

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

MINUTES OF THE BOARD OF TRUSTEES REGULAR MEETING

April 18, 2016

I. ROLL CALL AND ANNOUNCEMENT OF A QUORUM

The April meeting of the Board of Trustees of the Public School Retirement System of the City of St. Louis (PSRSSTL) was called to order at 4:30 p.m., Monday, April 18, 2016. The meeting was held in the 2nd floor boardroom of the PSRSSTL office building located at 3641 Olive Street, St. Louis, Missouri. Joseph Clark, Chairman of the Board of Trustees, was the presiding officer.

Roll Call was taken and Trustees Christina Bennett, Paula Bentley, Joseph Clark, Sheila Goodwin, Mary Houlihan, John Moten, Eural Thomas and Janusz Wolynski were present. The Board of Trustees had a quorum at the meeting. Trustee Charles Shelton joined the meeting in progress. Trustees Yvette Levy and Rick Sullivan were absent.

Executive Director, Andrew Clark, Accounting Specialist, Terry Mayes, PSRSSTL Attorney Representative, Jamie Jones, PSRSSTL Actuary, Steve Siepman, PSRSSTL Auditor, Thomas Helm, Anders Representative, Brenda Shepherd, and several interested parties were also in attendance.

II. APPROVAL OF MINUTES FROM LAST MEETING

Christina Bennett made a motion, seconded by Sheila Goodwin, to approve the minutes of the Board of Trustees Regular Meeting of February 22, 2016.

By voice vote, motion carried.

III. READING OF COMMUNICATIONS TO THE BOARD OF TRUSTEES

None

IV. PRESENTATIONS BY INTERESTED PARTIES

Retiree, Erma Nevels McNeil, expressed concerns over the "Rule of 85" and the lack of a COLA.

V. CONSENT AGENDA

Christina Bennett made a motion, seconded by Sheila Goodwin, to approve the Retirements and Benefits of March and April 2016.

By voice vote, motion carried

Christina Bennett made a motion, seconded by Sheila Goodwin, to approve the Refunds and Bills of February and March 2016.

By voice vote, motion carried.

VI. UNFINISHED BUSINESS

Eural Thomas made another request to allow Trustees to write articles for the monthly newsletter and to have legislative updates appear in the newsletter. There was extended discussion with a reminder that the newsletter is published quarterly. The Attorney Representative again suggested implementing

a procedure through a committee. The Chairman asked Mr. Thomas to lead an ad-hoc committee. There was discussion regarding existing links from the website to the General Assembly and Missouri Joint Committee on Public Employee Retirement with regard to legislation affecting the retirement system. The Executive Director offered to mention the links in the next quarterly newsletter.

VII. REPORT OF THE CHAIRPERSON

The Chairman announced that the following Committee Chair Assignments would remain the same for 2016.

- ◆ Benefits – Charles Shelton
- ◆ Trustee Business – Sheila Goodwin
- ◆ Investment – Joe Clark
- ◆ Legislative, Rules & Regulations – Yvette Levy
- ◆ Professional Contracts – Eural Thomas

VIII. REPORT OF THE EXECUTIVE DIRECTOR

The Executive Director introduced the accounting firm, Anders Minkler Huber & Helm LLP, for a presentation on the retirement system's audited financial statements. The Auditor, Thomas Helm, introduced himself and another representative from his firm, Brenda Shepherd. The Auditor and Ms. Shepherd presented the audited financial statements for December 31, 2015 and December 31, 2014, by reviewing and highlighting important information in the pages of the Financial Statements report distributed at the meeting. The Auditor spent a considerable amount of time explaining the new reporting requirements resulting from the implementation in 2015 of Governmental Accounting Standards Board ("GASB") Statement No. 68 that included a recap of GASB Statement No. 67 implemented during 2014. There was extended discussion regarding the meaning of the new GASB statements. Overall, the Auditor reported on a good, clean audit, thanking the Trustees and staff for allowing the audit. The Trustees and Executive Director thanked the Auditor for the presentation.

The Executive Director then reported on the retirement system's fiduciary liability and crime insurance renewals through Arthur J. Gallagher Risk Management Services, Inc. from a Memorandum to the Board of Trustees. The Executive Director recommended that the Board of Trustees accept the renewals as presented.

Mary Houlihan made a motion, seconded by Sheila Goodwin, to accept the renewal of the fiduciary liability and crime insurance with Travelers as presented by the Executive Director.

A roll call vote was taken.

Christina Bennett	Yes	Paula Bentley	Yes	Joseph Clark	Yes
Sheila Goodwin	Yes	Mary Houlihan	Yes	John Moten	Yes
Charles Shelton	Yes	Eural Thomas	Yes	Janusz Wolynski	Yes

With nine yes votes, motion carried.

IX. REPORT OF THE INVESTMENT CONSULTANT

None

X. REPORT OF THE ACTUARY

The Actuary reported on the progress of the 2016 Actuarial Valuation Report, including GASB Statement Nos. 67 & 68.

XI. REPORTS OF COMMITTEES OF THE BOARD OF TRUSTEES

The Chairman asked for reports from the Committees.

Benefits Committee

None

Trustee Business Committee

None

Investment Committee

Joe Clark, Chair of the Investment Committee, reported on the meetings of February 18, 2016, and March 17, 2016, by mentioning the meeting minutes and reminded the Trustees of the upcoming Investment Committee meeting later in the week on Thursday, April 21st.

Legislative, Rules & Regulations Committee

None

Professional Contracts Committee

Eural Thomas, Chair of the Professional Contracts Committee, reported on the meeting of February 29, 2016, by summarizing the minutes from the meeting.

XII. NEW BUSINESS

None

XIII. REPORT OF THE ATTORNEY

The Attorney Representative reported that the legislature continues to be monitored for any legislation affecting the retirement system and that the Trustees will be updated accordingly.

XIV. ADJOURNMENT

Christina Bennett made a motion, seconded by John Moten, to adjourn the meeting.

By voice vote, motion carried and the meeting adjourned at 5:55 p.m.

Attachments:

- Retirements Paid: March and April 2016
- Refunds & Bills Paid: February and March 2016
- December 31, 2015 and 2014 Financial Statements
- Memo to the Board of Trustees from the Executive Director, April 18, 2016

APPLICATIONS FOR RETIREMENT

NAME \ POSITION	RETIREMENT DATE	TYPE	CREDITED SERVICE	FINAL AVG SALARY	MONTHLY BENEFIT
Velma Bailey Teacher	February 1, 2016	Normal	26.0918	\$70,784.07	\$3,078.14
Shelley Burris Teacher	February 1, 2016	Normal	8.8597	\$33,060.58	\$488.18
Pearlie Clines Teacher	February 1, 2016	Normal	16.1444	\$47,845.94	\$1,287.41
Beverly LaBriado Teacher	February 1, 2016	Early	18.5000	\$65,152.97	\$1,763.33
Jaculyn Martin Teacher	February 1, 2016	Normal	30.0000	\$65,521.61	\$3,276.08
Veronica Murphy Teacher	February 1, 2016	Early	11.6834	\$54,755.67	\$864.81
Jean Tucker Child Care Attendant	February 1, 2016	Disability	18.7556	\$33,016.87	\$644.02
Dennis Turner Teacher	February 1, 2016	Normal	19.6666	\$29,329.36	\$462.65

To be Authorized and Approved
by the Board of Trustees

APPLICATIONS FOR RETIREMENT

NAME \ POSITION	RETIREMENT DATE	TYPE	CREDITED SERVICE	FINAL AVG SALARY	MONTHLY BENEFIT
Sheri Speed-Gray Teacher	February 1, 2016	Disability	10.4945	\$56,560.73	\$900.26
Charlotte Franks Social Worker	March 1, 2016	Early	17.2222	\$68,474.25	\$1,692.46
Trinita Lane Teacher	March 1, 2016	Normal	28.8722	\$64,264.79	\$3,092.44
Mark Mess Warehouseperson	March 1, 2016	Normal	17.1739	\$31,667.36	\$906.42

Distributions - February 2016

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS PAY	FEDERAL TAXES W/IF	NET PAY	A(Active) R(retired)	D(eath) S(separation)	NOTES
071262	01/08/16	DAVIS	TAMMY L	(43,708.08)		(43,708.08)	A	S	VOID AND REISSUE
071274	01/08/16	ROYSTON	SAMANTHA	(11,714.16)	(1,171.41)	(10,542.75)	A	D	DEC. S HARVEY VOID & REISSUE
071316	02/01/16	BRUBAKER	SARAH	24,372.17		24,372.17	A	S	STL 22459:37 SLPS 1912.80
071317	02/01/16	BYRD	ESPERANSA	5,109.22	1,021.85	4,087.37	A	S	JAMAA
071318	02/01/16	DAVENPORT	RASHAAD	17,873.12	3,574.63	14,298.49	A	S	CA 4954.86 IESM 4761.16 GCAA 8157.10
071319	02/01/16	FIEDOREK	ALAN	4,592.27		4,592.27	A	S	CA 4592.27
071320	02/01/16	GAEBLER	SARA	3,311.00		3,311.00	A	S	JAMA 804.70 SLPS 7180.02
071321	02/01/16	GAEBLER	SARA	4,673.72	934.75	3,738.97	A	S	JAMA 804.70 SLPS 7180.02
071322	02/01/16	LEE	JOCELYN	2,724.58	544.92	2,179.66	A	S	PREC
071323	02/01/16	REEDER	KEISHA	177.22		177.22	A	S	CA
071324	02/01/16	ROBINSON	NORMAN	5,575.05		5,575.05	A	S	SLPS 4871.00 PREC 704.05
071325	02/01/16	SEARS	ANDREW	1,066.47	213.30	853.17	A	S	KIPP
071326	02/01/16	TEMPLE	TALISIA	5,255.73	1,051.15	4,204.58	A	S	CA
071327	02/01/16	ARTH	ALLISON	4,818.60		4,818.60	A	S	
071328	02/01/16	COLEMAN	BERNICE	5,115.98	1,023.20	4,092.78	A	S	
071329	02/01/16	JONES	WILLIAM	6,675.35	1,335.07	5,340.28	A	S	
071330	02/01/16	LORENZ	MARGARET H	5,383.64	1,076.73	4,306.91	A	S	
071331	02/01/16	MOHNI	AUDREY	7,170.45		7,170.45	A	S	
071332	02/01/16	ROSENFELD	ANDREA	7,338.18		7,338.18	A	S	
071333	02/01/16	STUCKEY	GALE	6,297.77	1,259.55	5,038.22	A	S	
071334	02/01/16	THORNTON	BRIAN P	3,135.70	627.14	2,508.56	A	S	
071335	02/01/16	WHITE	VINCENT	906.88	181.38	725.50	A	S	
071336	02/01/16	WILLIAMS	DANIELLE	1,907.11	381.42	1,525.69	A	S	
071337	02/01/16	YANNI	JAMES	906.10	181.22	724.88	A	S	
071369	02/08/16	KIRSCHNER	SARAH	5,286.31	1,057.26	4,229.05	A	S	SLIS
071370	02/08/16	WILLIAMS	IFE	717.23	143.45	573.78	A	S	CA
071371	02/08/16	BONNELL	MEAGAN K	31,185.74	6,237.15	24,948.59	A	S	
071372	02/08/16	HOUSE	ANGELA	3,545.92	709.18	2,836.74	A	S	
071373	02/08/16	LEE	GERALDINE	32,053.10	6,410.62	25,642.48	A	S	
071374	02/08/16	MARTINEZ	ELIZABETH	16,104.00	3,220.80	12,883.20	A	S	
071375	02/08/16	ONEAL	ANGELA M	6,247.33	1,249.47	4,997.86	A	S	
071376	02/08/16	STIEGLER	ERIN	873.24	174.65	698.59	A	S	
071377	02/08/16	DAVIS	TAMMY L	43,708.08		43,708.08	A	S	VOID AND REISSUE
071378	02/08/16	ROYSTON	SAMANTHA	11,714.16	1,171.41	10,542.75	A	D	DEC. S HARVEY VOID & REISSUE
071378	02/08/16	ROYSTON	SAMANTHA	(11,714.16)	(1,171.41)	(10,542.75)	A	D	DEC. S HARVEY VOID & REISSUE
071383	02/18/16	ABERNATHY-WELLS	ANGEL	2,846.60	569.32	2,277.28	A	S	LFL
071384	02/18/16	DURHAN	ZAHRA	8,238.66	1,647.73	6,590.93	A	S	GSA
071385	02/18/16	GROGG	ALEXANDRA	13,105.50	2,621.10	10,484.40	A	S	CA
071386	02/18/16	HOSNA	TAYLOR	933.92	186.78	747.14	A	S	CA
071387	02/18/16	RICO	RACHELLE	625.58	125.12	500.46	A	S	CA

Distributions - February 2016

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS PAY	FEDERAL TAXES W/IF	NET PAY	A(ctive) R(etired)	D(eath) S(eparation)	NOTES
071388	02/18/16	SCHIMMEL	JOHN	11,494.95	2,298.99	9,195.96	A	S	GSA
071389	02/18/16	BAYLOR	TWYLA	9,345.09	1,869.02	7,476.07	A	S	
071390	02/18/16	BLACK	CRISHON	3,407.70	681.54	2,726.16	A	S	
071391	02/18/16	STEIN	CHRISTOPHER	20,454.40	4,090.88	16,363.52	A	S	
071392	02/18/16	STEVENS	DIANA	7,813.46	1,562.69	6,250.77	A	S	
071393	02/18/16	WHITNEY	TEISHA	4,077.95	815.59	3,262.36	A	S	
071394	02/18/16	WILLIAMS	ANNISSA	1,970.41	394.08	1,576.33	A	S	
071395	02/18/16	YOUNGER	KAREN B	56,465.87	11,293.17	45,172.70	A	S	
071415	02/23/16	BRADLEY	MICHAEL	3,968.06	793.61	3,174.45	A	S	KIPP
071416	02/23/16	ENGEL	CHRIS	1,808.71	361.74	1,446.97	A	S	CCC
071417	02/23/16	GUEST	MARQUITA K	5,542.72	1,108.54	4,434.18	A	S	CA
071418	02/23/16	EASTMAN	KRISTEN	17,430.46	3,486.09	13,944.37	A	S	
071419	02/23/16	FERGUSON	WENDIE	8,555.68	1,711.14	6,844.54	A	D	DEC: MACK FERGUSON
071420	02/23/16	HESTER	SHANNON	58,355.10	5,835.51	52,519.59	A	D	DEC: JUDY PETTIS
071421	02/23/16	ROYSTON	SAMANTHA	11,714.16	1,171.41	10,542.75	A	D	DEC. S HARVEY VOID & REISSUE
TOTAL				\$ 456,840.00	\$ 74,061.53	\$ 382,778.47			

Distributions - March 2016

CHECK NUMBER	CHECK DATE	LAST NAME	FIRST NAME/MI	GROSS PAY	FEDERAL TAXES W/H	NET PAY	A(ctive) R(etired)	D(eath) S(eparation)	NOTES
071102	11/10/15	PRITCHETT	NICHOLE	(20,730.07)		(20,730.07)	A	S	STL VOID AND REISSUE 2015
071155	12/04/15	HEIDEMANN	ANNE C	(4,186.96)		(4,186.96)	A	S	STL VOID AND REISSUE 2015
071422	03/04/16	EGGLESTON	STEPHANIE	10,368.21	2,073.64	8,294.57	A	S	CA
071423	03/04/16	PONDER	QUANTONYA	16,832.53	3,366.51	13,466.02	A	S	HLSG 1700.00 CA 15232.52
071424	03/04/16	TRUITT	JONATHAN	3,064.89		3,064.89	A	S	PREC
071425	03/04/16	BECKUM	KENDALL	8,118.65	1,623.73	6,494.92	A	S	
071426	03/04/16	COLMAN	VONCEIA	18,072.91	3,614.58	14,458.33	A	S	
071427	03/04/16	CONNOLLY	ELIZABETH	30,649.86		30,649.86	A	S	
071428	03/04/16	CURTISS	ELIZABETH	3,542.69		3,542.69	A	S	
071429	03/04/16	HARPER	CARLA	3,754.63	750.93	3,003.70	A	S	
071430	03/04/16	JONES	WENDELL	5,064.32	1,012.86	4,051.46	A	S	
071431	03/04/16	PRESSLEY	BRENDA J	6,332.75	1,266.55	5,066.20	A	S	
071432	03/04/16	WATSON	KEYISHA L	1,666.70		1,666.70	A	S	
071433	03/04/16	PRITCHETT	NICHOLE	20,730.07		20,730.07	A	S	STL VOID AND REISSUE 2015
071434	03/04/16	HEIDEMANN	ANNE C	4,186.96	839.39	3,347.57	A	S	STL VOID AND REISSUE 2015
071463	03/17/16	BROWN	SHATIEGA	5,170.80	1,034.16	4,136.64	A	S	CA
071464	03/17/16	BROYLES	KATRINA	1,634.23	326.85	1,307.38	A	S	CA
071465	03/17/16	KEFALONITIS	ELIZABETH	4,840.91		4,840.91	A	S	ICP
071466	03/17/16	GIVENS	SHARNEZ	4,837.03		4,837.03	A	S	
071467	03/17/16	HUGHES	TAWANA N	25,975.32	5,195.06	20,780.26	A	S	
071468	03/17/16	PRADA	ANGELA M	21,554.72		21,554.72	A	S	
071469	03/17/16	MASTIN	REUBEN J	5,004.77	1,000.95	4,003.82	A	S	
071470	03/17/16	PRIDGEN	JANELL	4,152.74	830.55	3,322.19	A	S	
071471	03/17/16	ROBINSON	DANA L	3,873.47	774.69	3,098.78	A	S	
071472	03/17/16	WAGNER	RUBY G	6,221.33	1,244.27	4,977.06	A	S	
071473	03/17/16	WHITE	KEVIN	1,640.51	328.10	1,312.41	A	S	
TOTAL				\$ 192,373.97	\$25,282.82	\$ 167,091.15			

Public School Retirement System of the City of St. Louis
Checks Written During the Month of February, 2016

<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
Date Paid February 5, 2016			
Ameren Missouri	71339	Electric Service	2,633.19
AT&T	71340	U-Verse Internet	50.00
Blade Technologies, Inc.	71341	Server Replacement, Professional Services	9,600.18
Windstream Communications	71342	Telephone Data	517.45
Evault Inc.	71343	Disaster Recovery Site	967.10
Digital Intersection	71344	Monthly Data Center Hosting	150.00
Minuteman Press	71345	Member Handbooks	1,080.48
MSD	71346	Sewer Service	43.11
Purchase Power	71347	Postage	2,075.00
Crossroads Courier, Inc.	71348	Courier Service	12.86
Crain Communications	71349	2 Subscriptions to P. & I. Magazine	478.00
Anders CPAs & Advisors	71350	Audit of 2015 Financial Statements	6,300.00
Hartnett Gladney Hetterman, L.L.C.	71351	Legal Fees	8,307.25
BuildingStars STL Operations, Inc.	71352	Janitorial Service	1,326.00
UPS	71353	UPS Delivery	78.10
Andrew Clark	71354	Monster Job Posting, Trustee Mtg. Expenses	187.98
Full Care	71355	Snow and Ice Management	350.00
CBRE - 608844	71356	Engineer Services	362.83
Blue Chip Pest Services	71357	Pest Control	44.00
Causeway Capital Management LLC	71358	4th Quarter 2015 Management Fee	68,058.64
The Edgar Lomax Company	71359	4th Quarter 2015 Management Fee	40,860.59
INTECH Investment Management LLC	71360	4th Quarter 2015 Management Fee	30,451.99
Manulife Asset Management U.S. LLC	71361	4th Quarter 2015 Management Fee	32,327.74
New Amsterdam Partners, LLC	71362	4th Quarter 2015 Management Fee	21,992.06
Progress Investment Management Co., LLC	71363	4th Quarter 2015 Management Fee	67,273.08
Fidelity Institutional Asset Mgmt. Trust. Co.	71364	4th Quarter 2015 Management Fee	64,840.07
Westfield Capital Management Company, LP	71365	4th Quarter 2015 Management Fee	54,603.56
Board of Education St. Louis Benefits Trust	71366	Office Employees Insurance - Dental	244.19
Board of Education St. Louis Benefits Trust	71367	Office Employees Insurance - Vision	14.71
Board of Education St. Louis Benefits Trust	71368	Office Employees Insurance - Life	117.60
Date Paid February 5, 2016			
Office Payroll	ACH	Office Payroll	9,542.63
AXA Equitable	ACH	457 Contributions	1,823.00
Date Paid February 10, 2016			
Republic Services #346	71379	Trash Pick-Up	134.01
Absopure Water Company	71380	Water Cooler Service	68.85
City of St. Louis - ARFAM	71381	Security Alarm False Alarm	25.00
Eazy Business Mailers, Inc.	71382	Postage & Service - Insurance Forms, 1099Rs	2,540.60
Date Paid February 19, 2016			
Office Payroll	ACH	Office Payroll	9,542.63
AXA Equitable	ACH	457 Contributions	1,823.00
Date Paid February 22, 2016			
Buck Consultants, LLC	71398	Actuarial Consulting Services - Jan. & Feb.	7,266.00
AT&T	71399	Monthly Service Charge	155.06
Parking Management Services, LLC	71400	March 2016 Parking - 2 Employees	130.00
Parking Management Services, LLC	71401	Parking Ticket Validations - January 2016	33.00
Eazy Business Mailers, Inc.	71402	Postage - Winter Newsletter	2,200.00
Eazy Business Mailers, Inc.	71403	Postage - Daily Pickup	180.00
Access	71404	Scanning Services	395.30
Gallagher Benefit Services, Inc.	71405	Group Ins. Consulting Services Monthly Fee	3,320.25
Charter Communications	71406	Charter Internet	159.96
BuildingStars STL Operations, Inc.	71407	Janitorial Supplies	580.97
Minuteman Press	71408	Folded Newsletters and Envelopes	1,795.02
Crossroads Courier	71409	Courier Service	5.84
Office Essentials	71410	Office Supplies	606.07
Tech Electronics	71411	Technical Support	210.00
MAPERS	71412	Plan Sponsor Memberships Dues - 2016	100.00
Full Care	71413	Snow and Ice Management	1,165.00
St. Louis Mat & Linen Company	71414	Floor Mats	106.00
		TOTAL	<u>\$459,255.95</u>

Public School Retirement System of the City of St. Louis
Checks Written During the Month of March, 2016

<u>Payee</u>	<u>Ck. Number</u>	<u>Description</u>	<u>Amount</u>
Date Paid March 4, 2016			
Office Payroll	ACH	Office Payroll	9,542.63
AXA Equitable	ACH	457 Contributions	1,823.00
Date Paid March 7, 2016			
Ameren Missouri	71435	Electric Service	2,215.72
AT&T	71436	U-Verse Internet	50.00
Blade Technologies, Inc.	71437	New Computers, Professional Services	5,136.26
Windstream Communications	71438	Telephone Data	517.45
Digital Intersection	71439	Monthly Data Center Hosting	150.00
MSD	71440	Sewer Service	33.48
Purchase Power	41441	Postage	1,116.73
BuildingStars STL Operations, Inc.	71442	Janitorial Service	1,326.00
Parking Management Services, LLC	71443	Parking Ticket Validations - February 2016	30.00
Eazy Business Mailers, Inc.	71444	Service & Postage - Winter Newsletter	1,305.79
Eazy Business Mailers, Inc.	71445	Postage - Daily Pickup	200.00
Office Essentials	71446	Office Supplies	298.27
IBM Corporation	71447	Maintenance - AS400	183.82
BarnesCare	71448	Gwendolyn Denton-Smith, Elizabeth Opaleke	200.00
CGI Security, Inc.	71449	Security Guard - 02/22/2016	144.00
Softchoice Corporation	71450	Software for New Server	1,325.83
Yvette A. Levy	71451	Advance - NASP Meeting	2,000.00
Andrew Clark	71452	Trustee Meeting Expenses	44.99
Tom Kinealy	71453	Office Supplies	37.34
CBRE	71454	Building Management - February 2016	1,100.00
CBRE	71455	Engineer Services	600.16
Full Care	71456	Snow and Ice Management	1,525.00
Blue Chip Pest Services	71457	Pest Control	44.00
Chicago Equity Partners, LLC	71458	4th Quarter 2015 Management Fee	40,806.04
TCW Asset Management Company	71459	4th Quarter 2015 Management Fee	49,681.15
Board of Education St. Louis Benefits Trust	71460	Office Employees Insurance - Dental	244.19
Board of Education St. Louis Benefits Trust	71461	Office Employees Insurance - Vision	14.71
Board of Education St. Louis Benefits Trust	71462	Office Employees Insurance - Life	117.60
Date Paid March 18, 2016			
Office Payroll	ACH	Office Payroll	10,430.38
AXA Equitable	ACH	457 Contributions	1,823.00
John V. LaBarge, Jr.	71474	Case No. 14-43588	206.25
Date Paid March 21, 2016			
Absopure Water Company	71475	Water Cooler Service	55.80
Buck Consultants, LLC	71476	Actuarial Consulting Services - Feb. and March	6,066.00
AT&T	71477	Monthly Service Charge	155.06
Access	71478	Scanning Services	395.30
Gallagher Benefit Services, Inc.	71479	Group Ins. Consulting Services Monthly Fee	3,320.25
Crossroads Courier	71480	Courier Service	5.84
Office Essentials	71481	Office Supplies	480.49
Hartnett Gladney Hetterman, L.L.C.	71482	Legal Fees	4,826.55
Carbonite, Inc.	71483	Disaster Recovery Site	967.10
Konika Minolta Business Solutions USA Inc.	71484	Service-Copier C364E	420.75
Blade Technologies, Inc.	71485	Professional Services	864.34
Pitney Bowes, Inc.	71486	Lease Charges	1,410.00
Tom Kinealy	71487	Software	251.88
Republic Services #346	71488	Trash Pick-Up	133.00
CBRE	71489	Building Management - March 2016	1,100.00
CBRE	71490	Engineer Services	227.00
Full Care	71491	Snow and Ice Management	1,375.00
St. Louis Mat & Linen Company	71492	Floor Mats	142.00
NEPC, LLC	71493	4th Quarter 2015 Consulting Fee	33,305.10
NEPC, LLC	71494	4th Quarter 2015 Alt. Investment Mgmt. Fee	12,500.00
US Bank	71495	3rd Quarter 2015 Custodial Fees	1,482.87
US Bank	71496	4th Quarter 2015 Custodial Fees	35,688.69
Mellon Capital Management Corporation	71497	4th Quarter 2015 Management Fee	73,941.07
Mellon Capital Management Corporation	71498	4th Quarter 2015 Management Fee	817.38
		TOTAL	\$314,205.26

PUBLIC SCHOOL RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS

**FINANCIAL STATEMENTS
WITH REQUIRED SUPPLEMENTARY INFORMATION
AND OTHER SUPPLEMENTARY INFORMATION
AND
INDEPENDENT AUDITORS' REPORT
YEARS ENDED DECEMBER 31, 2015 AND 2014**

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Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of Public School Retirement System of the City of St. Louis (the "System"), which comprise the statements of fiduciary net position as of December 31, 2015 and 2014, 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

The System's 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 auditor's 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 financial position of Public School Retirement System of the City of St. Louis as of December 31, 2015 and 2014, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters - GASB

In the 2014 statements, the System implemented a new accounting standard issued by the Governmental Accounting Standards Board ("GASB"). This new standard, GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, requires the System to determine its net pension liability using assumptions that conform to actuarial standards of practice issued by the Actuarial Standards Board. The net pension liability is the difference between the present value of pension benefits earned by the employees through the end of the fiscal year, and the market value of investments at the end of the fiscal year. See Note 14 in the Notes to the Financial Statements for further information about the System's net pension liability.

In 2015, the System adopted the provisions of GASB No. 68, *Accounting and Financial Reporting for Pensions* as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter. See Note 4 in the Notes to the Financial Statements for further information about the change in accounting principle.

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 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 in the financial section, and the accompanying introductory, investment, actuarial, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information in the financial section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. 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 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 in the financial section is fairly stated in all material respects, in relation to the basic financial statements as a whole.

The introductory, investments, actuarial, and statistical sections of the System's Comprehensive Annual Financial Report ("CAFR") are not subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them. However, we do acknowledge the relevance of these sections to the financial status of the System as reported in the CAFR.

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

April 15, 2016

Public School Retirement System of the City of St. Louis
Management Discussion and Analysis
Year Ended December 31, 2015

The Management Discussion and Analysis ("MD&A") for the Public School Retirement System of the City of St. Louis ("PSRSSTL") is provided to comply with Governmental Accounting Standard No. 34. The purpose of the MD&A is to provide an overview of PSRSSTL financial activities for the fiscal year ended December 31, 2015. This MD&A is presented as required supplementary information to the financial statements and should be read in conjunction with the PSRSSTL financial statements, notes to the financial statements, and supplementary information.

The PSRSSTL financial statements, notes to the financial statements and required supplementary information were prepared in conformity with GASB Statement 67, Financial Reporting for Pension Plan and GASB Statement 68, Accounting and Financial Reporting for Pensions as amended by GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. GASB Statement 67 replaces GASB statements 25 and 50 as reporting standards for pension systems. Similarly, GASB Statement 27 has been replaced by GASB Statements 68 and 71.

Highlights of the changes to these financial statements as a result of implementing GASB Statements 67, 68 and 71 are as follows:

- GASB Statement 67 only affects reporting requirements and does not prescribe funding methods which could be different. PSRSSTL will continue to use a funding policy that follows a financing pattern which computes and requires contribution amounts (when expressed as a percentage of covered payroll) to remain approximately level from year to year and from one generation of citizens to the next generation. The actuary is required to use the entry age actuarial cost valuation method in determining the normal cost of system benefits, expressed as a percent of covered payroll for service retirement benefits, disability benefits, survivor benefits and administrative expenses. Expenses related to the investment of System assets are assumed to be covered by investment returns and income. The contribution amount required to amortize any unfunded actuarial accrued liability ("UAAL") is expressed as a level percent of covered payroll over a stipulated number of years. The computed employer contribution rate determined by each annual actuarial valuation consists of the normal cost plus the amortization payment for the UAAL, expressed in total as a percent of covered payroll. The annual required contribution ("ARC") amounts for employers are also determined by the annual actuarial valuation, conducted by the System's actuary.
- Statement of Net Assets and Statement of Changes in Net Assets have been retitled as Statements of Fiduciary Net Position and Statements of Changes in Fiduciary Net Position, respectively.
- GASB Statement 67 classifies PSRSSTL as a cost-sharing multiple-employer public pension plan for reporting purposes which includes the St. Louis Board of Education, the Public School Retirement System of the City of St. Louis and all Charter Schools operating within the district of the St. Louis Public Schools.

Public School Retirement System of the City of St. Louis
Management Discussion and Analysis
Year Ended December 31, 2015

- The discount rate used to calculate the present value of future benefit payments for reporting purposes is based upon the projected plan net position ("PNP") using actuarial assumptions for contributions, benefit payments and the long-term rate of return. If the projected PNP is short of projected benefit payments, a blended discount rate is required using both the weighted average of the long-term rate of return and the muni-bond rate for periods after the PNP is exhausted. PSRSSTL currently uses the long-term discount rate of 8% and expects that assets will be sufficient to cover PNP.
- GASB Statement 68 sets standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expenses relating to the pension allocated to PSRSSTL.
- GASB Statement 71 addresses contributions made by employers to a defined benefit pension plan after the measurement date of the beginning net pension liability.
- New footnote requirements in the Notes to Financial Statements section include the System's Target Asset Allocation, including long-term expected real rate of return, Employers' Net Pension Liability, and Sensitivity of Net Pension Liability to Changes in the Discount Rate.
- New footnote requirements in relation to the Retirement Plan of the System include Pension Liabilities, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Discount Rate, and Sensitivity of the System's share of the net pension liability to changes in the discount rate.
- New Required Supplementary Information following the Notes to Financial Statements section includes a Schedules of Changes in Employer Net Pension Liability, Schedules of the System's Proportionate Share of the Net Pension Liability, and Schedules of Employer Contributions.

The basic financial statements contained in this section of the comprehensive annual financial report consist of:

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

The System's fiduciary net position was \$868,679,049 on December 31, 2015, which represents a decrease of \$67,820,027 from December 31, 2014. This decrease is primarily due to market fluctuations during the year that resulted in a decline in investment values at December 31, 2015.

Public School Retirement System of the City of St. Louis
Management Discussion and Analysis
Year Ended December 31, 2015

The System's investment returns were (.5%) in fiscal year 2015 and 4.5% in fiscal year 2014. The investment returns in fiscal years 2015 and 2014 represent a downturn in investment values seen throughout the financial markets during the two-year time period. Predicting conditions in the marketplace is always challenging yet the Board of Trustees stands behind a sound Asset Allocation Policy by remaining focused on active monitoring of its money managers and long-term investment objective. The actuarially assumed rate of return remained at 8% for fiscal year 2015.

Additions to fiduciary net position, including other income (expenses), were \$47.0 million, \$88.6 million and \$178.1 million for fiscal years 2015, 2014 and 2013, respectively. The primary addition to fiduciary net position in 2015 was \$40.7 million of employer contributions and member contributions of \$11.7 million. The primary addition to fiduciary net position during 2014 and 2013 was investment income, including rental income, of \$33.9 million in fiscal year 2014 and \$129 million in fiscal year 2013. The secondary additions to fiduciary net position came from employer contributions of \$41.8 million in 2014 and \$37 million in fiscal year 2013, followed by member contributions of \$11.9 in fiscal year 2014 and \$11.8 million in fiscal year 2013.

Deductions from fiduciary net position were \$114.9, \$114.4, and \$112 million in fiscal years 2015, 2014 and 2013, respectively. The slight increase of \$417,540 in deductions from fiduciary net position between fiscal years 2015 and 2014 was mostly due to the increase in contribution refunds paid to terminated or deceased members in fiscal year 2015. The \$2.5 million increase in deductions between fiscal years 2014 and 2013 is primarily due to increased retirement benefits and refunds paid to terminated or deceased members in fiscal year 2014.

FINANCIAL STATEMENTS

The PSRSSTL financial report consists of two financial statements, (1) the Statements of Fiduciary Net Position, and (2) the Statements of Changes in Fiduciary Net Position. The Statements of Fiduciary Net Position provides details concerning PSRSSTL assets and liabilities other than long-term benefit obligations. However, PSRSSTL assets are the only source available to the System to pay pension benefits. The Statements of Changes in Fiduciary Net Position provide details regarding PSRSSTL financial activity during fiscal year 2015 that caused the change in fiduciary net position from fiscal year 2014 to fiscal year 2015.

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

FINANCIAL ANALYSIS

On December 31, 2015, total assets for the System were \$870,047,779 and comprised of cash, receivables, investments, an office building and other assets. Total assets in fiscal year 2015 decreased by 7.2%, or \$67,732,931, compared to fiscal year 2014, which was primarily due to a decrease in the market value of the System's investments.

On December 31, 2015, total liabilities for the System were \$1,368,730 and consisted of accounts payable, accrued expenses and net pension liability. Total liabilities in fiscal year 2015 increased by 6.8%, or \$87,096, from fiscal year 2014, primarily from the increase of the System's net pension liability as required by GASB Statement 68.

**Public School Retirement System of the City of St. Louis
Management Discussion and Analysis
Year Ended December 31, 2015**

On December 31, 2015, the fiduciary net position restricted for pensions was \$868,679,049, a decrease of 7.2%, or \$67,820,027, from fiscal year 2014.

On December 31, 2014, total assets for the System were \$937,780,710 and comprised of cash, receivables, investments and an office building. Total assets in fiscal year 2014 decreased by 2.7%, or \$25,804,224, compared to fiscal year 2013, which was primarily due to a decrease in the market value of the System's investments.

On December 31, 2014, total liabilities for the System were \$1,281,634 which included the restatement for the beginning net pension liability of \$431,423 and accounts payable and accrued expenses. Total liabilities in fiscal year 2014 decreased by 1.3%, or \$17,358, from fiscal year 2013.

On December 31, 2014, the fiduciary net position restricted for pensions was \$936,499,076, a decrease of 2.7%, or \$25,786,866, from fiscal year 2013.

Condensed Statements of Fiduciary Net Position

	FY 2015	FY 2014 As restated	FY 2013 As restated	FY 2015 % Change	FY 2014 % Change
Assets					
Cash	\$ 9,960,497	\$ 10,256,299	\$ 10,357,563	(2.9)%	(1.0)%
Receivables	1,884,189	1,804,836	1,660,691	4.4 %	8.7 %
Investments	856,171,074	923,769,557	949,549,223	(7.3)%	(2.7)%
Property and equipment	1,882,580	1,950,018	2,017,457	(3.5)%	(3.3)%
Other assets	149,439	-	-	100 %	-
Total Assets	870,047,779	937,780,710	963,584,934	(7.2)%	(2.7)%
Liabilities					
Accounts payable and accrued expenses	798,498	850,211	867,569	(6.1)%	(2.0)%
Net pension liability	570,232	431,423	431,423	32.2 %	- %
Total Liabilities	1,368,730	1,281,634	1,298,992	6.8 %	(1.3)%
Fiduciary Net Position	\$ 868,679,049	\$ 936,499,076	\$ 962,285,942	(7.2)%	(2.7)%

REVENUES – ADDITIONS TO FIDUCIARY NET POSITION

The assets available to finance PSRSSTL pension benefits are accumulated through receipt of employer and member contributions as well as through earnings on investments. For fiscal year 2015, employer contributions were around \$41 million; member contributions were approximately \$12 million; and net investment loss was close to \$6.9 million. For fiscal year 2014, employer contributions were \$42 million, member contributions were approximately \$12 million; and net investment income was almost \$34 million.

**Public School Retirement System of the City of St. Louis
Management Discussion and Analysis
Year Ended December 31, 2015**

Employer and member contributions combined decreased by \$1.3 million in fiscal year 2015 as compared to the fiscal year 2014 increase of \$4.8 million. These fluctuations were due to the decrease in the required employer contribution rate from 16.50% of covered compensation in fiscal year 2014 to 15.87% in fiscal year 2015 and from 15.07% of covered compensation in fiscal year 2013 to 16.50% in fiscal year 2014. The PSRSSTL Actuary determines the amount of employer contributions as part of the annual actuarial valuation report. The active member contribution rate of 5% of covered compensation has been in effect since July 1, 1999.

Net investment income was \$41 million less in fiscal year 2015 than in fiscal year 2014 because investment earnings were a negative 0.5% for fiscal year 2015 as compared to a positive 4.5% for fiscal year 2014. Net investment income was \$95 million less in fiscal year 2014 than in fiscal year 2013 because investment earning declines to 4.5% in fiscal year 2014 from 15.8% for fiscal year 2013.

Net investment income (loss) of \$(6,891,983), \$33,744,345 and \$128,888,406 in fiscal years 2015, 2014, and 2013, respectively, reflect gross investment income (loss) less investment related expenses, such as investment manager, investment advisor and custodial fees.

EXPENSES – DEDUCTIONS FROM FIDUCIARY NET POSITION

The primary deductions from fiduciary net position were payments of retirement benefits, survivor benefits, disability benefits, retiree healthcare subsidies and refunds to members who have retired or terminated employment. PSRSSTL operating expenses in fiscal year 2015 were approximately 0.17%; in fiscal years 2014 and 2013, these same expenses were approximately 0.14% and 0.15% of assets, respectively.

Condensed Statements of Changes in Fiduciary Net Position

	<u>FY 2015</u>	<u>FY 2014</u>	<u>FY 2013</u>	<u>FY 2015</u> <u>% Change</u>	<u>FY 2014</u> <u>% Change</u>
Additions					
Employer Contributions	\$ 40,708,503	\$ 41,757,458	\$ 37,034,907	(2.5)%	12.8 %
Member Contributions	11,664,711	11,887,933	11,814,124	(1.9)%	0.6 %
Net investment income	(6,891,983)	33,744,345	128,888,406	(120.4)%	(73.8)%
Rental income	<u>146,007</u>	<u>143,754</u>	<u>138,506</u>	1.6 %	3.8 %
Total Additions	45,627,238	87,533,490	177,875,943	(47.9)%	(50.8)%
Deductions					
Retirement benefits	99,634,429	99,874,101	98,000,369	(0.2)%	1.9 %
Survivor benefits	2,877,844	2,784,937	2,654,895	3.3 %	4.9 %
Disability benefits	3,510,745	3,524,388	3,402,037	(0.4)%	3.6 %
Health care subsidies	2,600,225	2,696,001	2,726,158	(3.6)%	(1.1)%
Operating expenses	1,466,261	1,350,394	1,441,183	8.6 %	(6.3)%
Refunds to members	<u>4,761,086</u>	<u>4,203,229</u>	<u>3,690,639</u>	13.3 %	13.9 %
Total Deductions	114,850,590	114,433,050	111,915,281	0.4 %	2.2 %
Other Income (Expenses)	<u>1,403,325</u>	<u>1,112,694</u>	<u>214,530</u>	26.1 %	418.7 %
Change in Fiduciary Net Position	<u>\$(67,820,027)</u>	<u>\$(25,786,866)</u>	<u>\$ 66,175,192</u>	163.0 %	(139.0)%

Public School Retirement System of the City of St. Louis
Management Discussion and Analysis
Year Ended December 31, 2015

FINANCIAL SUMMARY

For more than 18 years, the PSRSSTL Investment Consultant has consistently calculated the System's investment performance; thereby, providing a valid basis on which performance can be compared with other public pension funds. For instance, PSRSSTL investment returns have performed consistently when compared to other public pension funds with the cumulative PSRSSTL returns ranking in the top 40% of public plans during the last ten years for the period ended December 31, 2015.

The fiduciary net position over this same timeframe has fluctuated from a low of \$780 million in fiscal year 1997 to a high of \$1.15 billion in fiscal year 2007. At the end of fiscal year 2014, the fiduciary net position was \$869 million. These fluctuations in the value of the System's fiduciary net position can be attributed to volatile financial market conditions that caused substantial losses of investment returns in several past fiscal years.

Over the same period, the funded status of the PSRSSTL plan, using the Governmental Accounting Standards Board ("GASB") calculation method implemented in 1992, has remained stable, fluctuating within the range of 80.5% in 2002 to 88.6% in 2011. The funded ratio of a plan compares its assets to its liabilities, thereby, on an actuarial basis, measuring a plan's ability to fulfill the obligations it has to its members. The funded ratios of the PSRSSTL plan for fiscal years 2015, 2014, and 2013 was 84.8%, 84.4% and 84.3%, respectively.

The Board of Trustees and the PSRSSTL Actuary assume that the PSRSSTL plan will continue to be funded on a sound actuarial basis provided required member and employer contributions are made as recommended, a prudent and well-diversified Asset Allocation Policy remains in place, quality investment managers continue to be selected, and the financial markets continue to remain relatively stable.

REQUESTS FOR INFORMATION

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

Public School Retirement System of the City of St. Louis
Statements of Fiduciary Net Position
December 31, 2015 and 2014

	Assets	
	<u>2015</u>	<u>2014</u> <u>As restated</u>
Cash	\$ 9,960,497	\$ 10,256,299
Receivables		
Accrued interest and dividends	1,884,189	1,804,836
Investments, at fair value		
Cash equivalents	43,633,332	45,856,158
Bonds		
U.S. Government and agency issues	41,978,559	54,142,975
Corporate	52,959,179	49,771,651
Foreign investments (bonds and stocks)	110,538,386	81,572,508
Common and preferred stocks	237,621,917	277,686,810
Mutual funds	301,300,977	337,202,390
Real estate partnerships	49,354,157	49,040,921
Credit opportunity investments	-	9,939,430
Limited partnerships	17,940,871	17,619,984
Venture capital partnerships	<u>843,696</u>	<u>936,730</u>
Total Investments	856,171,074	923,769,557
Property and Building, net	1,882,580	1,950,018
Deferred Outflow Related to Pensions	<u>149,439</u>	<u>-</u>
Total Assets	870,047,779	937,780,710
	Liabilities	
Accounts Payable and Accrued Expenses	798,498	850,211
Net Pension Liability	<u>570,232</u>	<u>431,423</u>
Total Liabilities	<u>1,368,730</u>	<u>1,281,634</u>
Net Position Restricted for Pensions	<u>\$868,679,049</u>	<u>\$936,499,076</u>

Public School Retirement System of the City of St. Louis
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2015 and 2014

	2015	2014 As restated
Additions		
Employer contributions		
St. Louis Public Schools	\$ 31,072,850	\$ 31,555,696
Sick leave conversion	1,106,017	1,588,665
Charter Schools	8,445,676	8,527,507
Retirement System	83,960	85,590
Plan member contributions		
St. Louis Public Schools	8,975,828	9,267,945
Charter Schools	2,662,779	2,594,757
Retirement System	<u>26,104</u>	<u>25,231</u>
	52,373,214	53,645,391
Net appreciation (depreciation) in fair value of investments		
Cash equivalents	166,083	151,529
Bonds		
U.S. Government and agency issues	819,223	3,476,443
Corporate	(873,922)	3,191,710
Foreign investments	(2,336,219)	(1,402,307)
Common and preferred stock	4,681,643	27,559,626
Mutual funds	(13,206,807)	(342,643)
Limited partnerships	3,341,167	(758,833)
Real estate partnerships	5,813,021	5,482,873
Venture capital partnerships	(93,034)	720,145
Credit opportunity investments	<u>103,801</u>	<u>458,367</u>
	(1,585,044)	38,536,910
Less investment expense	<u>5,306,939</u>	<u>4,792,565</u>
Net investment income (loss)	(6,891,983)	33,744,345
Rental income	146,007	143,754
Other miscellaneous income	<u>1,403,325</u>	<u>1,112,694</u>
Net Additions	47,030,563	88,646,184
Deductions		
Benefits paid		
Retirement benefits	99,634,429	99,874,101
Survivor benefits	2,877,844	2,784,937
Disability benefits	3,510,745	3,524,388
Health care subsidies	<u>2,600,225</u>	<u>2,696,001</u>
	108,623,243	108,879,427
Operating expenses	1,466,261	1,350,394
Contribution refunds due to death or resignation	<u>4,761,086</u>	<u>4,203,229</u>
Total Deductions	<u>114,850,590</u>	<u>114,433,050</u>
Net Decrease in Net Position	(67,820,027)	(25,786,866)
Net Position Restricted for Pensions Beginning of Year (2014 Restated - GASB 68 Adoption)	<u>936,499,076</u>	<u>962,285,942</u>
Net Position Restricted for Pensions End of Year	<u>\$ 868,679,049</u>	<u>\$ 936,499,076</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

1. Description of System

General

The Public School Retirement System of the City of St. Louis (the "System") is the administrator of a cost-sharing multiple-employer defined benefit pension plan existing under provisions of the Revised Statutes of the State of Missouri (the "Statutes") to provide retirement benefits for all employees of the Board of Education of the City of St. Louis, of the Charter Schools located within the St. Louis School District, and of all employees of the System. The System issues an annual Comprehensive Annual Financial Report ("CAFR"), a publicly available financial report that can be obtained at www.psrstl.org.

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

Membership and Eligibility

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

	January 1, 2015	January 1, 2014
Active members	5,011	4,880
Inactive members	<u>2,012</u>	<u>1,798</u>
Total members not retired	7,023	6,678
Retired members		
Service and survivors	4,364	4,419
Disability	<u>260</u>	<u>270</u>
	<u>4,624</u>	<u>4,689</u>
Total membership	<u>11,647</u>	<u>11,367</u>

Vesting

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

Funding Policy

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

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Benefits

Upon retirement at age 65, or at any age if age plus years of credited service equals or exceeds 85 (Rule of 85), members receive monthly payments for life of yearly benefits equal to years of credited service multiplied by 2% of average final compensation, but not to exceed 60% of average final compensation. Early retirement can occur at age 60 with five years of service. The service retirement allowance is reduced five ninths of one percent for each month of commencement prior to age 65 or the age at which the Rule of 85 would have been satisfied had the employee continued working until that age, if earlier.

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

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

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

Benefits are recorded when paid.

Return of Contributions Upon Death

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

Contributions by Participants

Active participants contribute 5% of compensation. Accumulated contributions are credited at the rate of interest established by the Board of Trustees. The current crediting rate is 5%.

Contributions by Employers

The System's contractually required contribution rate for the years ended December 31, 2015 and 2014 was 15.87% and 16.50%, respectively, of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contributions to the pension plan from the System were \$83,960 and \$85,590 for the years ended December 31, 2015 and 2014, respectively.

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Expenses

Operating expenses are paid out of investment income.

Investment Policy

The System's policy in regards to the allocation of invested assets is established and may be amended by the System's Board. Investments are managed on a total return basis with a long-term objective and maintaining a fully funded status for the benefits provided through the pension plan. The following was the System Board's adopted asset allocation policy as of April 8, 2015.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Equity	22.0 %	6.2 %
Non-U.S. Equity	19.0 %	7.9 %
Global Equity	5.0 %	6.8 %
Fixed Income	21.0 %	2.1 %
Real Estate	5.0 %	4.6 %
Private Markets	7.0 %	7.7 %
Hedge Funds	9.0 %	4.2 %
GAA	12.0 %	5.0 %
Total	<u>100.0 %</u>	<u>5.4 %</u>

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") and the provisions of the Financial Accounting Standards Board ("FASB"), Accounting Standards Codification (the "FASB ASC"), which is the source of authoritative, non-governmental accounting principles generally accepted in the United States of America ("GAAP"). The System's financial statements are prepared using the accrual basis of accounting.

Use of Estimates

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

Receivables

Receivables consist of pending interest and dividends payable on investments held at the end of the year.

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

Limited Partnerships

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

Alternative Investments

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

Net Appreciation (Depreciation) in Fair Value of Investments

Net appreciation (depreciation) in fair value of investments includes: realized gains (losses), unrealized appreciation (depreciation), dividends, interest, and other investment income. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment Expenses

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

Fair Value Measurements

The System follows guidance issued by the FASB 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.

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Furniture and Equipment

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

Property and Building

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

Long-Lived Asset Impairment

The System evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended December 31, 2015 and 2014.

Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of fiduciary net position will sometimes include a separate section for deferred outflows and inflows of resources. This separate financial statement element represents 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 statement of fiduciary net position that relates to pension related deferrals required by the implementation of GASB Statement No. 68.

Pensions

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

Reclassifications

Certain amounts in the 2014 financial statements have been reclassified to conform to the current year presentation.

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3. Adoption of New Accounting Standards

During the year ended December 31, 2015, the System adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This Statement sets standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. This Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

During the year ended December 31, 2015, the System adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This Statement addresses contributions made by employers to a defined benefit pension plan after the measurement date of the beginning net pension liability.

During the year ended December 31, 2014, the System adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement specifies items that were previously reported as assets and liabilities that should now be reported as deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting.

During the year ended December 31, 2014, the System adopted GASB Statement No. 67 which addresses accounting and financial reporting requirements for pension plans. GASB No. 67 requires changes in the presentation of the financial statements, notes to the financial statements, and required supplementary information.

During the year ended December 31, 2014, the System adopted GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards for mergers, acquisitions, and transfers of operations. Upon examination of GASB No. 69, it was determined to have no current impact on the System.

During the year ended December 31, 2014, the System adopted GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This Statement establishes accounting and financial reporting standards for situations where a state or local government, as a guarantor, agrees to identify a third-party obligation holder under specified conditions. Upon examination of GASB No. 70, it was determined to have no current impact on the System.

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4. Change in Accounting Principle

During the year ended December 31, 2015, the System adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB No. 68), as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense associated with defined benefit pension plans. As a result of the implementation, net position as of December 31, 2014 was restated as follows:

Net Position, as previously reported	\$ 962,717,365
Prior period adjustments:	
Beginning net pension liability (measurement date of December 31, 2013)	(517,013)
Contributions made subsequent to the beginning net pension liability as of December 31, 2013 as reported as deferred outflows of resources	<u>85,590</u>
Total prior period adjustment	<u>(431,423)</u>
Net Position, as restated	<u>\$ 962,285,942</u>

5. Investments

At December 31, 2015 and 2014, investments consisted of the following:

	<u>2015</u>	
	<u>Fair Value</u>	<u>Cost</u>
Cash equivalents	\$ 43,633,332	\$ 43,633,332
Bonds		
U.S. Government and agency issues	41,978,559	42,000,899
Corporate	52,959,179	55,512,006
Foreign investments (bonds and stocks)	110,538,386	112,819,445
Common and preferred stocks	237,621,917	204,144,599
Mutual funds	301,300,977	258,530,678
Real estate partnerships	49,354,157	36,868,024
Limited partnerships	17,940,871	16,404,459
Venture capital partnerships	<u>843,696</u>	<u>193,720</u>
	<u>\$856,171,074</u>	<u>\$770,107,162</u>

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	2014	
	Fair Value	Cost
Cash equivalents	\$ 45,856,158	\$ 45,856,158
Bonds		
U.S. Government and agency issues	54,142,975	53,208,128
Corporate	49,771,651	47,455,253
Foreign investments (bonds and stocks)	81,572,508	78,777,780
Common and preferred stocks	277,686,810	219,422,076
Mutual funds	337,202,390	273,286,606
Real estate partnerships	49,040,921	40,082,488
Cash equivalents	9,939,430	6,493,069
Limited partnerships	17,619,984	18,466,327
Venture capital partnerships	936,730	192,963
	\$923,769,557	\$783,240,848
	2015	2014
Annual money-weighted rate of return, net of investment expense, adjusted for the changing amounts actually invested	(1.00)%	3.93 %

6. 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.

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.

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Carrying amounts of certain financial instruments such as cash and cash equivalents, receivables, accounts payable, and accrued expenses approximate fair value due to their short maturities. There have been no changes in the methodologies used at December 31, 2015 and 2014.

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

- Level 1 Investments consist of publicly traded mutual funds, common stocks, preferred stocks and credit opportunity investments. Mutual funds and credit opportunity investments are valued at the net asset value ("NAV") of shares held by the System at year-end. Common and preferred stocks are valued using the closing price reported on the active market on which the individual securities are traded.

- Level 2 Investments consist of corporate and foreign bonds and stocks, U.S. government securities and agency issues, and cash equivalent accounts. These securities are valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings.

- Level 3 Investments consist of real estate partnerships, limited partnerships, and venture capital partnerships. Real estate partnerships are valued at fair value as determined by the general partner. Limited partnerships are valued based on valuations of the underlying companies of the limited partnerships as reported by the general partner. Venture capital partnerships are valued by investment advisors based upon audited financial statements, other practices, and other information provided by the underlying investment advisor.

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The following table presents the fair value measurements of instruments recognized in the accompanying statements of fiduciary net position measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements are categorized at December 31, 2015 and 2014:

	2015			
	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 43,633,332	\$ -	\$ 43,633,332	\$ -
U.S. Government and agency issues	41,978,559	-	41,978,559	-
Corporate bonds	52,959,179	-	52,959,179	-
Foreign investments	110,538,386	-	110,538,386	-
Common and preferred stocks	237,621,917	237,621,917	-	-
Mutual funds	301,300,977	301,300,977	-	-
Real estate partnerships	49,354,157	-	-	49,354,157
Limited partnerships	17,940,871	-	-	17,940,871
Venture capital partnerships	843,696	-	-	843,696
	<u>\$856,171,074</u>	<u>\$538,922,894</u>	<u>\$249,109,456</u>	<u>\$ 68,138,724</u>

	2014			
	Total	Fair Value Measurements		
		Level 1	Level 2	Level 3
Cash equivalents	\$ 45,856,158	\$ -	\$ 45,856,158	\$ -
U.S. Government and agency issues	54,142,975	-	54,142,975	-
Corporate bonds	49,771,651	-	49,771,651	-
Foreign investments	81,572,508	-	81,572,508	-
Common and preferred stocks	277,686,810	277,686,810	-	-
Mutual funds	337,202,390	337,202,390	-	-
Real estate partnerships	49,040,921	-	-	49,040,921
Credit opportunity investments	9,939,430	9,939,430	-	-
Limited partnerships	17,619,984	-	-	17,619,984
Venture capital partnerships	936,730	-	-	936,730
	<u>\$923,769,557</u>	<u>\$624,828,630</u>	<u>\$231,343,292</u>	<u>\$ 67,597,635</u>

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Changes in fair value of the System's Level 3 instruments are as follows:

	Venture Capital Partnerships	Limited Partnerships	Real Estate Partnerships	Total
December 31, 2013	\$ 1,719,502	\$ 21,148,713	\$ 49,057,339	\$ 71,925,554
Realized gains	728,121	1,932,951	36,948	2,698,020
Unrealized gains (losses)	(5,991)	(2,691,784)	3,146,383	448,608
Purchases, sales, issuances, and settlements (net)	(1,502,918)	(2,769,896)	(5,000,000)	(9,272,814)
Investment income (loss), net	(1,984)	-	2,299,542	2,297,558
Management fees	-	-	(499,291)	(499,291)
December 31, 2014	936,730	17,619,984	49,040,921	67,597,635
Realized gains	-	714,527	17,544	732,071
Unrealized gains (losses)	(92,132)	2,382,755	3,527,700	5,818,323
Purchases, sales, issuances, and settlements (net)	-	(3,020,280)	(5,000,000)	(8,020,280)
Investment income (loss), net	(902)	243,885	2,267,777	2,510,760
Management fees	-	-	(499,785)	(499,785)
December 31, 2015	<u>\$ 843,696</u>	<u>\$ 17,940,871</u>	<u>\$ 49,354,157</u>	<u>\$ 68,138,724</u>

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

<u>December 31, 2015</u>	Valuation		
	<u>Fair Value</u>	<u>Technique(s)</u>	<u>Unobservable Inputs</u>
Limited Partnerships	\$ 17,940,871	Basis in LLC	Undistributed Income
Real Estate Partnerships	\$ 49,354,157	Basis in LLC	Undistributed Income
Venture Capital Partnerships	\$ 843,696	Basis in LLC	Undistributed Income

<u>December 31, 2014</u>	Valuation		
	<u>Fair Value</u>	<u>Technique(s)</u>	<u>Unobservable Inputs</u>
Limited Partnerships	\$ 17,619,984	Basis in LLC	Undistributed Income
Real Estate Partnerships	\$ 49,040,921	Basis in LLC	Undistributed Income
Venture Capital Partnerships	\$ 936,730	Basis in LLC	Undistributed Income

The significant unobservable inputs used in the fair value measurement of the System's investments in limited partnerships are the original cost of the investment in the partnership plus the cumulative net income of the partnership through the end of the most recent fiscal year. Significant increases or decreases in the partnership's cumulative net income through December 31, 2015 and 2014 could result in a significantly higher or lower fair value measurement.

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7. Risks and Uncertainties

Custodial Credit Risk

Financial instruments that potentially subject the System to concentrations of custodial credit and market risk consist principally of cash and investments. The System places its temporary cash investments with major financial institutions. At December 31, 2015 and 2014, the System had approximately \$10,353,000 and \$10,339,000, respectively, in cash on deposit at US Bank. These balances were insured by the Federal Deposit Insurance Corporation ("FDIC") for \$250,000 per account. The remaining balances are collateralized by US Bank's assets held jointly in the name of US Bank, N.A. and the System, held by the Federal Home Loan Bank of Cleveland as Trustee. Regulations require that government entities, in case of bank failure, have collateral to cover losses that could exceed the FDIC limit of \$250,000. The market value of the collateralized securities at December 31, 2015 and 2014 was \$11,000,000. A significant portion of the System's investments are held in trust by US Bank of St. Louis, N.A.

On December 30, 2015 and December 30, 2014, the System received \$32,178,867 and \$33,144,361, respectively from the St. Louis Board of Education for the 2015 and 2014 St. Louis Public Schools' annual regular pension contribution and sick leave conversion contribution and held it in a cash equivalents account until investment allocations were implemented.

The System has significant amounts of investments that are subject to market risk. Market risk is the possibility that future changes in market price may make a financial instrument less valuable. The other investments are also subject to risk. This risk is the possibility that, upon disposition, the value received may be less than the amount invested.

Concentration of Credit Risk

At December 31, 2015, 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 assets held in trust for pension benefits.

<u>Real Estate Investments</u>	<u>Fair Value</u>	<u>Percentage of Total Net Assets</u>
UBS Global Asset Management	\$ 49,354,157	5.7%

Credit Risk of Debt Securities

The System's rated debt investments as of December 31, 2015 were rated by Moody's Investor Services ("Moody's") and the ratings are presented using the Moody's rating scale. The System's policy to limit credit risk is that the overall average quality of each high-grade domestic fixed income portfolio shall be AA or better and the average quality rating of securities held in a domestic high-yield portfolio shall be B or better. The overall average quality of each global fixed income portfolio shall be A or better. Non-rated issues are allowed as long as the quality is sufficient to maintain the overall average rating noted.

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As of December 31, 2015, the System held the following fixed income investments with respective Moody's quality ratings or equivalent rating. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk. Foreign investments not considered to have credit risk such as stocks and cash equivalents are not included in the following:

Quality Rating	Corporate debt and debentures	Foreign government and corporate obligations	US Government and agency issues	Total
Aaa	\$ 3,942,605	\$ 4,037,542	\$ 20,695,415	\$ 28,675,562
Aa1	-	4,520,482	158,445	4,678,927
Aa2	673,089	398,232	-	1,071,321
Aa3	635,100	-	-	635,100
A1	396,016	7,370,679	-	7,766,695
A2	1,224,695	1,922,536	-	3,147,231
A3	2,517,596	841,695	-	3,359,291
Baa1	1,534,622	2,461,595	-	3,996,217
Baa2	2,437,214	4,207,839	-	6,645,053
Baa3	5,509,808	1,126,936	-	6,636,744
Ba1	3,166,707	1,627,483	-	4,794,190
Ba2	3,567,923	1,307,463	-	4,875,386
Ba3	4,486,582	1,013,405	-	5,499,987
B1	3,506,952	1,095,277	-	4,602,229
B2	1,997,175	207,375	-	2,204,550
B3	3,747,096	650,010	-	4,397,106
Caa1	759,375	-	-	759,375
Caa2	409,012	109,812	-	518,824
Caa3	165,150	-	-	165,150
Ca	52,400	-	-	52,400
C	215,454	120,400	-	335,854
Not rated	<u>12,014,608</u>	<u>4,341,136</u>	<u>21,124,699</u>	<u>37,480,443</u>
Total	<u>\$ 52,959,179</u>	<u>\$ 37,359,897</u>	<u>\$ 41,978,559</u>	<u>\$ 132,297,635</u>

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As of December 31, 2014, the System held the following fixed income investments with respective Moody's quality ratings or equivalent rating.

Quality Rating	Corporate debt and debentures	Foreign government and corporate obligations	US Government and agency issues	Total
Aaa	\$ 3,312,480	\$ 10,198,701	\$ 25,391,375	\$ 38,902,556
Aa1	-	2,976,526	172,802	3,149,328
Aa2	1,444,205	406,368	-	1,850,573
Aa3	522,859	-	-	522,859
A1	854,006	5,112,957	-	5,966,963
A2	988,271	937,467	-	1,925,738
A3	2,391,509	887,041	-	3,278,550
Baa1	1,816,595	2,552,973	-	4,369,568
Baa2	2,777,439	1,377,184	-	4,154,623
Baa3	3,555,383	872,786	-	4,428,169
Ba1	4,557,385	1,201,425	-	5,758,810
Ba2	2,483,889	344,541	-	2,828,430
Ba3	4,039,966	1,780,267	-	5,820,233
B1	2,878,373	856,896	-	3,735,269
B2	3,704,514	74,750	-	3,779,264
B3	2,999,633	794,626	-	3,794,259
Caa1	1,732,443	-	-	1,732,443
Caa2	639,548	226,075	-	865,623
Ca	38,928	-	-	38,928
Not rated	<u>9,034,225</u>	<u>470,792</u>	<u>28,578,798</u>	<u>38,083,815</u>
Total	<u>\$ 49,771,651</u>	<u>\$ 31,071,375</u>	<u>\$ 54,142,975</u>	<u>\$ 134,986,001</u>

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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System does not have a formal policy to limit foreign currency risk. The System's exposure to foreign currency risk in U.S. dollars as of December 31, 2015 is as follows:

<u>Currency</u>	<u>Cash</u> <u>Equivalents</u>	<u>Fixed Income</u>	<u>Equities</u>	<u>Total</u>
Australian Dollar	\$ -	\$ -	\$ 537,006	\$ 537,006
British Pound Sterling	15,535	3,088,439	10,876,718	13,980,692
Canadian Dollar	-	-	1,534,582	1,534,582
Chilean Peso	-	187,656	-	187,656
Columbian Peso	-	425,097	-	425,097
Danish Krone	-	-	1,113,222	1,113,222
Euros	-	3,926,330	16,606,518	20,532,848
Hong Kong Dollar	-	-	3,460,814	3,460,814
Indian Rupee	-	182,626	-	182,626
Israeli New Sheqel	-	-	342,327	342,327
Japanese Yen	28,011	7,331,577	9,553,272	16,912,860
Korean Won	-	-	2,497,322	2,497,322
Malaysian Ringgit	39,448	1,456,365	-	1,495,813
Mexican Peso	82,958	3,398,532	-	3,481,490
New Zealand Dollar	6,038	2,888,097	-	2,894,135
Norweigan Krone	-	-	48,450	48,450
Polish Zloty	-	1,665,292	-	1,665,292
Singapore Dollar	-	1,049,989	-	1,049,989
South African Rand	17	-	106,913	106,930
Swedish Krona	-	-	415,579	415,579
Swiss Franc	-	-	7,169,768	7,169,768
Thai Baht	-	-	94,228	94,228
	<u>\$ 172,007</u>	<u>\$ 25,600,000</u>	<u>\$ 54,356,719</u>	80,128,726
Foreign investment denominated in US Dollars				<u>30,409,660</u>
				<u>\$110,538,386</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

The System's exposure to foreign currency risk in U.S. dollars as of December 31, 2014 is as follows:

<u>Currency</u>	<u>Cash</u> <u>Equivalents</u>	<u>Fixed Income</u>	<u>Equities</u>	<u>Total</u>
Australian Dollar	\$ 1	\$ 351,891	\$ -	\$ 351,892
British Pound Sterling	-	2,976,526	9,289,576	12,266,102
Canadian Dollar	-	-	384,584	384,584
Chilean Peso	-	212,444	-	212,444
Euros	-	4,084,803	13,134,947	17,219,750
Hong Kong Dollar	-	-	2,796,192	2,796,192
Indian Rupee	-	21,203	-	21,203
Japanese Yen	21,194	5,112,957	6,250,873	11,385,024
Korean Won	-	-	2,358,451	2,358,451
Malaysian Ringgit	19,844	-	-	19,844
Mexican Peso	56,517	3,416,505	-	3,473,022
New Zealand Dollar	11,724	1,848,557	-	1,860,281
Polish Zloty	-	704,974	-	704,974
Singapore Dollar	-	-	425,802	425,802
South African Rand	14	-	-	14
Swedish Krona	6,387	3,484,696	-	3,491,083
Swiss Franc	-	-	5,742,740	5,742,740
	<u>\$ 115,681</u>	<u>\$ 22,214,556</u>	<u>\$ 40,383,165</u>	62,713,402
Foreign investment denominated in US Dollars				<u>18,859,106</u>
				<u>\$ 81,572,508</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

Interest Rate Risk

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

The segmented time distribution of the various investment types of the System's debt securities at December 31, 2015 is as follows:

<u>Type</u>	<u>2015 Fair Value</u>	<u>Less Than 1 year</u>	<u>1 to 5 years</u>	<u>6 to 10 years</u>	<u>More than 10 years</u>
Corporate bonds and debentures	\$ 52,959,179	\$ 752,451	\$ 17,171,874	\$ 17,826,379	\$ 17,208,475
Foreign government and corporate obligations	37,359,897	2,750,224	13,717,627	12,078,599	8,813,447
U.S. government and agency issues	<u>41,978,559</u>	-	<u>10,316,611</u>	<u>6,718,180</u>	<u>24,943,768</u>
Total	<u>\$ 132,297,635</u>	<u>\$ 3,502,675</u>	<u>\$ 41,206,112</u>	<u>\$ 36,623,158</u>	<u>\$ 50,965,690</u>

The segmented time distribution of the various investment types of the System's debt securities at December 31, 2014 is as follows:

<u>Type</u>	<u>2014 Fair Value</u>	<u>Less Than 1 year</u>	<u>1 to 5 years</u>	<u>6 to 10 years</u>	<u>More than 10 years</u>
Corporate bonds and debentures	\$ 49,771,651	\$ 425,345	\$ 13,730,295	\$ 18,775,353	\$ 16,840,660
Foreign government and corporate obligations	31,071,375	24,150	12,393,762	9,649,922	9,003,540
U.S. government and agency issues	<u>54,142,975</u>	-	<u>15,974,483</u>	<u>7,495,989</u>	<u>30,672,502</u>
Total	<u>\$ 134,986,001</u>	<u>\$ 449,495</u>	<u>\$ 42,098,540</u>	<u>\$ 35,921,264</u>	<u>\$ 56,516,702</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

8. Property and Building

Property and building as of December 31, 2015 and 2014 consists of:

	2015	2014
Land	\$ 229,451	\$ 229,451
Building	2,065,061	2,065,061
Tenant improvements	158,120	158,120
	2,452,632	2,452,632
Less accumulated depreciation	570,052	502,614
Total Property and Building	<u>\$ 1,882,580</u>	<u>\$ 1,950,018</u>

Depreciation expense totaled \$67,438 and \$67,439 for the years ended December 31, 2015 and 2014, respectively.

9. Occupancy

The System occupies offices in a building it owns. Occupancy expenses for the years ended December 31, 2015 and 2014 were \$23,495 and \$32,319, respectively.

On May 7, 2009, the System entered into an agreement to lease a portion of its building to an unrelated party. The initial lease term was five years with five one-year renewal options with annual rent ranging from \$144,047 to \$158,821 through May, 2019. Rental income received for the years ended December 31, 2015 and 2014 totaled \$146,007 and \$143,754, respectively.

10. Tax Status of Plan

The Internal Revenue Service has determined and informed the System by a letter dated June 15, 2012, that the System and related trust and amendments are designed in accordance with the applicable sections of the Internal Revenue Code ("IRC"). The System believes that the System is designed and is currently being operated in compliance with the applicable requirements of the IRC and therefore believes that the System is qualified and the related trust is tax-exempt.

11. Retirement Plan of the System

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

At December 31, 2015, the System reported a liability of \$570,232 as its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

The System's proportionate share of the net pension liability was based on the System's actual employer's compensation relative to the actual compensation of all participating employers for the System's plan year ended December 31, 2014. At December 31, 2014 the System's portion was 0.22%, which remained unchanged from the percentage used to allocate the liability as of December 31, 2013, since this was the initial implementation year.

There were no changes in benefit terms during the System's plan year ended December 31, 2014 that affected the measurement of total pension liability.

For the year ended December 31, 2015, the System recognized pension expense of \$73,330. At December 31, 2015, the System reported deferred outflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 65,479
System contributions subsequent to the measurement date of December 31, 2014	<u>83,960</u>
Total	<u>\$ 149,439</u>

The System's total pension liability in the December 31, 2014 actuarial valuation was determined using the actuarial assumptions disclosed in Note 12.

Deferred outflows of resources of \$83,960 resulting from the System's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense in the System's year ending December 31 as follows:

Amortization Schedule	
Year	Amount
2016	\$ 13,096
2017	13,096
2018	13,096
2019	13,096
2020	<u>13,095</u>
Total	<u>\$ 65,479</u>

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

Discount Rate

The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0 percent) or 1-percentage-point higher (9.0 percent) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
System's proportionate share of the net pension liability	\$ 564,530	\$ 570,232	\$ 627,255

12. Funding Status

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

	2015	2014
Actuarial value of assets	\$ 926,905,797	\$ 922,922,386
Actuarial accrual liability (AAL)	\$ 1,093,593,248	\$ 1,093,394,768
Unfunded AAL (UAAL)	\$ 166,687,451	\$ 170,472,382
Funded ratio	84.8 %	84.4 %
Annual covered payroll	\$ 245,699,583	\$ 243,280,015
UAAL as a percentage of payroll	67.8 %	70.1 %

The funded ratio increased 0.4% from the previous year. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents similar information but uses a multi-year format to show trend information. These trends indicate whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits. The trend information was obtained from the annual valuation report of the independent actuary retained by the System.

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

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

	<u>January 1, 2015</u>	<u>January 1, 2014</u>
Actuarial cost method	Frozen entry age	Frozen entry age
Amortization method	Level dollar, closed period	Level dollar, closed period
Amortization period	22 years	22 years
Inflation rate	3.5%	3.5%
Asset valuation method	Assumed Yield Method	Assumed Yield Method
Investment return	8.0% per annum	8.0% per annum
Projected salary increase	Based on actual experience of the System, at a rate of 4.5% per annum	Based on actual experience of the System, at a rate of 4.5% per annum
Mortality or death benefits	Mortality tables mandated by the Pension Protection Act as specified in IRS Regulation 1.430(h)(3)-1 updated to IRS Static Mortality Table mandated for use by private pension plans for the 2015 plan year.	Mortality tables mandated by the Pension Protection Act as specified in IRS Regulation 1.430(h)(3)-1
Disability Rates	RP-2000 Disability Mortality Table	RP-2000 Disability Mortality Table

13. Annual Required Contribution

As determined by the actuary, the annual required contribution is as follows at January 1, 2015:

	<u>Board of Education</u>	<u>Retirement System</u>	<u>Charter Schools</u>	<u>Total</u>
Normal Cost contribution	\$ 16,035,241	\$ 43,946	\$ 4,490,782	\$ 20,569,969
Actuarial accrued liability contribution	<u>12,972,260</u>	<u>35,551</u>	<u>3,632,972</u>	<u>16,640,783</u>
Annual required contribution (ARC)	<u>\$ 29,007,501</u>	<u>\$ 79,497</u>	<u>\$ 8,123,754</u>	<u>\$ 37,210,752</u>
Covered compensation	\$ 191,534,175	\$ 524,915	\$ 53,640,493	\$ 245,699,583
ARC as % of covered compensation	15.14 %	15.14 %	15.14 %	15.14 %

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

As determined by the actuary, the annual required contribution is as follows at January 1, 2014:

	Board of Education	Retirement System	Charter Schools	Total
Normal Cost contribution	\$ 17,618,983	\$ 47,607	\$ 4,218,880	\$ 21,885,470
Actuarial accrued liability contribution	<u>13,453,867</u>	<u>36,353</u>	<u>3,221,540</u>	<u>16,711,760</u>
Annual required contribution (ARC)	<u>\$ 31,072,850</u>	<u>\$ 83,960</u>	<u>\$ 7,440,420</u>	<u>\$ 38,597,230</u>
Covered compensation	\$ 195,853,519	\$ 529,203	\$ 46,897,293	\$ 243,280,015
ARC as % of covered compensation	15.87 %	15.87 %	15.87 %	15.87 %

14. Employers' Net Pension Liability

The components of the net pension liability (the retirement system's liability determined in accordance with GASB Statement 67 less the fiduciary net position) as of December 31, 2015, are shown in the *Schedule of Net Pension Liability* below.

Actuarial valuation of an ongoing plan involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment mortality and future salary increases. Amounts determined regarding the net pension liability are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The last experience study was performed in 2012. The total pension liability as of December 31, 2015 and 2014 is \$322,248,286 and \$265,067,639, respectively, based on actuarial valuations. The 2015 valuation was performed as of June 2015, with a measurement date of January 1, 2015, rolled forward and updated to December 31, 2015, using generally accepted actuarial procedures. The 2014 valuation was performed as of June 2014, with a measurement date of January 1, 2014, rolled forward and updated to December 31, 2014, using generally accepted actuarial procedures.

Schedule of Net Pension Liability

The components of the net pension liability of all participating employers at December 31, 2015 and 2014 are as follows:

	2015	2014
Total pension liability	\$ 1,190,927,335	\$ 1,201,998,138
Fiduciary net position	<u>868,679,049</u>	<u>936,930,499</u>
Employers' net pension liability	<u>\$ 322,248,286</u>	<u>\$ 265,067,639</u>
Plan net position as a percentage of total pension liability	72.94 %	77.95 %

Public School Retirement System of the City of St. Louis
Notes to Financial Statements
December 31, 2015 and 2014

Sensitivity of Net Pension Eligibility to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 8%, 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 (7%) or 1-percentage-point higher (9%) than the current rate:

	1% Decrease (7.0%)	Current Discount Rate (8.0%)	1% Increase (9.0%)
Net pension liability -2015	431,230,360	322,248,286	228,509,903
Net pension liability -2014	375,649,108	265,067,639	169,951,694

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. See page 45.

Under GASB Statement No. 68, employers participating in the plan could recognize a total pension expense of \$50,953,378 and \$36,058,914 for their fiscal years beginning after June 15, 2015 and 2014, respectively.

Required schedules of changes in the net pension liability for the years ended December 31, 2015 and 2014 are provided on page 35.

A schedule of projected fiduciary net position is provided on page 48.

The System selected the assumptions used for the accounting results on page 38. Management believes that these assumptions are reasonable and comply with the requirements of FASB Statement No. 67 as applicable.

15. Subsequent Events

The System has evaluated subsequent events through April 15, 2016, the date the financial statements were available to be issued.

The System restated the Plan and Trust effective January 1, 2016 and subsequently applied for a new determination letter from the Internal Revenue Service.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Changes of Employer Net Pension Liability
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Total pension liability		
Service cost	\$ 19,136,245	\$ 18,728,870
Interest	93,242,628	93,305,719
Changes of benefit terms	-	-
Difference between expected and actual experience	(10,065,347)	-
Changes of assumptions	-	-
Benefit payments	(113,384,329)	(113,082,656)
Refunds	-	-
Net change in total pension liability	<u>(11,070,803)</u>	<u>(1,048,067)</u>
Total pension liability - beginning	<u>1,201,998,138</u>	<u>1,203,046,205</u>
Total pension liability - ending	<u>\$ 1,190,927,335</u>	<u>\$ 1,201,998,138</u>
Plan fiduciary net position		
Employer contributions	\$ 40,708,503	\$ 41,757,458
Employee contributions	11,664,711	11,887,933
Net investment income	(5,342,651)	35,000,792
Benefit payments including refunds of employee contributions	(113,384,329)	(113,082,656)
Administrative expense	(1,466,261)	(1,350,393)
Other	<u>(431,423)</u>	<u>-</u>
Net change in plan fiduciary net position	<u>(68,251,450)</u>	<u>(25,786,866)</u>
Plan fiduciary net position - beginning	<u>936,930,499</u>	<u>962,717,365</u>
Plan fiduciary net position - ending	<u>\$ 868,679,049</u>	<u>\$ 936,930,499</u>
Net pension liability - ending	<u>\$ 322,248,286</u>	<u>\$ 265,067,639</u>
Total pension liability	\$ 1,190,927,335	\$ 1,201,998,138
Plan fiduciary net position	<u>868,679,049</u>	<u>936,930,499</u>
Employer net pension liability	<u>\$ 322,248,286</u>	<u>\$ 265,067,639</u>
Plan fiduciary net position as a percentage of the total pension liability	72.94 %	77.95 %
Covered employee payroll	\$ 245,699,583	\$ 243,280,015
Employer net pension liability as a percentage of covered employee payroll	131 %	109 %

There have been no changes in benefits or changes in assumptions.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of the System's Proportionate Share of the Net Pension Liability
December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
System's proportion of the net pension liability	0.20 %	0.22 %
System's proportionate share of the net pension liability	\$ 570,232	\$ 517,013
System's covered-employee payroll	\$ 472,849	not available
System's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	120.10 %	not available
Plan fiduciary net position as a percentage of the total pension liability	72.94 %	72.30 %

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

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Employer Contributions
December 31, 2015

Board of Education

Year Ended December 31	Actuarially Determined Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)	Covered Employee Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2006	\$13,305,881	\$ 14,299,464	\$ (993,583) *	\$221,718,075	6.45 %
2007	16,204,917	16,204,917	-	212,521,330	7.63 %
2008	19,091,518	19,091,518	-	201,971,702	9.45 %
2009	19,274,150	19,274,150	-	202,754,929	9.51 %
2010	16,790,176	16,790,176	-	202,943,889	8.27 %
2011	19,933,761	19,933,761	-	198,775,945	10.03 %
2012	20,786,075	20,786,075	-	175,009,885	11.88 %
2013	27,962,472	27,962,472	-	185,606,968	15.07 %
2014	31,555,696	31,555,696	-	191,273,081	16.50 %
2015	31,072,850	31,072,850	-	195,853,519	15.87 %

*In 2006, the Board of Education approved a 2.5% COLA for retired members.

Retirement System

Year Ended December 31	Actuarially Determined Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)	Covered Employee Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2006	\$ 34,190	\$ 36,743	\$ (2,553) *	\$ 569,706	6.45 %
2007	34,330	34,330	-	450,221	7.63 %
2008	47,364	47,364	-	501,066	9.45 %
2009	51,995	51,995	-	546,968	9.51 %
2010	48,617	48,617	-	587,617	8.27 %
2011	57,964	57,964	-	578,006	10.03 %
2012	73,902	73,902	-	622,220	11.88 %
2013	91,361	91,361	-	606,427	15.07 %
2014	85,590	85,590	-	518,799	16.50 %
2015	83,960	83,960	-	529,203	15.87 %

*In 2006, the Retirement System approved a 2.5% COLA for retired members.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Employer Contributions
December 31, 2015

Charter Schools

Year Ended December 31	Actuarially Determined Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)*	Covered Employee Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2006	\$ 1,070,169	\$ 887,992	\$ 182,177 *	\$17,832,398	4.98 %
2007	1,067,464	887,976	179,488 *	13,999,374	6.34 %
2008	1,875,688	3,145,999	(1,270,311) *	19,843,158	15.85 %
2009	2,074,020	3,377,789	(1,303,769) *	21,817,708	15.48 %
2010	2,568,929	3,843,486	(1,274,557) *	31,050,800	12.38 %
2011	4,272,457	4,521,680	(249,223) *	42,604,182	10.61 %
2012	5,068,681	5,533,481	(464,800) *	42,676,134	12.97 %
2013	7,313,765	6,765,907	547,858 *	48,546,696	13.94 %
2014	5,625,992	8,527,507	(2,901,515) *	34,101,634	25.01 %
2015	7,440,420	8,445,676	(1,005,256) *	46,897,293	18.01 %

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

The actuarially determined contribution is determined from the prior year census.

Harris-Stowe College

Year Ended December 31	Actuarially Determined Contribution	Contributions Recognized by the Plan	Contributions Deficiency (Excess)	Covered Employee Payroll	Contributions Recognized by the Plan as a Percentage of Covered Payroll
2006	\$ 3,893	\$ 4,914	\$ (1,021)	\$ 64,876	7.57 %
2007	4,947	4,947	-	64,876	7.63 %
2008	6,746	-	6,746	71,363	-
2009	6,784	6,746	38	71,363	-

Harris-Stowe College ceased participating in the plan in 2009.

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedules of Employer Contributions
December 31, 2015

Employer Contributions

<u>Year Ended</u> <u>December 31,</u>	<u>Annual</u> <u>Required</u> <u>Contribution</u>	<u>Percent</u> <u>Contributed</u>
2006	\$ 14,414,133	114.9 %
2007	17,311,658	129.7
2008	21,021,316	132.5
2009	21,406,949	133.6
2010	19,407,722	134.4
2011	24,264,182	118.4
2012	25,928,658	114.0
2013	35,367,598	104.7
2014	37,267,278	109.2
2015	38,597,230	*

* To be determined at the end of the year

The information presented in the required supplemental schedules was determined as part of the actuarial valuation prepared by Buck Consultants as of January 1, 2015.

Additional information related to the above actuarial valuation follows:

Actuarial cost method:	Frozen entry age
Rate of investment return	8.00% for 2015 and 2014, net of expenses
Participant account interest crediting rate	5.00% for 2015 and 2014
Turnover or withdrawal rates:	Various by age and year of membership based on actual
Mortality and death rates:	Mortality tables mandated by the Pension Protection Act as specified in IRS Regulation 1.430(h)(3)-1 applied on a static basis, projected 7 years from the valuation date for annuitants and 15 years for non-annuitants updated to IRS Static Mortality Table mandated for use by private pension plans for the 2015 plan year.
Disability rates	RP-2000 Disability Mortality Table
Rates of retirement between the ages of 55 and 70	Various based on actual experience of the System
Rate of salary increases	Based on actual experience of the System, at the rate of 4.5% per year
Asset valuation method:	The assumed yield method of valuing assets

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

Public School Retirement System of the City of St. Louis
Required Supplementary Information
Schedule of Funding Progress
(in millions)
December 31, 2015

Actuarial Valuation Date January 1,	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Frozen Entry Age (b)	Unfunded AAL (UAAL) (b - a)
2006	\$ 983.8	\$ 1,122.6	\$ 138.8
2007	1,003.4	1,150.2	146.8
2008	1,014.9	1,158.9	144.0
2009	963.9	1,099.9	136.0
2010	950.7	1,076.0	125.3
2011	944.4	1,066.3	121.9
2012	925.4	1,090.3	164.9
2013	914.5	1,085.1	170.6
2014	922.9	1,093.4	170.5
2015	926.9	1,093.6	166.7

Actuarial Valuation Date January 1,	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a % of Covered Payroll (b-a)/c)
2006	87.6 %	\$ 227.0	61.1 %
2007	87.2	222.4	66.0
2008	87.6	225.2	63.9
2009	87.6	234.6	58.0
2010	88.4	242.0	51.8
2011	88.6	218.3	55.8
2012	84.9	234.8	70.3
2013	84.3	225.9	75.5
2014	84.4	243.3	70.1
2015	84.8	245.7	67.8

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Operating Expenses
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Actuarial services	\$ 122,856	\$ 103,946
Accounting and auditing fees	87,599	49,229
Computer programming and consulting	110,556	72,896
Conventions, conferences, seminars		
Executive Director	-	1,687
Trustees (see below)	24,904	30,979
Depreciation expense	67,438	67,439
Dues and subscriptions	4,693	4,857
Employee benefits	2,024	2,893
Furniture and equipment	984	2,413
Health insurance consulting	39,843	39,843
Insurance - group health	63,448	54,138
Insurance - casualty and bonding	89,951	87,484
Legal fees and expenses	47,209	22,316
Medical fees	400	800
Miscellaneous expense	8,162	8,016
Occupancy expense	23,495	32,319
Office repairs and maintenance	30,669	42,134
Office supplies and expenses	11,324	10,667
Payroll taxes	33,895	34,460
Pension contribution	73,330	85,590
Postage	89,911	66,665
Printing and publishing	30,749	28,985
Salaries - administrative and clerical	461,927	450,456
Telephone	12,431	15,602
Utilities	<u>28,463</u>	<u>34,580</u>
 Total Operating Expenses	 <u>\$ 1,466,261</u>	 <u>\$ 1,350,394</u>

Trustees' Expenses

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

	<u>2015</u>	<u>2014</u>
Lodging, meals, and miscellaneous	\$ 14,520	\$ 17,548
Transportation and registration	<u>10,384</u>	<u>13,431</u>
 Total Trustees Expenses	 <u>\$ 24,904</u>	 <u>\$ 30,979</u>

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Investment Expenses
Years Ended December 31, 2015 and 2014

	2015	2014
Investment management fees		
Ativo Capital Management	\$ 33,585	\$ -
Batterymarch Financial Management	54,452	127,085
Brown Capital Management	33,915	-
Causeway Capital Management	276,918	298,042
Chicago Equity Partners	172,251	195,017
Earnest Partners	36,277	52,832
Edgar Lomax Company	173,858	195,051
Entrust Capital Diversified Fund LTD	306,577	316,850
GMO, LLC	2,446	-
Holland Capital Management	206,277	211,582
Intech Investment Management	133,596	138,116
Loomis Sayles & Company, LP	253,966	283,310
Manulife Asset Management	135,618	143,304
Mellon Capital Management	318,627	308,185
Mondrian Investment Partners	163,818	180,059
NCM Capital	28,445	-
New Amsterdam Partners	97,758	102,500
OFI Global Asset Management	185,963	78,970
Passport II LP	217,191	-
Pyramis Global Advisors Trust	271,074	278,136
Standard Global Equity	157,571	53,830
Strategic Global	65,431	-
Systematic Financial Management	252,091	267,040
TCW Asset Management Company	210,542	215,108
UBS Realty Investors LLC	499,785	499,291
US Bank Trust	148,771	149,027
Wellington Trust Company	169,346	203,167
Westfield Capital Management	239,473	252,448
Whitebox Multi-Strategy Fund, L.P.	229,782	-
Total investment management fees	5,075,404	4,548,950
NEPC, LLC	189,605	196,336
Banking services	41,930	47,279
Total investment expenses	\$ 5,306,939	\$ 4,792,565

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Professional/Consultant Fees
Years Ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Actuarial services	\$ 122,856	\$ 103,946
Accounting and auditing fees	87,599	49,229
Building property management	23,495	32,319
Health insurance consulting	39,843	39,843
Legal expenses	47,209	22,316
Technology consulting	<u>110,556</u>	<u>72,896</u>
 Total fees	 <u>\$ 431,558</u>	 <u>\$ 320,549</u>

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedules of Limited Partnerships
Years Ended December 31, 2015 and 2014

Partnership Name	Style	Investments at Fair Value as of December 31, 2015
Landmark Equity Partners XIV, L.P.	Private Equity & Private Debt	\$ 2,583,859
Landmark Equity Partners XV, L.P.	Private Equity & Private Debt	2,846,407
Lighthouse Capital Partners VI, L.P.	Private Equity & Private Debt	695,011
Mesirow Financial Private Equity Partnership Fund III, L.P.	Private Equity & Private Debt	2,891,872
Pantheon Global Secondary Fund III B, L.P.	Private Equity & Private Debt	3,013,762
Siguler Guff Distressed Opportunities Fund II, L.P.	Private Equity & Private Debt	559,704
SW Pelham Fund III, L.P.	Private Equity & Private Debt	1,610,258
Vista Foundation Fund II, L.P.	Private Equity & Private Debt	3,739,998
		<u>\$ 17,940,871</u>

Partnership Name	Style	Investments at Fair Value as of December 31, 2014
Landmark Equity Partners XIV, L.P.	Private Equity & Private Debt	\$ 3,281,635
Lighthouse Capital Partners VI, L.P.	Private Equity & Private Debt	1,838,537
Mesirow Financial Private Equity Partnership Fund III, L.P.	Private Equity & Private Debt	3,894,693
Pantheon Global Secondary Fund III B, L.P.	Private Equity & Private Debt	4,300,246
Siguler Guff Distressed Opportunities Fund II, L.P.	Private Equity & Private Debt	827,267
SW Pelham Fund III, L.P.	Private Equity & Private Debt	1,732,256
Vista Foundation Fund II, L.P.	Private Equity & Private Debt	1,745,350
		<u>\$ 17,619,984</u>

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Actuarial Present Values of Projected Benefit Payments
000's omitted
December 31, 2015

Fiscal Year Ending 12/31	Beginning Fiduciary Net Position	Benefit Payments			Present Value		
		Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 8.00%	Unfunded Portion at 3.20%	Using a Single Discount Rate of 8.00%
2016	\$ 868,679	\$ 107,328	\$ 107,328	-	\$ 103,277	-	\$ 103,277
2017	\$ 875,220	\$ 106,929	\$ 106,929	-	\$ 95,271	-	\$ 95,271
2018	\$ 879,432	\$ 106,494	\$ 106,494	-	\$ 87,855	-	\$ 87,855
2019	\$ 884,253	\$ 106,059	\$ 106,059	-	\$ 81,014	-	\$ 81,014
2020	\$ 890,022	\$ 105,874	\$ 105,874	-	\$ 74,883	-	\$ 74,883
2021	\$ 896,498	\$ 105,880	\$ 105,880	-	\$ 69,340	-	\$ 69,340
2022	\$ 903,399	\$ 105,613	\$ 105,613	-	\$ 64,042	-	\$ 64,042
2023	\$ 910,892	\$ 105,257	\$ 105,257	-	\$ 59,098	-	\$ 59,098
2024	\$ 918,964	\$ 104,812	\$ 104,812	-	\$ 54,489	-	\$ 54,489
2025	\$ 937,661	\$ 104,317	\$ 104,317	-	\$ 50,215	-	\$ 50,215
2026	\$ 936,977	\$ 103,819	\$ 103,819	-	\$ 46,273	-	\$ 46,273
2027	\$ 946,869	\$ 103,313	\$ 103,313	-	\$ 42,636	-	\$ 42,636
2028	\$ 957,300	\$ 102,996	\$ 102,996	-	\$ 39,357	-	\$ 39,357
2029	\$ 968,056	\$ 102,706	\$ 102,706	-	\$ 36,339	-	\$ 36,339
2030	\$ 979,055	\$ 102,511	\$ 102,511	-	\$ 33,584	-	\$ 33,584
2031	\$ 990,119	\$ 102,351	\$ 102,351	-	\$ 31,047	-	\$ 31,047
2032	\$ 1,001,108	\$ 102,394	\$ 102,394	-	\$ 28,759	-	\$ 28,759
2033	\$ 1,011,697	\$ 102,649	\$ 102,649	-	\$ 26,696	-	\$ 26,696
2034	\$ 1,021,503	\$ 102,846	\$ 102,846	-	\$ 24,766	-	\$ 24,766
2035	\$ 1,030,315	\$ 103,185	\$ 103,185	-	\$ 23,007	-	\$ 23,007
2036	\$ 1,037,573	\$ 103,253	\$ 103,253	-	\$ 21,316	-	\$ 21,316
2037	\$ 1,042,421	\$ 103,291	\$ 103,291	-	\$ 19,745	-	\$ 19,745
2038	\$ 1,027,642	\$ 103,197	\$ 103,197	-	\$ 18,266	-	\$ 18,266
2039	\$ 1,009,718	\$ 102,921	\$ 102,921	-	\$ 16,867	-	\$ 16,867
2040	\$ 990,196	\$ 102,787	\$ 102,787	-	\$ 15,598	-	\$ 15,598
2041	\$ 968,952	\$ 102,500	\$ 102,500	-	\$ 14,402	-	\$ 14,402
2042	\$ 946,014	\$ 102,474	\$ 102,474	-	\$ 13,332	-	\$ 13,332
2043	\$ 920,984	\$ 102,151	\$ 102,151	-	\$ 12,305	-	\$ 12,305
2044	\$ 894,020	\$ 101,562	\$ 101,562	-	\$ 11,328	-	\$ 11,328
2045	\$ 865,264	\$ 100,743	\$ 100,743	-	\$ 10,404	-	\$ 10,404
2046	\$ 834,854	\$ 99,765	\$ 99,765	-	\$ 9,540	-	\$ 9,540
2047	\$ 802,848	\$ 98,337	\$ 98,337	-	\$ 8,707	-	\$ 8,707
2048	\$ 769,621	\$ 96,501	\$ 96,501	-	\$ 7,912	-	\$ 7,912
2049	\$ 735,549	\$ 94,562	\$ 94,562	-	\$ 7,178	-	\$ 7,178
2050	\$ 700,709	\$ 92,350	\$ 92,350	-	\$ 6,491	-	\$ 6,491
2051	\$ 665,362	\$ 89,802	\$ 89,802	-	\$ 5,844	-	\$ 5,844
2052	\$ 629,850	\$ 86,858	\$ 86,858	-	\$ 5,234	-	\$ 5,234
2053	\$ 594,606	\$ 83,638	\$ 83,638	-	\$ 4,667	-	\$ 4,667
2054	\$ 559,953	\$ 80,347	\$ 80,347	-	\$ 4,151	-	\$ 4,151
2055	\$ 526,024	\$ 77,000	\$ 77,000	-	\$ 3,683	-	\$ 3,683
2056	\$ 492,955	\$ 73,616	\$ 73,616	-	\$ 3,261	-	\$ 3,261
2057	\$ 460,810	\$ 70,214	\$ 70,214	-	\$ 2,880	-	\$ 2,880
2058	\$ 429,699	\$ 66,811	\$ 66,811	-	\$ 2,537	-	\$ 2,537

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Actuarial Present Values of Projected Benefit Payments
000's omitted
December 31, 2015

Fiscal Year Ending 12/31	Beginning Fiduciary Net Position	Benefit Payments			Present Value		
		Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 8.00%	Unfunded Portion at 3.34%	Using a Single Discount Rate of 8.00%
2059	\$ 399,747	\$ 63,407	\$ 63,407	-	\$ 2,229	-	\$ 2,229
2060	\$ 371,099	\$ 60,008	\$ 60,008	-	\$ 1,954	-	\$ 1,954
2061	\$ 343,833	\$ 56,629	\$ 56,629	-	\$ 1,707	-	\$ 1,707
2062	\$ 318,052	\$ 53,269	\$ 53,269	-	\$ 1,487	-	\$ 1,487
2063	\$ 293,991	\$ 49,931	\$ 49,931	-	\$ 1,290	-	\$ 1,290
2064	\$ 271,518	\$ 49,630	\$ 49,630	-	\$ 1,116	-	\$ 1,116
2065	\$ 250,132	\$ 43,384	\$ 43,384	-	\$ 961	-	\$ 961
2066	\$ 229,966	\$ 40,205	\$ 40,205	-	\$ 825	-	\$ 825
2067	\$ 209,116	\$ 37,101	\$ 37,101	-	\$ 705	-	\$ 705
2068	\$ 187,260	\$ 34,084	\$ 34,084	-	\$ 600	-	\$ 600
2069	\$ 166,794	\$ 31,164	\$ 31,164	-	\$ 508	-	\$ 508
2070	\$ 147,727	\$ 28,349	\$ 28,349	-	\$ 428	-	\$ 428
2071	\$ 130,062	\$ 25,647	\$ 25,647	-	\$ 358	-	\$ 358
2072	\$ 113,794	\$ 23,069	\$ 23,069	-	\$ 298	-	\$ 298
2073	\$ 98,907	\$ 20,622	\$ 20,622	-	\$ 247	-	\$ 247
2074	\$ 85,373	\$ 18,312	\$ 18,312	-	\$ 203	-	\$ 203
2075	\$ 73,158	\$ 16,144	\$ 16,144	-	\$ 166	-	\$ 166
2076	\$ 62,221	\$ 14,124	\$ 14,124	-	\$ 134	-	\$ 134
2077	\$ 52,510	\$ 12,254	\$ 12,254	-	\$ 108	-	\$ 108
2078	\$ 43,967	\$ 10,537	\$ 10,537	-	\$ 86	-	\$ 86
2079	\$ 36,526	\$ 8,976	\$ 8,976	-	\$ 68	-	\$ 68
2080	\$ 30,113	\$ 7,571	\$ 7,571	-	\$ 53	-	\$ 53
2081	\$ 24,648	\$ 6,321	\$ 6,321	-	\$ 41	-	\$ 41
2082	\$ 20,046	\$ 5,221	\$ 5,221	-	\$ 31	-	\$ 31
2083	\$ 16,219	\$ 4,265	\$ 4,265	-	\$ 24	-	\$ 24
2084	\$ 13,081	\$ 3,443	\$ 3,443	-	\$ 18	-	\$ 18
2085	\$ 10,547	\$ 2,746	\$ 2,746	-	\$ 13	-	\$ 13
2086	\$ 8,535	\$ 2,164	\$ 2,164	-	\$ 10	-	\$ 10
2087	\$ 6,966	\$ 1,684	\$ 1,684	-	\$ 7	-	\$ 7
2088	\$ 5,772	\$ 1,294	\$ 1,294	-	\$ 5	-	\$ 5
2089	\$ 4,888	\$ 981	\$ 981	-	\$ 3	-	\$ 3
2090	\$ 4,259	\$ 734	\$ 734	-	\$ 2	-	\$ 2
2091	\$ 3,837	\$ 541	\$ 541	-	\$ 2	-	\$ 2
2092	\$ 3,581	\$ 394	\$ 394	-	\$ 1	-	\$ 1
2093	\$ 3,458	\$ 282	\$ 282	-	\$ 1	-	\$ 1
2094	\$ 3,442	\$ 199	\$ 199	-	-	-	-
2095	\$ 3,511	\$ 138	\$ 138	-	-	-	-
2096	\$ 3,648	\$ 94	\$ 94	-	-	-	-
2097	\$ 3,842	\$ 63	\$ 63	-	-	-	-
2098	\$ 4,083	\$ 42	\$ 42	-	-	-	-
2099	\$ 4,366	\$ 27	\$ 27	-	-	-	-
2100	\$ 4,687	\$ 17	\$ 17	-	-	-	-
2101	\$ 5,044	\$ 11	\$ 11	-	-	-	-

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Actuarial Present Values of Projected Benefit Payments
000's omitted
December 31, 2015

Fiscal Year Ending 12/31	Beginning Fiduciary Net Position	Benefit Payments			Present Value		
		Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 8.00%	Unfunded Portion at 3.34%	Using a Single Discount Rate of 8.00%
2102	\$ 5,437	\$ 7	\$ 7	-	-	-	-
2103	\$ 5,865	\$ 4	\$ 4	-	-	-	-
2104	\$ 6,329	\$ 2	\$ 2	-	-	-	-
2105	\$ 6,833	\$ 1	\$ 1	-	-	-	-
2106	\$ 7,378	\$ 1	\$ 1	-	-	-	-
2107	\$ 7,968	-	-	-	-	-	-
2108	\$ 8,605	-	-	-	-	-	-
2109	\$ 9,293	-	-	-	-	-	-
2110	\$ 10,036	-	-	-	-	-	-
2111	\$ 10,839	-	-	-	-	-	-
2112	\$ 11,706	-	-	-	-	-	-
2113	\$ 12,643	-	-	-	-	-	-
2114	\$ 13,654	-	-	-	-	-	-

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Projection of Fiduciary Net Position
000's omitted
December 31, 2015

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2016	\$ 868,679	\$ 48,227	\$ 107,328	\$ 65,642	\$ 875,220
2017	\$ 875,220	\$ 44,995	\$ 106,929	\$ 66,146	\$ 879,432
2018	\$ 879,432	\$ 44,842	\$ 106,494	\$ 66,473	\$ 884,253
2019	\$ 884,253	\$ 44,973	\$ 106,059	\$ 66,855	\$ 890,022
2020	\$ 890,022	\$ 45,045	\$ 105,874	\$ 67,305	\$ 896,498
2021	\$ 896,498	\$ 44,976	\$ 105,880	\$ 67,806	\$ 903,399
2022	\$ 903,399	\$ 44,753	\$ 105,613	\$ 68,353	\$ 910,892
2023	\$ 910,892	\$ 44,377	\$ 105,257	\$ 68,952	\$ 918,964
2024	\$ 918,964	\$ 43,906	\$ 104,812	\$ 69,603	\$ 927,661
2025	\$ 927,661	\$ 43,327	\$ 104,317	\$ 70,306	\$ 936,977
2026	\$ 936,977	\$ 42,653	\$ 103,819	\$ 71,059	\$ 946,869
2027	\$ 946,869	\$ 41,885	\$ 103,313	\$ 71,859	\$ 957,300
2028	\$ 957,300	\$ 41,058	\$ 102,996	\$ 72,694	\$ 968,056
2029	\$ 968,056	\$ 40,151	\$ 102,706	\$ 73,555	\$ 979,055
2030	\$ 979,055	\$ 39,143	\$ 102,511	\$ 74,431	\$ 990,119
2031	\$ 990,119	\$ 38,029	\$ 102,351	\$ 75,311	\$ 1,001,108
2032	\$ 1,001,108	\$ 36,805	\$ 102,394	\$ 76,177	\$ 1,011,697
2033	\$ 1,011,697	\$ 35,453	\$ 102,649	\$ 77,002	\$ 1,021,503
2034	\$ 1,021,503	\$ 33,893	\$ 102,846	\$ 77,766	\$ 1,030,315
2035	\$ 1,030,315	\$ 31,997	\$ 103,185	\$ 78,446	\$ 1,037,573
2036	\$ 1,037,573	\$ 29,089	\$ 103,253	\$ 79,012	\$ 1,042,421
2037	\$ 1,042,421	\$ 9,126	\$ 103,291	\$ 79,386	\$ 1,027,642
2038	\$ 1,027,642	\$ 7,076	\$ 103,197	\$ 78,197	\$ 1,009,718
2039	\$ 1,009,718	\$ 6,637	\$ 102,921	\$ 76,763	\$ 990,196
2040	\$ 990,196	\$ 6,347	\$ 102,787	\$ 75,196	\$ 968,952
2041	\$ 968,952	\$ 6,064	\$ 102,500	\$ 73,497	\$ 946,014
2042	\$ 946,014	\$ 5,791	\$ 102,474	\$ 71,653	\$ 920,984
2043	\$ 920,984	\$ 5,534	\$ 102,151	\$ 69,653	\$ 894,020
2044	\$ 894,020	\$ 5,296	\$ 101,562	\$ 67,510	\$ 865,264
2045	\$ 865,264	\$ 5,100	\$ 100,743	\$ 65,233	\$ 834,854
2046	\$ 834,854	\$ 4,927	\$ 99,765	\$ 62,831	\$ 802,848
2047	\$ 802,848	\$ 4,789	\$ 98,337	\$ 60,321	\$ 769,621
2048	\$ 769,621	\$ 4,699	\$ 96,501	\$ 57,731	\$ 735,549
2049	\$ 735,549	\$ 4,644	\$ 94,562	\$ 55,078	\$ 700,709
2050	\$ 700,709	\$ 4,628	\$ 92,350	\$ 52,375	\$ 665,362
2051	\$ 665,362	\$ 4,642	\$ 89,802	\$ 49,647	\$ 629,850
2052	\$ 629,850	\$ 4,693	\$ 86,858	\$ 46,921	\$ 594,606
2053	\$ 594,606	\$ 4,756	\$ 83,638	\$ 44,229	\$ 559,953
2054	\$ 559,953	\$ 4,832	\$ 80,347	\$ 41,587	\$ 526,024
2055	\$ 526,024	\$ 4,926	\$ 77,000	\$ 39,005	\$ 492,955
2056	\$ 492,955	\$ 4,978	\$ 73,616	\$ 36,494	\$ 460,810
2057	\$ 460,810	\$ 5,045	\$ 70,214	\$ 34,058	\$ 429,699

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Projection of Fiduciary Net Position
000's omitted
December 31, 2015

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2058	\$ 429,699	\$ 5,154	\$ 66,811	\$ 31,705	\$ 399,747
2059	\$ 399,747	\$ 5,315	\$ 63,407	\$ 29,444	\$ 371,099
2060	\$ 371,099	\$ 5,454	\$ 60,008	\$ 27,288	\$ 343,833
2061	\$ 343,833	\$ 5,606	\$ 56,629	\$ 25,242	\$ 318,052
2062	\$ 318,052	\$ 5,894	\$ 53,269	\$ 23,314	\$ 293,991
2063	\$ 293,991	\$ 5,936	\$ 49,931	\$ 21,522	\$ 271,518
2064	\$ 271,518	\$ 5,388	\$ 46,630	\$ 19,856	\$ 250,132
2065	\$ 250,132	\$ 4,943	\$ 43,384	\$ 18,275	\$ 229,966
2066	\$ 229,966	\$ 2,566	\$ 40,205	\$ 16,789	\$ 209,116
2067	\$ 209,116	-	\$ 37,101	\$ 15,245	\$ 187,260
2068	\$ 187,260	-	\$ 34,084	\$ 13,617	\$ 166,794
2069	\$ 166,794	-	\$ 31,164	\$ 12,097	\$ 147,727
2070	\$ 147,727	-	\$ 28,349	\$ 10,684	\$ 130,062
2071	\$ 130,062	-	\$ 25,647	\$ 9,379	\$ 113,794
2072	\$ 113,794	-	\$ 23,069	\$ 8,181	\$ 98,907
2073	\$ 98,907	-	\$ 20,622	\$ 7,088	\$ 85,373
2074	\$ 85,373	-	\$ 18,312	\$ 6,097	\$ 73,158
2075	\$ 73,158	-	\$ 16,144	\$ 5,207	\$ 62,221
2076	\$ 62,221	-	\$ 14,124	\$ 4,413	\$ 52,510
2077	\$ 52,510	-	\$ 12,254	\$ 3,711	\$ 43,967
2078	\$ 43,967	-	\$ 10,537	\$ 3,096	\$ 36,526
2079	\$ 36,526	-	\$ 8,976	\$ 2,563	\$ 30,113
2080	\$ 30,113	-	\$ 7,571	\$ 2,106	\$ 24,648
2081	\$ 24,648	-	\$ 6,321	\$ 1,719	\$ 20,046
2082	\$ 20,046	-	\$ 5,221	\$ 1,395	\$ 16,219
2083	\$ 16,219	-	\$ 4,265	\$ 1,127	\$ 13,081
2084	\$ 13,081	-	\$ 3,443	\$ 909	\$ 10,547
2085	\$ 10,547	-	\$ 2,746	\$ 734	\$ 8,535
2086	\$ 8,535	-	\$ 2,164	\$ 596	\$ 6,966
2087	\$ 6,966	-	\$ 1,684	\$ 490	\$ 5,772
2088	\$ 5,772	-	\$ 1,294	\$ 410	\$ 4,888
2089	\$ 4,888	-	\$ 981	\$ 352	\$ 4,259
2090	\$ 4,259	-	\$ 734	\$ 311	\$ 3,837
2091	\$ 3,837	-	\$ 541	\$ 285	\$ 3,581
2092	\$ 3,581	-	\$ 394	\$ 271	\$ 3,458
2093	\$ 3,458	-	\$ 282	\$ 265	\$ 3,442
2094	\$ 3,442	-	\$ 199	\$ 267	\$ 3,511
2095	\$ 3,511	-	\$ 138	\$ 275	\$ 3,648
2096	\$ 3,648	-	\$ 94	\$ 288	\$ 3,842
2097	\$ 3,842	-	\$ 63	\$ 305	\$ 4,083
2098	\$ 4,083	-	\$ 42	\$ 325	\$ 4,366
2099	\$ 4,366	-	\$ 27	\$ 348	\$ 4,687
2100	\$ 4,687	-	\$ 17	\$ 374	\$ 5,044

Public School Retirement System of the City of St. Louis
Other Supplementary Information
Schedule of Projection of Fiduciary Net Position
000's omitted
December 31, 2015

Year	Projected Beginning Fiduciary Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Investment Earnings	Projected Ending Fiduciary Net Position
2101	\$ 5,044	-	\$ 11	\$ 403	\$ 5,437
2102	\$ 5,437	-	\$ 7	\$ 435	\$ 5,865
2103	\$ 5,865	-	\$ 4	\$ 469	\$ 6,329
2104	\$ 6,329	-	\$ 2	\$ 506	\$ 6,833
2105	\$ 6,833	-	\$ 1	\$ 547	\$ 7,378
2106	\$ 7,378	-	\$ 1	\$ 590	\$ 7,968
2107	\$ 7,968	-	-	\$ 637	\$ 8,605
2108	\$ 8,605	-	-	\$ 688	\$ 9,293
2109	\$ 9,293	-	-	\$ 743	\$ 10,036
2110	\$ 10,036	-	-	\$ 803	\$ 10,839
2111	\$ 10,839	-	-	\$ 867	\$ 11,706
2112	\$ 11,706	-	-	\$ 936	\$ 12,643
2113	\$ 12,643	-	-	\$ 1,011	\$ 13,654
2114	\$ 13,654	-	-	\$ 1,092	\$ 14,746

MEMORANDUM

To: Christina Bennett
Sheila Goodwin
John Moten
Eural Thomas

Paula Bentley
Mary Houlihan
Charles Shelton
Janusz Wolynski

Joe Clark
Yvette Levy
Rick Sullivan

FROM: Andrew Clark

RE: **Fiduciary Liability Insurance Renewal & Three-Year Crime Insurance Coverage**

DATE: April 18, 2016

The insurance broker, Arthur J. Gallagher Risk Management Services, Inc., has submitted the renewal of the retirement system's Fiduciary Liability Insurance for a period from May 20, 2016 - May 20, 2017, and Crime Insurance for the third and final installment on a three-year policy term from May 20, 2014 – May 20, 2017. If accepted by the Board of Trustees, the insurance carrier and coverage for both types of insurance will remain the same as in 2015 according to this summary:

Carrier	Coverage Type	Coverage Limit	Coverage Retention	Current (2015) Premium/Fee	Renewal (2016) Premium/Fee
Travelers	Fiduciary Liability	\$10,000,000	\$0	\$57,949	\$58,241
Travelers	Crime	\$2,000,000 / \$100,000	\$15,000 / \$5,000	\$1,818	\$1,818
Broker Fee				\$14,000	\$14,000
Total Cost				\$73,767	\$74,059

After marketing the fiduciary insurance, the insurance broker negotiated a premium for the fiduciary liability insurance that *holds the increase to 0.5% (\$292) relative to the cost in 2015*. To keep the increase in perspective, it is important to look at the total cost for the three components above because *only the fiduciary liability coverage has increased*. The total cost increase is 0.5% over the total cost in 2015 and 2.8% (\$2,167) *less than the budgeted amount for 2016*.

Arthur J. Gallagher Risk Management Services, Inc. negotiated a three-year term for the system's Crime Insurance through May 20, 2017. This means the annual Crime Insurance premium will remain the same as in 2014 & 2015 for one more year. And, Travelers has managed to constrain the system's annual liability insurance premium increases for eight years when compared to the highest premium of \$71,518 paid by the system in 2008 for the same coverage.

Recommendation: To accept the renewal of the Fiduciary Liability & Crime Insurance with Travelers as presented by the Executive Director.