019	0
Thereafter	0

EMPLOYER REPORTING AMOUNTS

The collective Pension Expense recognized in aggregate by the participating employers of the System can be calculated two different ways. First, it is the change in the amounts reported on the employers' Statement of Net Position that relate to the System and are not attributable to employer contributions. That is, it is the change in NPL plus the changes in deferred outflows and inflows plus employer contributions.

Alternatively, the collective Pension Expense can be calculated by its individual components. While GASB does not require or suggest the organization of the individual components shown in the table below, we believe it helps to understand the level and volatility of Pension Expense.

Calculation of Pension Expense	
Change in Net Pension Liability	$ (27,383,173)
Change in Deferred Outflows	0
Change in Deferred Inflows	12,168,901
Employer Contributions	36,788,260
Pension Expense	**$ 21,573,988**
Pension Expense as % of Payroll	**9.60%**
Operating Expenses	
Service cost	$ 10,591,910
Employee contributions	(129,164)
Administrative expenses	670,957
Total	$ 11,133,703
Financing Expenses	
Interest cost	$ 72,012,146
Expected return on assets	(58,300,590)
Total	$ 13,711,556
Changes	
Benefit changes	$ 0
Recognition of assumption changes	0
Recognition of liability gains and losses	(916,184)
Recognition of investment gains and losses	(2,355,087)
Total	$ (3,271,271)
Pension Expense	**$ 21,573,988**

EMPLOYER REPORTING AMOUNTS

First, there are components that we refer to as operating expenses. These items are directly attributable to the operation of the System during the measurement year. Service cost less employee contributions represents the increase in the employer-provided benefits attributable to the year, and administrative expenses are the cost of operating the System for the year.

Second, there are the financing expenses: the interest on the Total Pension Liability less the expected return on assets. Since the discount rate is equal to the long-term expected return on assets, the financing expense is just the interest on the Net Pension Liability, service cost, contributions, and administrative expenses.

The final category is changes. This category will drive most of the volatility in Pension Expense from year to year. It includes any changes in benefits made during the year and the recognized amounts due to assumption changes, gains or losses on the TPL, and investment gains or losses. For the first year, there is an investment gain recognized that offsets a portion of the financing expense.

PROPORTIONATE SHARES

Because the System is a Cost-Sharing Pension Plan, each employer participating in the Plan must reflect a portion of the collective Net Pension Liability, Pension Expense, and Deferred Outflows and Inflows in their financial statements. GASB 68 requires that the Proportionate Share for each employer be determined based on the "employer's projected long-term contribution effort to the pension plan…as compared to the total projected long-term contribution effort by all employers and all non-employer contributing entities…"

The schedules provided in Appendix A includes the Proportionate Shares for each employer, reflecting a methodology that allocates the NPL, Pension Expense, and Deferred Outflows and Inflows based on the proportion of the total contribution made by each employer and the State during the preceding plan year. The following information is presented:

- Determination of Employers' Proportionate Share
- Schedules of Employers' Proportionate Share of Collective Net Pension Liability as of September 30, 2013 and September 30, 2014
- Schedule of Employers' Changes in Proportion
- Schedule of Employer's Pension Expense as of September 30, 2014
- Schedule of Total Employer Deferred Outflows and Deferred Inflows as of September 30, 2014
- Schedule of Total Employer Recognition of Collective Deferred Outflows and Deferred Inflows for Future Fiscal Years

It is expected that the information provided for each employer, together with information about the System as a whole from its audited financial report as of September 30, 2014 will be sufficient for employers to prepare disclosures for their financial reports.

APPENDIX A
EMPLOYER PROPORTIONATE SHARE ALLOCATIONS

Determination of Employers' Proportionate Share

	September 30, 2013		September 30, 2014	
Employer	Contributions	Proportionate Share	Contributions	Proportionate Share
CITY	$ 23,431,528	68.2179%	$ 24,920,746	67.7410%
FIREMEN'S RETIREMENT SYSTEM	28,070	0.0817%	38,471	0.1046%
POLICE RETIREMENT SYSTEM	51,827	0.1509%	52,740	0.1434%
PARKING METERS	419,555	1.2215%	468,178	1.2726%
AIRPORT	3,202,290	9.3231%	3,332,599	9.0589%
WATER	2,015,341	5.8674%	2,143,260	5.8259%
ZOO	2,419,703	7.0447%	2,688,327	7.3076%
LIBRARY	1,383,974	4.0293%	1,542,057	4.1917%
ART MUSEUM	1,160,121	3.3776%	1,328,101	3.6101%
MENTAL HEALTH BOARD	70,335	0.2048%	88,253	0.2399%
TOWER GROVE PARK	129,386	0.3767%	138,687	0.3770%
TAXICAB COMMISSION	35,872	0.1044%	40,222	0.1093%
FIREFIGHTERS' RETIREMENT PLAN	-	0.0000%	6,619	0.0180%
Total	**$ 34,348,002**	**100.0000%**	**$ 36,788,260**	**100.0000%**

APPENDIX A
EMPLOYER PROPORTIONATE SHARE ALLOCATIONS

Schedule of Employers' Proportionate Share of Collective Net Pension Liability

	September 30, 2014					
Employer	**Proportionate Share**	**Share of NPL @ 7.09%**	**Share of NPL @ 9.09%**	**Share of NPL @ 8.09%**	**Total Covered Payroll**	**Share of NPL @ 8.09% as % Payroll**
CITY	67.7410%	$ 168,101,425	$ 50,501,542	$ 104,731,920	$ 167,674,094	62%
FIREMEN'S RETIREMENT SYSTEM	0.1046%	259,568	77,980	161,718	260,505	62%
POLICE RETIREMENT SYSTEM	0.1434%	355,852	106,906	221,706	343,651	65%
PARKING METERS	1.2726%	3,157,997	948,735	1,967,521	3,042,238	65%
AIRPORT	9.0589%	22,479,946	6,753,494	14,005,639	24,715,857	57%
WATER	5.8259%	14,457,154	4,343,262	9,007,214	16,242,955	55%
ZOO	7.3076%	18,134,040	5,447,883	11,298,017	18,298,592	62%
LIBRARY	4.1917%	10,401,836	3,124,951	6,480,636	11,698,070	55%
ART MUSEUM	3.6101%	8,958,577	2,691,363	5,581,446	9,105,733	61%
MENTAL HEALTH BOARD	0.2399%	595,319	178,848	370,901	583,862	64%
TOWER GROVE PARK	0.3770%	935,537	281,057	582,866	935,654	62%
TAXICAB COMMISSION	0.1093%	271,231	81,484	168,985	261,492	65%
FIREFIGHTERS' RETIREMENT PLAN	0.0180%	44,668	13,419	27,829	38,635	72%
Total	**100.0000%**	**$ 248,153,150**	**$ 74,550,924**	**$ 154,606,398**	**$ 253,201,339**	**61%**

APPENDIX A
EMPLOYER PROPORTIONATE SHARE ALLOCATIONS

Schedule of Employers' Proportionate Share of Collective Net Pension Liability

	September 30, 2013	
Employer	**Proportionate Share**	**Share of NPL @ 8.09%**
CITY	68.2179%	$ 124,149,463
FIREMEN'S RETIREMENT SYSTEM	0.0817%	148,685
POLICE RETIREMENT SYSTEM	0.1509%	274,622
PARKING METERS	1.2215%	2,223,003
AIRPORT	9.3231%	16,967,070
WATER	5.8674%	10,678,056
ZOO	7.0447%	12,820,619
LIBRARY	4.0293%	7,332,906
ART MUSEUM	3.3776%	6,146,880
MENTAL HEALTH BOARD	0.2048%	372,715
TOWER GROVE PARK	0.3767%	685,555
TAXICAB COMMISSION	0.1044%	189,997
FIREFIGHTERS' RETIREMENT PLAN	0.0000%	-
Total	**100.0000%**	**$ 181,989,571**

APPENDIX A
EMPLOYER PROPORTIONATE SHARE ALLOCATIONS

Schedule of Employers' Changes in Proportion

	Proportionate Shares		Impact of Change in Proportion			Recognition of Proportion Change for FYE 2014		
Employer	**9/30/2013**	**9/30/2014**	**Deferred Outflows**	**Deferred Inflows**	**Net Pension Liability**	**Pension Expense**	**Deferred Outflows**	**Deferred Inflows**
CITY	68.2179%	67.7410%	$ 0	$ 0	$ (867,909)	$ (216,979)	$ 0	$ 650,930
FIREMEN'S RETIREMENT SYSTEM	0.0817%	0.1046%	0	0	41,676	10,419	31,257	0
POLICE RETIREMENT SYSTEM	0.1509%	0.1434%	0	0	(13,649)	(3,412)	0	10,237
PARKING METERS	1.2215%	1.2726%	0	0	92,997	23,249	69,748	0
AIRPORT	9.3231%	9.0589%	0	0	(480,816)	(120,204)	0	360,612
WATER	5.8674%	5.8259%	0	0	(75,526)	(18,882)	0	56,644
ZOO	7.0447%	7.3076%	0	0	478,451	119,613	358,838	0
LIBRARY	4.0293%	4.1917%	0	0	295,551	73,888	221,663	0
ART MUSEUM	3.3776%	3.6101%	0	0	423,126	105,782	317,344	0
MENTAL HEALTH BOARD	0.2048%	0.2399%	0	0	63,878	15,970	47,908	0
TOWER GROVE PARK	0.3767%	0.3770%	0	0	546	137	409	0
TAXICAB COMMISSION	0.1044%	0.1093%	0	0	8,917	2,229	6,688	0
FIREFIGHTERS' RETIREMENT PLAN	0.0000%	0.0180%	0	0	32,758	8,190	24,568	0
Total	**100.0000%**	**100.0000%**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 1,078,423**	**$ 1,078,423**

APPENDIX A
EMPLOYER PROPORTIONATE SHARE ALLOCATIONS

Schedule of Employers' Pension Expense as of September 30, 2014

Employer	Proportionate Shares	Collective Pension Expense	Change in Proportion	Employer Pension Expense
CITY	67.7410%	$ 14,614,436	$ (216,979)	$ 14,397,457
FIREMEN'S RETIREMENT SYSTEM	0.1046%	22,566	10,419	32,985
POLICE RETIREMENT SYSTEM	0.1434%	30,937	(3,412)	27,525
PARKING METERS	1.2726%	274,551	23,249	297,800
AIRPORT	9.0589%	1,954,366	(120,204)	1,834,162
WATER	5.8259%	1,256,879	(18,882)	1,237,997
ZOO	7.3076%	1,576,541	119,613	1,696,154
LIBRARY	4.1917%	904,317	73,888	978,205
ART MUSEUM	3.6101%	778,843	105,782	884,625
MENTAL HEALTH BOARD	0.2399%	51,756	15,970	67,726
TOWER GROVE PARK	0.3770%	81,334	137	81,471
TAXICAB COMMISSION	0.1093%	23,580	2,229	25,809
FIREFIGHTERS' RETIREMENT PLAN	0.0180%	3,883	8,190	12,073
Total	**100.0000%**	**$ 21,573,989**	**$ 0**	**$ 21,573,989**

APPENDIX A
EMPLOYER PROPORTIONATE SHARE ALLOCATIONS

Schedule of Total Deferred Outflows and Deferred Inflows as of September 30, 2014

		Proportionate Share of Deferred Outflows				Proportionate Share of Deferred Inflows			
Employer	**Proportionate Shares**	**Experience**	**Assumption Changes**	**Investment Return**	**Changes in Proportion**	**Experience**	**Assumption Changes**	**Investment Return**	**Changes in Proportion**
CITY	67.7410%	$ 0	$ 0	$ 0	$ 0	$ 1,861,897	$ 0	$ 6,381,439	$ 650,930
FIREMEN'S RETIREMENT SYSTEM	0.1046%	0	0	0	31,257	2,875	0	9,854	0
POLICE RETIREMENT SYSTEM	0.1434%	0	0	0	0	3,941	0	13,509	10,237
PARKING METERS	1.2726%	0	0	0	69,748	34,978	0	119,883	0
AIRPORT	9.0589%	0	0	0	0	248,988	0	853,380	360,612
WATER	5.8259%	0	0	0	0	160,128	0	548,820	56,644
ZOO	7.3076%	0	0	0	358,838	200,853	0	688,401	0
LIBRARY	4.1917%	0	0	0	221,663	115,211	0	394,873	0
ART MUSEUM	3.6101%	0	0	0	317,344	99,225	0	340,084	0
MENTAL HEALTH BOARD	0.2399%	0	0	0	47,908	6,594	0	22,599	0
TOWER GROVE PARK	0.3770%	0	0	0	409	10,362	0	35,515	0
TAXICAB COMMISSION	0.1093%	0	0	0	6,688	3,004	0	10,296	0
FIREFIGHTERS' RETIREMENT PLAN	0.0180%	0	0	0	24,568	495	0	1,696	0
Total	**100.0000%**	**$ 0**	**$ 0**	**$ 0**	**$ 1,078,423**	**# $ 2,748,551**	**$ 0**	**$ 9,420,349**	**$ 1,078,423**

APPENDIX A
EMPLOYER PROPORTIONATE SHARE ALLOCATIONS

Schedule of Total Deferred Outflows and Deferred Inflows for Future Fiscal Years

	Proportionate Share of Recognition for FYE					
Employer	**2015**	**2016**	**2017**	**2018**	**2019**	**Thereafter**
CITY	$ (2,432,972)	$ (2,432,971)	$ (2,432,972)	$ (1,595,353)	$ 0	$ 0
FIREMEN'S RETIREMENT SYSTEM	6,997	6,997	6,997	(2,461)	0	0
POLICE RETIREMENT SYSTEM	(8,103)	(8,103)	(8,103)	(3,377)	0	0
PARKING METERS	(18,381)	(18,381)	(18,381)	(29,968)	0	0
AIRPORT	(416,545)	(416,545)	(416,545)	(213,345)	0	0
WATER	(209,463)	(209,463)	(209,463)	(137,203)	0	0
ZOO	(119,438)	(119,438)	(119,438)	(172,100)	0	0
LIBRARY	(63,234)	(63,234)	(63,234)	(98,720)	0	0
ART MUSEUM	(12,314)	(12,314)	(12,314)	(85,023)	0	0
MENTAL HEALTH BOARD	8,122	8,122	8,122	(5,651)	0	0
TOWER GROVE PARK	(12,196)	(12,196)	(12,196)	(8,883)	0	0
TAXICAB COMMISSION	(1,347)	(1,346)	(1,347)	(2,574)	0	0
FIREFIGHTERS' RETIREMENT PLAN	7,601	7,601	7,601	(427)	0	0
Total	**$ (3,271,273)**	**$ (3,271,271)**	**$ (3,271,273)**	**$ (2,355,085)**	**$ 0**	**$ 0**

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GLOSSARY OF TERMS

1. Actuarially Determined Contribution

A target or recommended contribution for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.

2. Actuarial Valuation Date

The date as of which an actuarial valuation is performed. This date may be up to 24 months prior to the measurement date and up to 30 months prior to the employer's reporting date.

3. Cost-Sharing Pension Plan

A multiple-employer plan in which the pension obligations to the employers of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

4. Deferred Inflow of Resources

An acquisition of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience gains on the Total Pension Liability, assumption changes reducing the Total Pension Liability, or investment gains that are recognized in future reporting periods.

5. Deferred Outflow of Resources

A consumption of net assets by a government employer that is applicable to a future reporting period. In the context of GASB 68, these are experience losses on the Total Pension Liability, assumption changes increasing the Total Pension Liability or investment losses that are recognized in future reporting periods.

6. Entry Age Actuarial Cost Method

The actuarial cost method required for GASB 67 and 68 calculations. Under this method, the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages. The portion of this actuarial present value allocated to a valuation year is called the Service Cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future service costs is called the Total Pension Liability.

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7. Measurement Date

The date as of which the Total Pension Liability and Plan Fiduciary Net Position are measured. The Total Pension Liability may be projected from the Actuarial Valuation Date to the Measurement Date. The Measurement Date must be the same as the Reporting Date for the Plan.

8. Net Pension Liability

The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan. It is calculated as the Total Pension Liability less the Plan Fiduciary Net Position.

9. Pension Expense

The economic cost of pensions that an entity recognizes during a reporting period.

10. Plan Fiduciary Net Position

The fair or market value of assets.

11. Proportionate Share

The portion of the Net Pension Liability, Deferred Inflows and Deferred Outflows allocated to each employer and non-employer contributing entity in a Cost-Sharing Pension Plan, based on the employer's share of the projected long-term contribution effort.

12. Reporting Date

The last day of the Plan or employer's fiscal year.

13. Service Cost

The portion of the actuarial present value of projected benefit payments that is attributed to the current period of employee service in conformity with the requirements of GASB 67 and 68. The Service Cost is the normal cost calculated under the entry age actuarial cost method.

14. Special Funding Situation

Circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity and either (i) the amount of such contributions is not dependent upon one or

APPENDIX B
GLOSSARY OF TERMS

more events or circumstances unrelated to pensions, or (ii) the non-employer entity is the only entity with a legal obligation to make contributions directly to the pension plan.

15. Support Expense

The amount of pension expense allocated to a non-employer contributing entity.

16. Support Revenue

The amount of revenue recognized by each employer based upon its share of the non-employer contributing entity's support expense.

17. Total Pension Liability

The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB 67 and 68. The Total Pension Liability is the actuarial liability calculated under the Entry Age Actuarial Cost Method.