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

**SCHEDULE OF EMPLOYER ALLOCATIONS
AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

SEPTEMBER 30, 2015

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

**SCHEDULE OF EMPLOYER ALLOCATIONS
AND
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER**

SEPTEMBER 30, 2015

Table of Contents	Page
Independent Auditors' Report	1
Schedule of Employer Allocations	3
Schedule of Pension Amounts by Employer	4
Notes to Schedule of Employer Allocations and Pension Amounts By Employer	6



INDEPENDENT AUDITORS' REPORT

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

Report on the Schedules

We have audited the accompanying schedule of employer allocations of the **Employees Retirement System of the City of St. Louis** (the System) as of and for the years ended September 30, 2015 and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying schedule of pension amounts by employer of the System as of and for the years ended September 30, 2015, and the related notes.

Management's Responsibility for the Schedules

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, whether due to fraud or error.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibility (Continued)

In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity'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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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

Opinions

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the System as of and for the year ended September 30, 2015, in accordance with accounting principles generally accepted in the United States of America.

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the System as of and for the year ended September 30, 2015, and our report thereon, dated February 29, 2016 expressed an unmodified opinion on those financial statements.

Restriction on Use

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

Kiefer Bonfanti & Co. LLP

St. Louis, Missouri
February 29, 2016

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

**SCHEDULE OF EMPLOYER ALLOCATIONS
DETERMINATION OF EMPLOYERS' PROPORTIONATE SHARE
SEPTEMBER 30, 2015**

Employer	Contributions	Proportionate Share
City	\$ 23,822,685	67.2270860%
Firemen's Retirement System	39,776	0.1122470%
Police Retirement System	51,498	0.1453262%
Parking Meters	549,543	1.5507981%
Airport	3,152,160	8.8953253%
Water	2,070,879	5.8439744%
Zoo	2,639,257	7.4479244%
Library	1,481,869	4.1818013%
Art Museum	1,345,545	3.7970980%
Mental Health Board	93,866	0.2648878%
Tower Grove Park	134,795	0.3803885%
Taxicab Commission	43,192	0.1218869%
Firefighter's Retirement Plan	11,076	0.0312562%
Total	\$ 35,436,141	100.0000000%
Plus: Member contributions*	232,337	
Plus: Transfer payment from MOSERS**	57,474	
Total Employer Contributions in the Statement of Changes in Fiduciary Net Position (Base Plan)	\$ 35,725,952	

**Purchases of additional creditable service*

***Transaction under a portability agreement with the Missouri State
Employees' Retirement System*

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
EMPLOYER PROPORTIONATE SHARE OF COLLECTIVE NET PENSION LIABILITY
SEPTEMBER 30, 2015**

Employer	Proportionate Share	Share of NPL @ 6.50%	Share of NPL @ 8.50%	Share of NPL @ 7.50%	Total Covered Payroll	Share of NPL @ 7.50% as % Payroll
City	67.2270860%	\$ 217,798,802	\$ 97,024,380	\$ 152,688,516	\$ 168,294,234	91%
Firemen's Retirement System	0.1122470%	363,652	161,999	254,939	828,263	31%
Police Retirement System	0.1453262%	470,820	209,740	330,070	348,595	95%
Parking Meters	1.5507981%	5,024,195	2,238,164	3,522,227	3,592,696	98%
Airport	8.8953253%	28,818,610	12,838,031	20,203,375	23,948,327	84%
Water	5.8439744%	18,933,003	8,434,219	13,273,040	16,089,231	82%
Zoo	7.4479244%	24,129,397	10,749,094	16,915,987	18,858,319	90%
Library	4.1818013%	13,547,981	6,035,316	9,497,854	11,286,797	84%
Art Museum	3.7970980%	12,301,640	5,480,099	8,624,102	9,830,362	88%
Mental Health Board	0.2648878%	858,170	382,295	601,622	661,377	91%
Tower Grove Park	0.3803885%	1,232,363	548,989	863,952	995,147	87%
Taxicab Commission	0.1218869%	394,883	175,911	276,834	292,563	95%
Firefighter's Retirement Plan	0.0312562%	101,262	45,110	70,990	75,025	95%
Total	100.0000000%	\$ 323,974,777	\$ 144,323,346	\$ 227,123,508	\$ 255,100,936	89%

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

**SCHEDULE OF PENSION AMOUNTS BY EMPLOYER (CONTINUED)
TOTAL DEFERRED OUTFLOWS AND DEFERRED INFLOWS
SEPTEMBER 30, 2015**

Employer	Proportionate Share	Proportionate Share of Deferred Outflows				Proportionate Share of Deferred Inflows				Proportionate Share of Pension Expense		
		Experience	Assump-tion Changes	Investment Return	Changes in Proportion	Experience	Assump-tion Changes	Invest-ment Return	Changes in Proportion	Collective Pension Expense	Changes in Proportion	Employer Pension Expense
City	67.2270860%	\$ -	\$ -	\$ 43,989,100	\$ -	\$ 2,442,431	\$ 2,289,006	\$ -	\$ 1,005,357	\$ 25,135,359	\$ (502,681)	\$ 24,632,678
Firemen's Retirement System	0.1122470%	-	-	73,447	29,343	4,078	3,822	-	-	41,969	14,672	56,641
Police Retirement System	0.1453262%	-	-	95,092	2,146	5,280	4,948	-	6,825	54,337	(2,339)	51,998
Parking Meters	1.5507981%	-	-	1,014,743	355,812	56,342	52,803	-	-	579,825	177,905	757,730
Airport	8.8953253%	-	-	5,820,531	-	323,177	302,876	-	422,271	3,325,852	(211,136)	3,114,716
Water	5.8439744%	-	-	3,823,923	20,091	212,318	198,981	-	37,762	2,184,987	(8,837)	2,176,150
Zoo	7.4479244%	-	-	4,873,445	395,238	270,591	253,593	-	-	2,784,684	197,619	2,982,303
Library	4.1818013%	-	-	2,736,303	147,775	151,929	142,386	-	11,007	1,563,523	68,384	1,631,907
Art Museum	3.7970980%	-	-	2,484,578	419,475	137,953	129,287	-	-	1,419,688	209,739	1,629,427
Mental Health Board	0.2648878%	-	-	173,326	59,723	9,624	9,019	-	-	99,039	29,862	128,901
Tower Grove Park	0.3803885%	-	-	248,902	4,041	13,820	12,952	-	-	142,223	2,022	144,245
Taxicab Commission	0.1218869%	-	-	79,755	18,457	4,428	4,150	-	-	45,573	9,228	54,801
Firefighter's Retirement Plan	0.0312562%	-	-	20,452	31,121	1,136	1,064	-	-	11,688	15,562	27,250
Total	100.0000000%	\$ -	\$ -	\$ 65,433,596	\$ 1,483,222	\$ 3,633,106	\$ 3,404,887	\$ -	\$ 1,483,222	\$ 37,388,747	\$ -	\$ 37,388,747

NOTES TO SCHEDULE OF EMPLOYER ALLOCATIONS
AND PENSION AMOUNTS BY EMPLOYER
SEPTEMBER 30, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The **Employees Retirement System of the City of St. Louis** (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, the System, and civilian employees of the police department and police and firemen's retirement systems, and firefighters' retirement plan.

Employer contributions to the System are calculated on creditable compensation for active members reported by employers. Employer contributions are accrued when earned. Employers are statutorily required to pay a fixed percentage of the compensation.

The Schedule of Employer Allocations (the Schedule) reflects current year employer contributions. Contributions and adjustments to contributions reported in the current fiscal year for service performed in a prior year are recognized as contributions in the current year and included in the Schedule. The Schedule includes the following for each individual employer:

- Employer name
- The amount of employer contributing entity's contributions for the period October 1, 2014 to September 30, 2015 (the fiscal year), offset by the prior year accrual for the same employer.
- The employer contributing entity's contributions as a percentage of total employer contributions.

The Schedule has been rounded and percentages are to the first seven decimal places.

Basis of Accounting

Contributions for employers and the net pension liability are recognized on an accrual basis of accounting.

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Notes to Schedule of Employer Allocations and Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates in the Preparation of the Schedule

The preparation of the Schedule in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affects certain amounts and disclosures. Actual results could differ from those estimates.

Relationship to the System's Basic Financial Statements

The Schedule also includes reconciliation from total employer contributions included in the Schedule to employer contribution shown in the System's Statement of Changes in Fiduciary Net Position.

Components of Net Pension Liability

The components of net pension liability of the System, for participating employers, as of September 30, 2015, are as follows:

Total Pension Liability	\$	955,120,641
System Fiduciary Net Position		727,997,133
Employers' Net Pension Liability	\$	227,123,508
System Fiduciary Net Position as a		
Percentage of Total Pension Liability		76.22%

The net pension liability is calculated using a discount rate of 7.50% which is the expected rate of return on investments reduced by investment expense. The net pension liability was determined by an actuarial valuation as of October 1, 2014, applied to all prior periods included in the measurements. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. 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. An experience study was performed in 2009 which reviewed all economic and demographic assumptions.

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Notes to Schedule of Employer Allocations and Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Actuarial Assumptions

The following are the actuarial assumptions used to determine contributions rates and the entry age normal cost method, applied to all periods included in the measurements:

VALUATION DATE	October 1, 2014
TIMING	Actuarially determined contribution rates are calculated based on the actuarial valuation at the beginning of the year.
ACTUARIAL COST METHOD	Projected Unit Credit Cost 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 employee's years of service
MORTALITY	1994 Group Annuity Mortality Table

The long-term expected rate of return on pension plan investments was determined using the building block approach and a forward-looking model in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These rates are combined to produce the long-term expected rate of return by weighing the expected future real rate of return by the target asset allocation percentage and by adding expected inflation.

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's capital market assumptions. Specifically, the System uses Summit Strategies Group capital market assumption in analyzing the System's asset allocation. The assumptions and the Systems' formal policy for asset allocation are shown below.

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to the expected long-term real return and reflecting expected volatility and correlation.

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Notes to Schedule of Employer Allocations and Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Actuarial Assumptions (Continued)

Asset Class	Target Allocation	*Long-term expected real rate of return
Private Equity	5.00%	8.25%
Real Estate	10.00%	5.00%
Hedge Funds	10.00%	4.50%
Master Limited Partnerships	7.50%	6.00%
International Equity	21.50%	6.84%
Domestic Equity	21.00%	5.05%
Fixed Income	25.00%	2.25%
	100.00%	

* *Arithmetic return*

The following are the key actuarial assumptions and methods used to calculate the Total Pension Liability as of September 30, 2015:

INFLATION ASSUMPTION	2.50%
STANDARD DEVIATION	10.00%
ADMINISTRATIVE EXPENSES	0.30% of covered payroll
MUNICIPAL BOND YIELD	3.71% as of September 30, 2015 Bond Buyer 20-Bond GO Index, September 24, 2015
LONG-TERM EXPECTED GEOMETRIC RATE OF RETURN	7.50% net of investment expense as of September 30, 2015
DISCOUNT RATE	7.50% as of September 30, 2015

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Notes to Schedule of Employer Allocations and
Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discount Rate – The discount rate used to measure the total pension liability was 7.50% as of September 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions from System members will be made at the current contribution rate. Based on these assumptions, the System’s net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on System investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return was determined net of investment expenses but without reduction for administrative expenses.

Sensitivity – GASB 67 requires the disclosure of the sensitivity of the net pension liability to changes in the discount rate. For calculations of Total Pension Liability the actuary has used an assumed long-term expected rate of return of 7.50%. The table below presents the net pension liability if the discount rate were 1% lower or 1% higher than the current rate.

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
Total Pension Liability	\$ 1,051,971,910	\$ 955,120,641	\$ 872,320,479
Plan Fiduciary Net Position	727,997,133	727,997,133	727,997,133
Net Pension Liability	\$ 323,974,777	\$ 227,123,508	\$ 144,323,346
System Fiduciary Net Position as a Percentage of Total Pension Liability	69.20%	76.22%	83.46%

Deferred Inflow of Resources and Deferred Outflow of Resources

Each employer will need to calculate two additional types of deferred outflows of resources and deferred inflows of resources which are employer specific amounts. These amounts relate the (1) net impact from changes in proportion allocation percentage between the periods; and (2) contributions made to the System subsequent to the measurement date and before the end of the employer’s reporting period.

The employer is solely responsible for its financial statements and, therefore, is responsible for evaluating the information used to recognize and disclose pension amounts in its financial statements.

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Notes to Schedule of Employer Allocations and
Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Inflow of Resources and Deferred Outflow of Resources (Continued)

The Schedule of Pension Amounts by Employer calculates each employer's allocation percentage to the collective amounts provided. Similarly, the employer auditor is solely responsible for the audit of the employer's financial statements, and therefore, is responsible for determining the sufficiency of the audit evidence necessary to reduce audit risk to the appropriate level. Nevertheless, the employer and their auditor may use the System's report to provide evidence that the pension amounts allocated to the employer are not materially misstated.

The impact of experience gains or losses an assumption changes on the total pension liability 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 recognition period was three years. The amortization of the net difference between projected and actual investment earnings on System investments is amortized over a closed 5 year period (inclusive of 2015). The table below summarizes the current balance 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	\$ -	\$ 3,633,106
Changes in assumptions	-	3,404,887
Net difference between projected and actual earnings on System investments	65,433,596	-
Total	\$ 65,433,596	\$ 7,037,993

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

Year ended September 30,	Amount
2015	\$ 12,250,632
2016	12,250,630
2014	15,769,628
2018	18,124,713
2019	-
Thereafter	-
Total	\$ 58,395,603

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Notes to Schedule of Employer Allocations and
Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

***Deferred Inflow of Resources and Deferred Outflow of Resources
(Continued)***

The table below shows the employer's proportionate share of recognition in future years:

Employer	Proportionate Share of Recognition for FYE					There- after
	2016	2017	2018	2019	2020	
City	\$ 7,733,060	\$ 7,733,063	10,601,460	12,184,713	-	\$ -
Firemen's Retirement System	28,423	28,422	17,701	20,345	-	-
Police Retirement System	15,465	15,464	22,918	26,341	-	-
Parking Meters	367,888	367,890	244,555	281,078	-	-
Airport	878,598	878,599	1,402,760	1,612,253	-	-
Water	707,086	707,089	921,572	1,059,203	-	-
Zoo	1,110,036	1,110,036	1,174,509	1,349,914	-	-
Library	580,681	580,681	659,454	757,939	-	-
Art Museum	674,908	674,905	598,789	688,213	-	-
Mental Health Board	62,313	62,312	41,772	48,011	-	-
Tower Grove Park	48,622	48,619	59,986	68,945	-	-
Taxicab Commission	24,160	24,161	19,222	22,092	-	-
Firefighter's Retirement Plan	19,392	19,389	4,930	5,666	-	-
Total	\$ 12,250,632	12,250,630	15,769,628	18,124,713	-	\$ -

EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

Notes to Schedule of Employer Allocations and Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in Net Pension Liability

The following table represents the changes in total pension liability and fiduciary net position for the years ended September 30, 2015 and 2014:

	*September 30,	
	2015	2014
Total Pension Liability		
Service cost	\$ 13,067,553	\$ 10,591,910
Interest	73,825,307	72,012,146
Change in benefit	-	-
Difference between expected and actual experience	(2,701,109)	(3,664,735)
Change of assumptions	(5,107,330)	-
Benefit payments	(59,065,812)	(56,317,073)
Net Change in Total Pension Liability	20,018,609	22,622,248
Total Pension Liability - Beginning	935,102,032	912,479,784
Total Pension Liability - Ending (a)	\$ 955,120,641	\$ 935,102,032
Plan Fiduciary Net Position		
Contributions - employers	\$ 35,436,141	\$ 36,788,260
Contributions - member	289,810	129,164
Net investment income (loss)	(28,435,882)	70,076,027
Benefit payments	(59,065,812)	(56,317,073)
Administrative expenses	(722,758)	(670,957)
Net Change in Plan Fiduciary Net Position	(52,498,501)	50,005,421
Plan Fiduciary Net Position - Beginning	780,495,634	730,490,213
Plan Fiduciary Net Position - Ending (b)	727,997,133	780,495,634
Net Pension Liability - Ending (a)-(b)	\$ 227,123,508	\$ 154,606,397
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	76.22%	83.47%
Covered Employee Payroll	\$ 255,100,936	\$ 224,623,445
Net Pension Liability as a Percentage of Covered Employee Payroll	89.03%	68.83%

* 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

Notes to Schedule of Employer Allocations and
Pension Amounts by Employer (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Expense

The following table shows the reconciliation of the pension expense for each participating employer from the prior measurement date to the current measurement date.

Employer	Proportionate Share	Collective Pension Expense	Change in Proportion	Employer Pension Expense
City	67.2270860%	\$ 25,135,359	\$ (502,681)	\$ 24,632,678
Firemen's Retirement System	0.1122470%	41,969	14,672	56,641
Police Retirement System	0.1453262%	54,337	(2,339)	51,998
Parking Meters	1.5507981%	579,825	177,905	757,730
Airport	8.8953253%	3,325,852	(211,136)	3,114,716
Water	5.8439744%	2,184,987	(8,837)	2,176,150
Zoo	7.4479244%	2,784,684	197,619	2,982,303
Library	4.1818013%	1,563,523	68,384	1,631,907
Art Museum	3.7970980%	1,419,688	209,739	1,629,427
Mental Health Board	0.2648878%	99,039	29,862	128,901
Tower Grove Park	0.3803885%	142,223	2,022	144,245
Taxicab Commission	0.1218869%	45,573	9,228	54,801
Firefighter's Retirement Plan	0.0312562%	11,688	15,562	27,250
Total	100.0000000%	\$ 37,388,747	\$ -	\$ 37,388,747