FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

(A Fiduciary Component Unit of the City of St. Louis, Missouri)

ANNUAL FINANCIAL REPORT

Fiscal Years Ended September 30, 2024 and 2023

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INTRODUCTION

The Board of Trustees (Board) of the Firemen's Retirement System of St. Louis (System) is designated as the named fiduciary of the System and as such has a fiduciary responsibility to administer the System's retirement plan, manage the System's operations and invest the System's assets. In recognition of this responsibility, the Board hereby adopts the following Mission Statement:

To plan an important role in the future financial security of System participants by providing useful information, quality service and attractive and progressive benefits through professional plan administration and prudent investment management of System assets.

FINANCIAL SECTION

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12655 Olive Blvd., Suite 200
St. Louis, MO 63141
314.275.7277

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
Firemen's Retirement System of St. Louis

Opinion

We have audited the accompanying financial statements of the Firemen's Retirement System of St. Louis (the System) as of and for the years ended September 30, 2024, and the related notes to financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the System as of September 30, 2024 and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of the System as of September 30, 2023 were audited by Sikich LLP, whose report dated February 14, 2024, expressed an unmodified opinion of those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

O***ther Matters***

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 basic 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 audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Board of Trustees, Mission Statement and other supplemental information but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements do not cover the other supplemental information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich CPA LLC

St. Louis, Missouri
February 14, 2025

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED SEPTEMBER 30, 2024 AND 2023

The following Management's Discussion and Analysis (MD&A) of the Firemen's Retirement System of St. Louis (the System) provides an overview of the System's financial activities for the fiscal years ended September 30, 2024 and 2023. The MD&A should be read in conjunction with the System's financial statements and supplemental information.

FINANCIAL HIGHLIGHTS

During the System's fiscal years ended September 30, 2024 and 2023, the U.S. and global economic markets showed substantial signs of strengthening. This followed 2021 when the coronavirus pandemic adversely affected the U.S. and global economic markets. The System is well diversified and the portfolio is continually managed and monitored to an investment policy established to minimize market risks. The System is a long-range proposition and is responsible for administering benefits to firefighters of the City of St. Louis who have dedicated their careers as public servants to the residents and businesses of the St. Louis metropolitan area. The System is frozen as of February 1, 2013. Active Members on February 1, 2013 are classified as "grandfathered" Members and benefits paid to these Members is based on the Member's service and salary earned as of February 1, 2013. The only new benefits to be earned are the "grandfathered" Members who are in DROP status. The System has and will continue to provide benefits in a prudent and professional manner to its active (grandfathered) and retired Members and their beneficiaries.

The System's net position was $434.4 million at September 30, 2024, which represents an increase of $27.8 million or 6.8% from September 30, 2023. The System's net position was $406.6 million at September 30, 2023, which represents a decrease of $5 million or 1.22% from September 30, 2022.

Additions to net position for fiscal year 2024 were $68.1 million as compared to additions of $30.2 million for fiscal year 2023. The current period net additions are comprised of $63.6 million of net investment income and $4.4 million of employer contributions. Additions to net position for fiscal year 2023 were $30.2 million as compared to additions of ($50.6) million for fiscal year 2022. The fiscal year 2023 net additions are comprised of $26.7 million of net investment income and $3.5 million of employer contributions. No member contributions were received during the current year due to the System being frozen on February 1, 2013.

Deductions from net position were $40.3 million for fiscal year 2024 and $35.3 million for fiscal year 2023. Deductions from net position were $35.3 million for fiscal year 2023 and $35.5 million for fiscal year 2022.

The overall investment return for the System was 16.79% for fiscal year 2024 as compared to a return of 7.53% for fiscal year 2023. The Board of Trustees acts to ensure the System retains top performing investment managers while maintaining a balanced investment portfolio.

FINANCIAL STATEMENTS

The financial statements, notes to financial statements, and required supplemental information (RSI) were prepared in conformity with Governmental Accounting Standards Board Statement No. 67 (GASB 67), *Financial Reporting for Pension Plans*. GASB 67 replaced GASB 25 and GASB 50 as reporting standards for governmental employer pension systems.

Highlights of the changes to these financial statements as a result of implementing GASB 67 are as follows:

- GASB 67 only affects reporting requirements and does not prescribe funding methods which could be different. The System will continue to use a funding policy that computes contribution amounts over the future working lifetime of current participants (the entry age - frozen initial liability actuarial cost method). For financial reporting purposes the System is required to use the entry age actuarial cost valuation method in determining the normal cost of the System’s benefits, expressed as a percent of active covered payroll for service retirement benefits, disability benefits, survivor benefits, and administrative expenses (excluding expenses related to the investment of the System’s assets, all of which are covered by investment return). The contribution amount required to amortize any unfunded actuarial liability is determined annually and as a percentage of participants covered payroll. The required contribution amounts are to be determined by regular annual actuarial valuations conducted by the System’s actuary.

- GASB 67 classifies the System as a single-employer public pension plan for reporting purposes.

- 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 about contributions, benefit payments, and the long-term rate of return. If the projected PNP is not sufficient to cover 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. The System currently uses the long-term discount rate of 6.75% (7.00% less expected administrative expenses of 0.25%). The System’s Fiduciary net position is 94.72% of total pension liability at September 30, 2024.

- Footnote requirements include the target asset allocation including long-term expected real rate of return, investments representing 5% or more of the System’s fiduciary net position, employer’s net pension liability, summary of actuarial assumptions, and sensitivity of net pension liability to changes in the discount rate.

- Required supplemental information includes a schedule of changes in employer's net pension liability (excess assets), schedule of employer's net pension liability (excess assets), schedule of employer's contributions, and schedule of annual money-weighted rate of return on investments. Notes to the RSI include significant methods and assumptions used in calculating the actuarially determined contributions.

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

- The statements of fiduciary net position report the System's assets, deferred outflows, liabilities, deferred inflows, and resulting net position. The net position is restricted for pensions. It is a snapshot of the financial position of the System at that specific point in time.

- The statements of changes in fiduciary net position summarizes the System's financial transactions that have occurred during the current and previous fiscal years.

- The notes to financial statements are an integral part of the above financial statements and include additional information not readily evident in the statements themselves.

Other items in the financial report are the MD&A, the RSI, and other supplemental information which provide other information considered useful in evaluating the condition of the System.

FINANCIAL ANALYSIS

Total assets at September 30, 2024 were $435,279,532 and were mainly comprised of cash and cash equivalents, investments, and receivables. Total assets increased $27,825,876 or 6.8% from September 30, 2023 primarily due to an increase in investments.

Total assets at September 30, 2023 were $407,453,656 and were mainly comprised of cash and cash equivalents, investments, and receivables. Total assets decreased $4,956,034 or 1.2% from September 30, 2022 primarily due to a decrease in investments.

Total liabilities at September 30, 2024 were $1,060,968 and consisted mainly of the net pension liability - System's staff pension related, and accrued expenses. Total liabilities decreased $53,517 or 4.8% from September 30, 2023. Employees Retirement System of the City of St. Louis (ERS) pension liability increased $31,466 and accrued investment management fees and administrative expenses decreased $70,786.

Total liabilities at September 30, 2023 were $1,114,485 and consisted mainly of the net pension liability - System's staff pension related, and accrued expenses. Total liabilities increased $353,865 or 46.52% from September 30, 2022. Employees Retirement System of the City of St. Louis (ERS) pension liability increased $310,903 and accrued investment management fees increased $72,893.

The System implemented GASB 68, *Accounting and Financial Reporting by State and Local Governments*, for the fiscal year 2015. The System's staff participate in the ERS, a cost sharing, multi-employer defined benefit plan. The System elected to report pension elements based on ERS' September 30 actuarial valuations at the beginning of the fiscal year as allowed by GASB 68. The pension elements required to be reported in the statements of fiduciary net position include: 1) net pension liability and 2) deferred outflows of resources.

Net position - restricted for pensions was $434,429,449 at September 30, 2024, an increase of $27,817,642 or 6.8% from fiscal year 2023. This increase mainly resulted from an increase in net investment income and net investment income being greater than total deductions.

Net position - restricted for pensions was $406,611,807 at September 30, 2023, a decrease of $5,040,293 or 1.22% from fiscal year 2022. This decrease mainly resulted from net investment income and employer contributions being less than total deductions for the year.

Following is a condensed version of the statements of fiduciary net position (dollars in thousands):

	September 30			Total Change			
				Amount		Percentage	
	2024	2023	2022	**2024**	2023	**2024**	2023
ASSETS							
Investments	**$ 386,841**	**400,942**	407,735	**(14,101)**	(6,793)	**(3.5) %**	(1.7)
Cash and cash equivalents	**3,225**	**4,909**	3,907	**(1,684)**	1,002	**(34.3)**	25.6
Receivables	**44,996**	**1,383**	537	**43,613**	846	**3,153.5**	157.5
Deposit	**5**	**-**	-	**5**	-	**100.0**	-
Capital assets, net	**212**	**219**	230	**(7)**	(11)	**(3.2)**	(4.8)
Total Assets	**435,279**	407,453	412,409	**27,826**	(4,956)	**6.8**	(1.2)
DEFERRED OUTFLOWS							
System's staff pension related	**211**	275	83	**(63)**	192	**(22.9)**	231.3
LIABILITIES	**1,061**	1,114	760	**(53)**	354	**(4.8)**	46.6
DEFERRED INFLOWS							
System's staff pension related	**-**	2	80	**(2)**	(78)	**(100.0)**	(97.1)
NET POSITION	**$ 434,429**	406,612	411,652	**27,817**	(5,040)	**6.8 %**	(1.2)

Revenues - Additions to Net Position

- Net investment income totaled $63,682,742 in fiscal year 2024 as compared to $26,687,466 in fiscal year 2023. Investment income (loss) is net of investment expenses (investment management, securities lending, and custodial fees) totaling $2,126,773 and $2,084,414 for the years ended September 30, 2024 and 2023, respectively.
- Net investment income totaled $26,687,466 in fiscal year 2023 as compared to net investment loss of ($52,866,939) in fiscal year 2022. Investment income (loss) is net of investment expenses (investment management and custodial fees) totaling $1,299,168 and $1,308,533 for the years ended September 30, 2023 and 2022, respectively.

The reserves needed to finance retirement benefits as well as death and disability benefits are accumulated through the collection of employer contributions and through earnings on investments. Employer contributions were $4,436,672 for the year ended September 30, 2024 as compared to $3,546,643 for the prior year.

Expenses - Deductions from Net Position

The primary expenses of the System include the payment of pension benefits to retirees and beneficiaries, administrative expenses, and refunds of Members' contributions to operate the System. Total expenses for fiscal year 2024 were $40,301,772 an increase of $5,027,370 from fiscal year 2023. This increase is mainly due to a trend of retirees.

The primary expenses of the System include the payment of pension benefits to retirees and beneficiaries, administrative expenses, and refunds of Members' contributions to operate the System. Total expenses for fiscal year 2023 were $35,274,402 a decrease of $178,544 from fiscal year 2022. This decrease is mainly due to a trend of retirees.

Following is a condensed version of the statements of changes in fiduciary net position (dollars in thousands):

	For The Years Ended September 30			Total Change			
				Amount		Percentage	
	2024	2023	2022	**2024**	2023	**2024**	2023
ADDITIONS							
Net investment income	**$ 63,683**	26,687	(52,867)	**36,996**	79,554	**138.6 %**	(150.5)
Employer contributions	**4,437**	3,547	2,296	**890**	1,251	**25.1**	54.5
Total Additions	**68,120**	30,234	(50,571)	**37,886**	80,805	**125.3**	(159.8)
DEDUCTIONS							
Benefits paid	**36,385**	32,120	33,059	**4,265**	(939)	**13.3**	(2.8)
Refund of Members' contributions	**2,589**	1,969	1,378	**620**	591	**31.5**	42.9
Administrative expenses	**1,327**	1,185	1,016	**142**	169	**12.0**	16.6
Total Deductions	**40,303**	35,274	35,453	**5,029**	(179)	**14.3**	(0.5)
CHANGE IN NET POSITION	**27,817**	(5,040)	(86,024)	**32,858**	80,984	**652.0**	94.1
NET POSITION, BEGINNING OF YEAR	**406,612**	411,652	497,676	**(5,040)**	(86,024)	**(1.2)**	(17.3)
NET POSITION, END OF YEAR	**$ 434,429**	406,612	411,652	**27,817**	(5,040)	**6.8 %**	(1.2)

SUMMARY

The System's net position - restricted for pensions on a market value basis was $430.4 million (excluding the Future Benefit Fund of $4.1 million) at September 30, 2024. At the same time the present value of pension obligations was $454.4 million. The System's net pension liability of $24.0 million or 94.7% funded level provides the System cushion for providing benefits. The Board of Trustees believe, and the actuarial calculations confirm, that the System is in a financial position to meet its current and projected obligations. With a continued focus on a prudent investment program, cost controls, and strategic planning, the System should maintain its current funded position over an extended period of years.

REQUESTS FOR INFORMATION

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

John D. Brewer, Executive Director
Firemen's Retirement System of St. Louis
1601 South Broadway
St. Louis, MO 63104-3845 or
e-mail: jdbrewer@frs-stl.org

FINANCIAL STATEMENTS

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

STATEMENTS OF FIDUCIARY NET POSITION

Years Ended September 30, 2024 and 2023

	2024	2023
ASSETS		
Investments at fair value		
Equities		
Corporate stocks	$ 100,743,672	$ 94,617,647
Collective investment funds	102,518,533	56,806,289
Fixed income		
Collective investment funds	46,805,946	82,776,809
Corporate bonds	8,095,359	7,590,673
Government-backed bonds	3,569,677	3,310,669
Mortgage-backed bonds	4,222,220	3,264,919
Real estate investment trust	65,393,925	71,463,924
Hedge funds	49,179,254	49,004,804
Money market funds	6,035,268	7,916,636
Cash with investment managers	277,073	24,190,079
Total investments	386,840,927	400,942,449
Cash and cash equivalents	3,224,954	4,909,389
Receivables		
Employer contribution	443,667	-
Foreign withholding tax reclaims	144,946	235,676
Unsettled investment sale transactions	44,147,919	912,993
Interest and dividends	259,292	234,001
Total receivables	44,995,824	**1,382,670**
Deposit	5,000	**-**
Capital assets, less accumulated depreciation	212,827	219,148
Total assets	435,279,532	407,453,656
DEFERRED OUTFLOWS OF RESOURCES		
System's staff pension related	210,885	274,946
LIABILITIES		
Net pension liability - System's staff pension related	591,408	559,942
Accrued investment management fees	286,781	291,642
Accrued administrative expenses	105,706	171,631
Members' contributions refundable	24,528	24,528
Unsettled investment purchase transactions	52,545	66,742
Total Liabilities	1,060,968	1,114,485
DEFERRED INFLOWS OF RESOURCES		
System's staff pension related	-	2,310
NET POSITION - RESTRICTED FOR PENSIONS	$ 434,429,449	$ 406,611,807

See accompanying notes to financial statements.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION

Years Ended September 30, 2024 and 2023

	2024	2023
ADDITIONS TO NET POSITION ATTRIBUTED TO		
Investment income		
Net appreciation in fair value of investments	$ 59,259,635	$ 23,033,467
Dividends	2,583,364	1,873,790
Interest	3,180,931	2,953,926
Securities lending income	773,279	851,573
Class action lawsuit proceeds	12,306	59,124
Total investment income	65,809,515	28,771,880
Less - Investment management, custodial, and securities lending fees	2,126,773	2,084,414
Net investment income	63,682,742	26,687,466
Employer contributions	4,436,672	3,546,643
Total additions	68,119,414	30,234,109
DEDUCTIONS FROM NET POSITION ATTRIBUTED TO		
Benefits paid to retirees and beneficiaries	36,385,256	32,120,261
Refunds of Members' contributions	2,589,446	1,968,556
Administrative expenses	1,327,070	1,185,585
Total deductions	40,301,772	35,274,402
CHANGE IN NET POSITION	27,817,642	(5,040,293)
NET POSITION - RESTRICTED FOR PENSIONS, BEGINNING OF YEAR	406,611,807	411,652,100
NET POSITION - RESTRICTED FOR PENSIONS, END OF YEAR	$ 434,429,449	$ 406,611,807

See acompanying notes to financial statements.

1. DESCRIPTION OF PLAN

The Firemen's Retirement System of St. Louis (the System) administers a single employer defined benefit pension plan providing pension benefits to the City of St. Louis firemen (the Members). The System is frozen as of February 1, 2013. Active Members on February 1, 2013 are classified as "grandfathered" Members, and benefits paid to these Members are based on the Member's service and salary earned as of February 1, 2013. Membership in the System consists of:

	September 30,		Increase
	2024	**2023**	**(Decrease)**
Currently receiving benefits			
Retirees	583	575	8
Beneficiaries	233	244	(11)
Total currently receiving benefits	816	819	(3)
Current Active Members			
Vested - participating in DROP	75	94	(19)
Vested - nonDROP	171	184	(13)
Nonvested	124	129	(5)
Total current active members	370	407	(37)
TOTAL MEMBERSHIP	1,186	1,226	(40)

The System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service (compulsory retirement at age 60 with 30 years of service). The monthly allowance consists of 40% of the final two-year average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of final average compensation for each additional year of service after 25 years with a maximum pension of 75%. Unused accrued sick pay accumulated before February 1, 2013 may increase the maximum pension beyond this limitation.

Covered Members contributed 8% of their salary through February 1, 2013 (date frozen). Upon leaving employment, the Member's contributions are refunded. In addition, terminated Members receive interest.

1. DESCRIPTION OF PLAN (Continued)

During the fiscal year ended August 31, 1994, the System, in accordance with Ordinance 62994 of the City of St. Louis (the City), initiated a Deferred Retirement Option Plan (DROP). The DROP option is available to Members of the System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those Members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account of the Member, and the Member's contributions are 1% (previously reduced to 1% from the normal 8% through February 1, 2013). During participation in DROP, the Member will not receive credit for employer contributions or credit for service. A Member may participate in DROP only once for any period up to five years. At retirement, the funds in the Member's DROP account plus: 1) interest and 2) accrued sick leave if elected is available to the Member in a lump sum or installments. The number of Members with DROP account balances and currently participating at September 30, 2024 and 2023 were as follows:

	Active Members				**DROP Account Balances**	
	Currently Participating	**Previously Participated**	**Retirees with DROP Balance**	**Total DROP Accounts**	**Active Members**	**Retired Members**
2024	75	51	160	285	$ 17,398,644	$ 31,956,523
2023	94	56	150	300	19,537,381	25,813,500

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied by the System in the preparation of the accompanying financial statements are summarized as follows:

a. Reporting Entity

The System is a fiduciary trust fund of the City. As such, the System is included in the City's Annual Comprehensive Financial Report as a fiduciary component unit. The System and its Board of Trustees (Board) are not financially accountable for any other entities or other organizations. Accordingly, the System is the only entity included in this financial report.

b. Board Composition

The Board shall consist of eight (8) Trustees, three (3) of whom are elected by the active Members of the System, one (1) of whom is elected by the retired Members of the System, two (2) of whom are appointed by the Mayor of the City, and two (2) of whom are Trustees by virtue of offices (Fire Chief and the Comptroller of the City or the Comptroller's designee - Deputy Comptroller or the First Assistant Comptroller).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Measurement Focus and Basis of Accounting

The System's financial statements were prepared in accordance with accounting principles generally accepted in the United States of America as applicable to governmental organizations. In doing so, the System adheres to the reporting requirements established by the Governmental Accounting Standards Board (GASB). Employer's contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the System's benefit provisions. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Dividend income is recognized based on the ex-dividend date and interest income is recognized on the accrual basis as earned. Fair value changes are recorded as investment income or loss. Investment purchases and sales are recorded on a trade-date basis (the date upon which the transaction is initiated).

d. GASB 67 Financial Reporting Model

The System's financial statements are prepared in conformity with GASB 67's financial reporting requirements for governmental pension systems. GASB 67 includes required presentation of the financial statements, notes to financial statements, and RSI. An actuarial calculation of the total and net pension liability (excess assets) as defined in the accounting standard is included in the notes to the financial statements and RSI. Other comprehensive footnote disclosures include the sensitivity of the net pension liability (excess assets) to the discount rate and investment activity disclosures. The total employer's projected net pension liability (excess assets) is presented in the notes to financial statements and is calculated using a discount rate (long-term or blended) depending on the sufficiency of projected net position to cover projected benefit payments of retirees and beneficiaries.

e. Investment Valuation

Investments are reported at fair value. Short-term money market investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. On September 30 or on the last reported bid price if no sale was made on that date, fixed-income securities are valued principally using quoted market prices provided by independent pricing services. For collective investments, fair value is determined and certified by the investment managers as of the reporting date. Hedge funds and real estate investment trusts are measured at net asset value (NAV). Real estate investments are valued at estimated fair value as determined by the general partner, based upon appraisals provided by the investment manager. Hedge funds investments are reported at estimated fair value as determined by the general partner of the investment vehicle.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Cash and Cash Equivalents

Cash on deposit with Commerce Bank N.A. is maintained for the System by the Treasurer of the City.

g. Operating Expenses

Benefits paid and administrative expenses are approved by the Board. Payments are processed by the Treasurer of the City.

h. Net Position - Restricted for Pensions

The System's net position - restricted for pensions consist of:

Member's Savings Fund - Members contributed 8% of their compensation to the System through February 1, 2013 (date frozen). Such contributions are credited to the Member's Savings Fund. Interest, at a rate determined by the Board, is credited annually on the balance in each Member's account during the preceding year. Withdrawal refunds of Member's accumulated contributions are charged to this fund. Upon retirement or death in service of a Member with a surviving beneficiary, the Member's own contributions are refunded. Upon termination of employment or death in service with no survivor, the Member's contributions, including interest, are refunded. The balance at September 30, 2024 and 2023 was $70,902,873 and $78,346,279, respectively.

Benefit Reserve Fund - Upon retirement or death, the Benefit Reserve Fund is payable to the Member or their beneficiaries. This amount is determined by the actuaries, in accordance with Ordinances 49623, 56444, 57603, 58242, 58651, 58652, and 59018. An amount is transferred from the General Reserve Fund which, when added to the amount transferred from Member's Savings Fund, brings the balance of the Benefit Reserve Fund to an amount equal to the present value of future benefits. The balance at September 30, 2024 and 2023 was $328,607,925 and $322,625,042, respectively.

General Reserve Fund - Contributions made by the City are credited to the General Reserve Fund. The present value of all future estimated benefits payable to active Members on death or retirement not provided by Member's contributions are accumulated in this fund. The balance excluding the System's Employees Benefit Fund at September 30, 2024 and 2023 was $30,707,104 and $1,676,396, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Net Position - Restricted for Pensions (Continued)

Future Benefit Fund - The Future Benefit Fund was established June 29, 1990 by City Ordinance as a method to fund increased benefits for retired Members. The funding of the Future Benefit Fund was terminated per the City Ordinance after fiscal year ended August 31, 1993. The balance in the fund will be used for future benefits until it is exhausted. Benefits of $180,329 and $0 were paid from the Future Benefit Fund during the years ended September 30, 2024 and 2023, respectively. The System entered into a settlement agreement with the City regarding sick leave benefits. The settlement required a one-time payment of $1,070,749 during the year ended September 30, 2015 and 15 annual transfers between the Future Benefit Fund and the General Reserve Fund of $166,792 starting with the year ended September 30, 2016 (see Note O). The Future Benefit Fund is excluded from the assets used in determining the employer's contribution requirement. The balance at September 30, 2024 and 2023 was $4,050,105 and $3,802,648 respectively.

System Employees Benefit Fund - On August 28, 1997, the Board approved a resolution to provide additional benefits for the administrative employees of the System in the form of severance pay and a limited retirement package. The severance pay applies to employees who are dismissed for any reason other than for just cause based on the wrongful conduct of the employee. The dismissed employee would be entitled to one month's pay for each year or part of year that the employee has been employed by the System. The retirement package is for employees who have completed five years of service. Upon completing five years of service, the employee will have five months of salary credited to him or her. Thereafter the employee will be credited with a month of salary upon completion of each additional year of service. Employees accrued additional benefits of $17,278 and $16,285 for the years ended September 30, 2024 and 2023, respectively. The employees must make a one-time election as to how their accounts will be credited each anniversary date with interest on the account. There were no benefits paid from the System Employees Benefit Fund during the years ended September 30, 2024 and 2023. The System Employees Benefit Fund is excluded from the assets used in determining the employer's contribution requirement. The balance at September 30, 2024 and 2023 was $161,442 for both years.

The severance pay benefit program provided to administrative employees of the System was frozen to the current and future System's employees effective September 30, 2014. Future interest accrual or losses on employees' vested accounts is limited to one identified employee of the System.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Use of Estimates

The preparation of the System's financial statements in conformity with accounting principles generally accepted in the United States of America requires management and the System's actuary to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net position during the reporting period. Actual results could differ from those estimates.

j. Capital Assets

Expenditures for property and equipment exceeding $1,000 are capitalized and depreciated over the estimated useful lives of the capital assets on the straight-line method as follows:

Assets	Years
Building	40
Building Improvements	10-15
Furniture, equipment, and software	5-10

Expenditures for repairs and maintenance are expensed as incurred. Gains and losses on disposition of property and equipment are included in changes in fiduciary net position as realized.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

Capital assets, net of accumulated depreciation, is summarized by major classification as follows:

	For the Year Ended September 30, 2024			
	Balance September 30, 2023	**Increases**	**Decreases**	**Balance September 30, 2024**
Capital assets not being depreciated				
Land	$ 83,086	$ -	$ -	$ 83,086
Capital assets being depreciated:				
Building	205,417	-	-	205,417
Building improvements	232,702	-	-	232,702
Furniture, equipment, and software	501,562	3,493	3,994	501,061
Total capital assets being depreciated	939,681	3,493	3,994	939,180
Less - accumulated depreciation for				
Building	113,834	5,135	-	118,969
Building improvements	189,216	3,172	-	192,388
Furniture, equipment, and software	500,569	1,507	3,994	498,082
Total accumulated depreciation	803,619	9,814	3,994	809,439
Total capital assets being depreciated, net	136,062	(6,321)	-	129,741
TOTAL CAPITAL ASSETS, NET	$ 219,148	$ (6,321)	$ -	$ 212,827

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets (Continued)

	For the Year Ended September 30, 2023			
	Balance September 30, 2022	**Increases**	**Decreases**	**Balance September 30, 2023**
Capital assets not being depreciated				
Land	$ 83,086	$ -	$ -	$ 83,086
Capital assets being depreciated				
Building	205,417	-	-	205,417
Building improvements	232,702	-	-	232,702
Furniture, equipment, and software	501,562	-	-	501,562
Total capital assets being depreciated	939,681	-	-	939,681
Less - accumulated depreciation for				
Building	108,699	5,135	-	113,834
Building improvements	185,337	3,879	-	189,216
Furniture, equipment, and software	498,685	1,884	-	500,569
Total accumulated depreciation	792,721	10,898	-	803,619
Total capital assets being depreciated, net	146,960	(10,898)	-	136,062
TOTAL CAPITAL ASSETS, NET	$ 230,046	$ (10,898)	$ -	$ 219,148

Depreciation expense for the years ended September 30, 2024 and 2023 was $9,814 and $10,898, respectively.

k. Staff Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the Employees Retirement System of the City of St. Louis (ERS), a cost-sharing, multi-employer defined benefit plan and additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, contributions from employers and net pension liability are recognized on an accrual basis of accounting.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Deferred Outflows/Inflows of Resources

In addition to assets, the statements of fiduciary net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of fiduciary net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

The System currently has deferred inflows and outflows from GASB 68 pension elements from the System's staff participation in ERS which is reported on the statement of fiduciary net position.

m. Reclassification

Certain amounts from the 2023 statement of changes in fiduciary net position were reclassified to conform with the current year presentation.

3. CASH AND CASH EQUIVALENTS

The System's bank deposits are required by state law to be secured by the deposit of certain securities specified by RSMo 30.270. The collateralized securities are held by a trustee institution. The value of the securities must amount to the total of the System's cash not insured by the Federal Deposit Insurance Corporation (FDIC). The System's bank deposits as of September 30, 2024 and 2023 were $3,819,657 and $5,044,907, respectively. Both years' balances were insured by the FDIC or collateralized with securities held by the pledging financial institution's trust department in the System's name. The System's carrying amount of bank deposits was $3,224,954 and $4,909,389 as of September 30, 2024 and 2023, respectively.

4. CONTRIBUTION RECEIVABLE - EMPLOYER

Employer contributions are calculated by the System's actuary (Gabriel, Roeder, Smith & Company). The employer contributions due to the System for the years ended September 30, 2024 and 2023 were $4,436,672 and $3,546,643, respectively.

Contribution receivable - employer consists of the following:

	September 30, 2024	September 30, 2023
Contributions receivable, beginning of year	$ -	$ -
Current year contributions due from the employer as calculated by the System's actuary	4,436,672	3,546,643
Current year contributions remitted to the System	3,993,005	3,546,643
TOTAL CONTRIBUTIONS RECEIVABLE, END OF YEAR	$ 443,667	$ -

5. INVESTMENTS

Section 104.440, RSMo allow the Board of Trustees to invest the System's assets in accordance with the prudent person rule. The Systems' policy with respect to the allocation of invested assets, is established and may be amended by the Board of Trustees' majority vote. The Board's guiding principles with respect to the investment of the System's assets are to maximize total return within prudent risk parameters, and act in the exclusive interest of the members of the System. The Board has developed a risk-weighted policy allocation that is designed to achieve the long-term actuarial return assumption of the System, given certain risk constraints. The current asset allocation reflects a diversified portfolio, which will perform well in a variety of economic conditions and will help reduce the portfolio's overall volatility. The System's investment consultant monitors investment returns by manager and specific benchmarks based on investment standards for the objective of the investment portfolio.

5. INVESTMENTS (Continued)

Investments of the System are managed by various investment managers hired by the Board to invest according to investment policy guidelines established by the Board. The fair value of investments managed consisted of the following:

	September 30, 2024	September 30, 2023
ABS Investment Management, LLC (multi-strategy hedge fund)		
Hedge fund	$ 22,658,681	$ 24,135,621
Acadian Asset Management, LLC (international small cap)		
Collective investment fund - equity	22,366,984	17,029,163
Argent Capital Management, LLC (U.S. large cap growth index)		
Corporate stocks	27,112,901	25,768,665
Money market fund	133,209	447,071
	27,246,110	26,215,736
The Commerce Trust Company (core plus domestic fixed income)		
Corporate bonds - active core, primarily domestic	8,095,359	7,590,673
Government-backed bonds	3,569,677	3,310,669
Mortgage-backed bonds	4,222,220	3,264,919
Money market fund	104,292	20,158
	15,991,548	14,186,419
Eagle Capital Management, LLC (U.S. large cap value)		
Corporate stocks	23,871,099	24,328,812
Money market fund	1,230,202	2,362,687
	25,101,301	26,691,499
EnTrust Capital Diversified Fund, Ltd. (multi-strategy hedge fund)		
Hedge fund	679,003	1,033,884

5. INVESTMENTS (Continued)

	September 30, 2024	September 30, 2023
Fisher Investments, Inc. (international large cap value)		
Corporate stocks	$ 31,778,704	$ 29,690,295
Money market fund	144,264	42,168
Cash with investment manager	-	859
	31,922,968	29,733,322
Integrity Asset Management, LLC (U.S. small/ mid-cap value)		
Collective investment fund - equity	19,773,039	17,250,775
Cash with investment manager	(875)	(875)
	19,772,164	17,249,900
K2 Muana Kea, LLC (multi-strategy hedge fund)		
Hedge fund	12,775	748,717
MacKay Shields Collective Investment Trust (fixed income)		
Collective investment fund - domestic aggregate	-	41,566,917
Magnitude Institutional, LLC (multi-strategy hedge fund)		
Hedge fund	25,828,795	23,086,582
The Northern Trust Company (S&P 500 index fund)		
Collective investment fund - equity	30,709,281	22,526,351
Money market fund	4,226,824	4,486,990
Corporate stocks	123,354	98,386
Cash with investment manager	277,948	25,000,000
	35,337,407	52,111,727
Pinnacle Associates, Ltd. (U.S. small/mid cap growth)		
Corporate stocks	17,857,614	14,731,489
Money market fund	196,477	557,562
	18,054,091	15,289,051
Principal Financial Group (core real estate)		
Real estate investment trust	39,099,533	44,261,732

5. INVESTMENTS (Continued)

	September 30, 2024	September 30, 2023
Principal Enhanced Financial Group (core real estate)		
Real estate investment trust	$ 26,294,392	$ 27,202,192
Cash with investment manager	-	(809,905)
	26,294,392	26,392,287
Prudential Trust Company (fixed income)		
Collective investment fund - domestic aggregate	46,805,946	41,209,892
Silchester International Investors (international equity small-cap value)		
Collective investment fund - equity	29,669,229	-
TOTAL INVESTMENTS	$ 386,840,927	$ 400,942,449

Money Market Funds

Money market funds are invested in Northern Trust's Collective Government Short-term Investment Fund. The Fund invests substantially all of its assets in cash equivalents (certificates of deposit and repurchase agreements) and securities (commercial paper and U.S. Treasury obligations) the weighted average maturity was 55 days at September 30, 2024. The fund seeks to preserve value at $1 per share, but the value is not guaranteed.

The System's investments are continuously exposed to various types of inherent risks. These risks are mitigated by the System's development and continual monitoring of sound investment policies. The maturities, credit rating by investment, and foreign currency exposures by asset class schedules are presented as follows to provide an illustration of the System's current level of exposure to various risks.

5. INVESTMENTS (Continued)

Fair Value

The System categorized its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The System has the following recurring fair value measurements as of September 30, 2024 and 2023:

Investments Measured at Fair Value

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 are valued using unobservable inputs where pricing requires significant adjustments or estimation.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as an indication of the risk associated with investing in these securities.

The remaining investments not categorized under the fair value hierarchy are shown at net asset value (NAV). NAV is used as a practical expedient to estimate the fair value of the System's interest therein, unless it is probable that all or a portion of the investment will be sold for an amount different from NAV. As of September 30, 2024, the System had no specific plans or intentions to sell investments at amounts different from NAV.

Real Estate Investments

The System invests in real estate investment trusts (REITS) which invest in real estate located in the United States.

Real estate investments are carried at fair value, generally based on the net asset value (or its equivalent) (NAV). Properties are initially recorded at the purchase price plus closing costs. Development costs and major renovations are capitalized as a component of cost, and routine maintenance and repairs are charged to expense as incurred. Real estate costs include the cost of acquired property, including all the tangible and intangible assets. Tangible assets include the value of all land, building and tenant improvements at the time of acquisition. Intangible assets include the value of any above and below market leases, in-place leases, and tenant relationships at the time of acquisition.

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

Real Estate Investments (Continued)

In general, fair value estimates are based upon property appraisal reports prepared by independent real estate appraisers (members of the Appraisal Institute or an equivalent organization) within a reasonable amount of time following acquisition of the real estate and no less frequently than annually thereafter. The real estate trust's General Partner is responsible for ensuring that the valuation process provides independent and reasonable property fair value estimates. Unaffiliated third-party appraisal firms assist the General Partner in maintaining and monitoring the independence and the accuracy of the appraisal process.

Determination of estimated fair value of real estate involves subjective judgement because the actual fair value of real estate can be determined only by negotiation between parties in a sale transaction and amounts ultimately realized may vary from the fair value presented. The General Partner's approval is required to approve the buyer before the sale of real estate investment properties can be completed.

The REITS at times invest in real estate joint ventures. The REITS do not consolidate investments in joint ventures in which the REIT has significant influence but not overall control. For the investments in unconsolidated joint ventures, the investments are initially recorded at the original investment amounts, are subsequently adjusted for the REIT's share of undistributed earnings and losses (including unrealized and realized gain (loss)) from the underlying entities form the dates of formation, are increased by additional contributions, and are reduce by distributions received.

Hedge Fund Investments

The System invests in hedge fund which invests in portfolio funds and private companies. Hedge fund investments are valued at fair value in accordance with USGAAP. The fair value of the Fund's assets and liabilities approximates the carrying amounts presented in this statement of assets and liabilities. The administrator, subject to the supervision of the directors and in consultation with the manager, is responsible for determining and calculating the fair value of the fund's assets and liabilities, including all investments. The manager review and approves the administrator's valuations and calculations.

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

Hedge Fund Investments (Continued)

Hedge fund managers invest in portfolio funds which are stated at fair value, generally based on the net asset value (or its equivalent) NAV provided by each portfolio fund's administrator or manager. The fund is typically permitted, but not required, to use the net asset value as a practical expedient for fair value without the evaluation of other factors (subject to certain restrictions). Due to the inherent uncertainty in the valuation of private fund investments, the stated fair values of the portfolio funds held by the fund may differ significantly from the values that would have been used had a ready market for these investments existed, and the differences could be material.

Under certain circumstances, an adjustment to the valuation of a portfolio fund may be considered. This would generally be determined where the value provided by the portfolio fund's administrator or manager does not represent fair value in the opinion of the hedge fund manager, the value is not provided by the portfolio fund's administrator or manager, or the value is not provided on a timely basis. These investments may be valued using a third-party valuation specialist or other available information from a third-party (e.g., the administrator or manager of a portfolio fund). The manager will generally consult with the directors when considering valuation in these instances.

Hedge fund value may include redemptions receivable from investment in portfolio funds which represent the amounts due from portfolio funds for which redemption requests have been submitted. The fund carries its redemptions receivable at fair value which includes an assessment of collectability.

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

The System has the following recurring fair value measurements as follows:

	September 30, 2024			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments, at fair value				
Corporate stocks				
Domestic	$ 65,328,036	$ -	$ -	$ 65,328,036
International	35,415,636	-	-	35,415,636
Corporate bonds				
Domestic	-	8,095,359	-	8,095,359
Government-backed bonds	-	3,569,677	-	3,569,677
Mortgage-backed bonds	-	4,222,220	-	4,222,220
Total investments by fair value level	$ 100,743,672	$ 15,887,256	$ -	116,630,928
Investments measured at net asset value (NAV)				
Real estate investment trust				65,393,925
Hedge funds				49,179,254
Collective investment funds - domestic equity				50,482,320
Collective investment funds - international equity				52,036,213
Collective investment funds - domestic fixed income				46,805,946
Total investments measured at NAV				263,897,658
TOTAL INVESTMENTS MEASURED AT FAIR VALUE				$ 380,528,586

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

	September 30, 2023			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments, at fair value				
Corporate stocks:				
Domestic	$ 61,624,417	$ -	$ -	$ 61,624,417
International	32,993,230	-	-	32,993,230
Corporate bonds:				
Domestic	-	7,590,673	-	7,590,673
Government-backed bonds	-	3,310,669	-	3,310,669
Mortgage-backed bonds	-	3,264,919	-	3,264,919
Total investments by fair value level	$ 94,617,647	$ 14,166,261	$ -	108,783,908
Investments measured at net asset value (NAV)				
Real estate investment trust				71,463,924
Hedge funds				49,004,804
Mortgage-backed bonds				-
Collective investment funds - domestic equity				39,777,126
Collective investment funds - international equity				17,029,163
Collective investment funds - domestic fixed income				82,776,809
Total investments measured at NAV				260,051,826
TOTAL INVESTMENTS MEASURED AT FAIR VALUE				$ 368,835,734

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

For the investments measured at fair value based on NAV as a practical expedient:

	September 30, 2024			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Real estate investment trusts				
Principal Financial Group	$ 39,099,533	$ -	Daily	N/A
Principal Enhanced Financial Group	26,294,392	-	Quarterly	N/A
Hedge funds:				
Magnitude Institutional, LLC	25,828,795	-	Quarterly	65days
ABS Investment Management, LLC	22,658,681	-	Monthly	60days
K2 Mauna Kea, LLC	12,775	-	Varies by Fund	Varies by Fund
Entrust Capital Diversified Fund, Ltd.	679,003	-	In Liquidation	N/A
Collective investment funds - equity				
Northern Trust Company	30,709,281	-	Daily	N/A
Acadian Asset Management, LLC	22,366,984	-	Daily	N/A
Integrity Asset Management, LLC	19,773,039	-	Daily	N/A
Silchester International Investors, LLP	29,669,229	-	Daily	N/A
Collective Investment Funds - fixed income				
Prudential Trust Company	46,805,946	-	Daily	N/A
TOTAL	$ 263,897,658	$ -		

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

	September 30, 2023			
	Fair Value	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice Period**
Real estate investment trusts				
Principal Financial Group	$ 44,261,732	$ -	Daily	N/A
Principal Enhanced Financial Group	27,202,192	-	Quarterly	N/A
Hedge funds:				
Magnitude Institutional, LLC	23,086,582	-	Quarterly	65 days
ABS Investment Management, LLC	24,135,621	-	Monthly	60 days
K2 Mauna Kea, LLC	748,717	-	Varies by Fund	Varies by Fund
Entrust Capital Diversified Fund, Ltd.	1,033,884	-	In Liquidation	N/A
Collective investment funds - equity				
Northern Trust Company	22,526,351	-	Daily	N/A
Acadian Asset Management, LLC	17,029,163	-	Daily	N/A
Integrity Asset Management, LLC	17,250,775	-	Daily	N/A
Collective Investment Funds - fixed income				
Prudential Trust Company	41,209,892	-	Daily	N/A
Mackay Shields Collective Trust	41,566,917	-	Daily	N/A
TOTAL	$ 260,051,826	$ -		

The following schedule provides a summary of the fixed income investment maturities by investment category, which helps demonstrate the current level of interest rate risk assumed by the System:

	Maturities as of September 30, 2024				
Fixed Income Investment Category	**Total**	**Less Than One Year**	**1 - 5 Years**	**6 - 10 Years**	**More Than 10 Years**
Collective investment funds	$ 46,805,946	$ 1,450,984	$ 21,858,377	$ 15,726,798	$ 7,769,787
Corporate bonds	8,095,359	299,412	2,713,922	2,428,755	2,653,270
Government-backed	3,569,677	-	1,038,062	1,628,844	902,771
Mortgage-backed	4,222,220	-	329,333	300,622	3,592,265
TOTAL	$ 62,693,202	$ 1,750,396	$ 25,939,694	$ 20,085,019	$ 14,918,093

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

Fixed Income Investment Category	Maturities as of September 30, 2023				
	Total	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Collective investment funds	$ 82,776,809	$ 1,998,629	$ 35,599,204	$ 17,200,056	$ 27,978,920
Corporate bonds	7,590,673	294,545	2,573,900	1,808,223	2,914,005
Government-backed	3,310,669	426,249	945,645	1,234,060	704,715
Mortgage-backed	3,264,919	-	505,974	-	2,758,945
TOTAL	$ 96,943,070	$ 2,719,423	$ 39,624,723	$ 20,242,339	$ 34,356,585

Certain collective investment funds are classified by average maturities of the portfolios.

The System's fixed income investments current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table:

Credit Rating Level	Credit Rating as of September 30, 2024				
	Total	Collective Investment Funds	Corporate Bonds	Government Backed	Mortgage Backed
AAA	$ 19,036,372	$ 15,352,350	$ -	$ 2,881,800	$ 802,222
AA	15,788,187	11,514,263	422,760	687,877	3,163,287
A	10,512,810	4,961,430	5,366,869	-	184,511
BBB	10,615,777	8,237,847	2,305,730	-	72,200
BB	3,276,416	3,276,416	-	-	-
B	1,731,820	1,731,820	-	-	-
Not rated	1,731,820	1,731,820	-	-	-
TOTAL	$ 62,693,202	$ 46,805,946	$ 8,095,359	$ 3,569,677	$ 4,222,220

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

	Credit Rating as of September 30, 2023				
Credit Rating Level	**Total**	**Collective Investment Funds**	**Corporate Bonds**	**Government-Backed**	**Mortgage-Backed**
AAA	$ 34,544,427	$ 31,427,901	$ -	$2,108,952	$ 1,007,574
AA	12,241,712	8,493,165	539,230	1,201,717	2,007,600
A	13,819,069	8,691,565	4,953,092	-	174,412
BBB	21,604,304	19,430,620	2,098,351	-	75,333
BB	8,826,620	8,826,620	-	-	-
B	2,519,516	2,519,516	-	-	-
Not rated	3,387,422	3,387,422	-	-	-
TOTAL	$ 96,943,070	$ 82,776,809	$ 7,590,673	$ 3,310,669	$ 3,264,919

Certain collective investment funds are classified by average credit rating levels of the portfolios.

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's policy is to allow the individual investment managers to decide what action to take regarding their respective portfolio's foreign currency exposure.

5. INVESTMENTS (Continued)

Fair Value (Continued)

Investments Measured at Fair Value (Continued)

Foreign Currency Risk (Continued)

The following table demonstrates the System's current level of foreign currency exposure:

Foreign Currency Exposures of Equity
in U.S. Dollars as of September 30

Currency	2024	2023
Australian Dollar	$ 1,204,748	$ 1,189,236
British Pound Sterling	4,376,673	4,577,886
Denmark Krone	1,587,382	1,619,624
Euro	14,447,410	13,875,972
Japanese Yen	5,728,786	3,188,997
New Zealand Dollar	-	331,534
Norwegian Krone	465,202	701,155
South Korean Won	-	485,805
Sweden Krona	490,088	-
Switzerland Franc	583,326	539,127
Total Foreign Currency	28,883,615	26,509,336
United States Dollar	174,378,590	149,914,600
TOTAL	$ 203,262,205	$ 176,423,936

Investments Policies

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of a counterparty, the System will not be able to recover the value of the investments that are in the possession of the counterparty.

5. INVESTMENTS (Continued)

Investments Policies

Custodial Credit Risk

The System does not have a general policy addressing custodial credit risk, but it is the practice that all investments are held by the System's agent in the System's name, except the hedge fund investment and hedge funds where the assets in the hedge funds are held in the name of the trustee of the trust or general partnership. The System retains investment managers that specialize in the investment of a particular asset class. Investment managers are subject to the guidelines and controls established in the investment policy and contract executed with the Board of Trustee. The System utilized a third party (Northern Trust) as custodian over the System's assets.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's minimum credit quality for each fixed income security shall be "BBB" (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. The fixed income portfolio should have an average quality rating of at least "A" (or its equivalent). Commercial paper issues must be rated at least "A1" (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. In the event of a downgrade below investment grade by any rating agency, the investment manager is required to notify the Board and investment consultant as soon as possible and to refrain from any further investment in the downgraded issue.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments in fixed income securities are subject to interest rate risk. These fixed income investments are managed in accordance with monitoring and control policies established by the Board that are specific as to the degree of interest rate risk that can be taken. The System's policies manage the interest rate risk within the portfolio using various methods including average maturity, credit rating, and broad market indexes. The effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the investment manager's broad market benchmark.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's policy does not allow the concentration per issuer to exceed 5% of the portfolio's fair value at cost, with the exception of cash, cash equivalents, U.S. Treasury, or U.S. Agency securities. Furthermore, the investment manager may not hold more than 5% of the outstanding shares of any single issuer except for U.S. Treasuries or Agencies. Investment in any single fund of hedge funds shall not exceed 10% of the fund's fair value.

5. INVESTMENTS (Continued)

Investments Policies (Continued)

Concentration of Credit Risk (Continued)

It is the System's current policy to invest in each asset class ranging between a minimum and maximum of total System's investments as shown below:

Asset Class as a Percent of Total Assets

Asset Class	Minimum	Target Mix	Maximum
Domestic equity			
Large Cap	15%	20%	25%
Small Mid Cap	4%	9%	14%
International Equities	19%	24%	29%
Fixed income	22%	27%	32%
Real estate trust	10%	15%	20%
Hedge Funds	0%	5%	10%

Long-term Expected Rate of Return

Long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the System's target asset allocation as of September 30, 2024 and 2023 are summarized in the following table:

Asset Class	Long term Expected Real Rate of Return
Core Bonds	2.56%
Core Plus	2.87%
Absolute Return	4.75%
US Large Cap Equity	7.15%
US Small Cap Equity	8.58%
International Developed Equity	8.03%
Emerging Market Equity	9.29%
Core Real Estate (REIT)	6.54%
Value Add Real Estate	8.04%
Money Market	0.00%

5. INVESTMENTS (Continued)

Investments Policies (Continued)

Long-term Expected Rate of Return (Continued)

The above long-term expected real rates of return represent best estimates of mathematical rates of return for each major asset class included. These rates of return are shown net of inflation (assumed at 2.75%).

Liquidity Risk

Liquidity Risk is the risk that redemption notice periods are required and longer periods may be imposed before payment of redemption proceeds are settled for the following investments:

- ABS Investment Management, LLC (Hedge Fund)
- EnTrust Capital Diversified Fund QP, Ltd. (Hedge Fund)
- K-2 Muana Kea, LLC (Hedge Fund)
- Magnitude Institutional, LLC Class A (Hedge Fund)
- The Principal U.S. Property & Enhanced U.S. Property Accounts (REIT)

6. INVESTMENTS GREATER THAN 5% OF NET POSITION - RESTRICTED FOR PENSIONS

Investments which exceed 5% or more of net position - restricted for pensions are as follows:

	September 30,	
	2024	2023
The Principal U.S. Property Account (REIT)	$ 39,099,533	$ 44,261,732
Silchester International Investors	29,669,229	-
Principal Enhanced Property Fund	26,294,392	27,202,192
Magnitude Institutional Management, LLC	25,828,796	23,086,582
ABS Investment Management, LLC	22,658,681	24,135,621

7. NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS

The net appreciation (depreciation) in fair value of investments consists of:

	For the Years Ended September 30	
	2024	**2023**
Equities		
Corporate stocks	$ 25,907,289	$ 21,447,439
Collective investment funds	21,966,405	13,546,099
Fixed income		
Collective investment funds	3,388,688	(978,432)
Corporate bonds	6,519,038	(192,231)
Government-backed bonds	233,459	(115,507)
Mortgage-backed bonds	239,388	(94,663)
Hedge funds	5,331,117	1,883,210
Real estate investment trust	(4,325,749)	(12,462,448)
TOTAL	$ 59,259,635	$ 23,033,467

8. ACTUARIALLY DETERMINED CONTRIBUTIONS BASED ON STATUTORY REQUIRED CONTRIBUTIONS

The actuarial funding method utilized by the System as required by Missouri State Statutes is the entry age frozen liability method. Under this method, any frozen unfunded actuarial accrued liability is amortized over 30 years from the date the liability is added.

Actuarially determined contributions in accordance with this method are as shown in the following table:

	For the Years Ended September 30		Covered Payroll Percentage	
	2024	**2023**	**2024**	**2023**
Required contributions - employer				
Portion of normal cost attributable to the System's fiscal year	$ 3,277,867	$ 2,249,405	13.6%	9.8%
Unfunded actuarial accrued liability amortization payment	1,158,805	1,297,238	4.8%	5.6%
TOTAL EMPLOYER REQUIRED CONTRIBUTIONS	$ 4,436,672	$ 3,546,643	18.5%	15.4%
CONTRIBUTIONS MADE BY EMPLOYER DURING SYSTEM'S FISCAL YEAR	$ 4,436,672	$ 3,546,643	18.5%	15.4%

8. ACTUARIALLY DETERMINED CONTRIBUTIONS BASED ON STATUTORY REQUIRED CONTRIBUTIONS (Continued)

Covered payroll is the payroll on which contributions to the System are based. The covered payroll was $24,021,445 and $22,955,249 for the years ended September 30, 2024 and 2023, respectively.

The reduction in unfunded actuarial accrued liability (UAAL) for the System due to plan and assumption changes attributable to BB 109 on October 1, 2013, was greater than the remaining frozen initial liability (FIL). Consequently, the FIL for the System was set equal to zero at that date. A new FIL was added at September 30, 2015 resulting from actuarial assumption changes (mortality and discount rate) as a result of an actuarial cost study performed. The FIL was $13,721,767 and $13,939,646 at September 30, 2024 and 2023, respectively. The FIL was established October 1, 2019 and the amortization period is 30 years. As of October 1, 2023, the present value of future benefits was less than the actuarial value of assets, therefore, the September 30, 2024 City contribution was set at $4,436,672. As of October 1, 2022, the present value of future benefits was less than the actuarial value of assets, therefore, the September 30, 2023 City contribution was set at $3,546,643.

9. NET PENSION LIABILITY - ENTRY AGE NORMAL ACTUARIAL COST METHOD

The components of the employer's net pension liability (the System's liability determined in accordance with GASB 67 less the fiduciary net position) as of September 30, 2024 and 2023, are shown in the schedules of employer's 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 (excess assets) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of changes in employer's net pension liability (excess assets) presents multi-year trend information about whether the System's fiduciary net positions are increasing or decreasing over time relative to the total pension liability. These schedules are presented in the RSI. The total pension liability as of September 30, 2024 and 2023, are based on an actuarial valuation performed as of October 1, 2024 and 2023, and a measurement date of September 30, 2024 and 2023, using generally accepted actuarial procedures.

9. NET PENSION LIABILITY - ENTRY AGE NORMAL ACTUARIAL COST METHOD (Continued)

Schedules of Net Pension Liability

	September 30, 2024	September 30, 2023
Total pension liability	$ 454,375,810	$ 459,566,562
System's fiduciary net position	430,379,344	402,809,159
NET PENSION (EXCESS ASSETS) LIABILITY	$ 23,996,466	$ 56,757,403
System's Fiduciary Net Position as a Percentage of Total Pension Liability	94.72%	87.65%
Covered Members Payroll (excluding DROP participants)	$ 24,021,445	$ 22,955,249
Net Pension (Excess Assets) Liability as a Percentage of Covered Members Payroll	99.90%	247.25%

The System's fiduciary net position shown in the previous schedules of employer's net pension liability excludes the Future Benefit Fund restricted for SHARE program benefits. The Future Benefit Fund was $4,050,105 and $3,802,648 at September 30, 2024 and 2023, respectively.

The System is closed to new Members, and benefits have been frozen as of February 1, 2013. The actuarial accrued liability is now equal to the present value of frozen accrued benefits and DROP balances as of the measurement date.

9. NET PENSION LIABILITY - ENTRY AGE NORMAL ACTUARIAL COST METHOD (Continued)

Schedules of Net Pension Liability (Continued)

Sensitivity of the net pension liability to changes in the discount rate: the following presents the net pension liability, calculated using the discount rate of 7.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.0%) or 1% point higher (8.0%) than the current rate as of September 30, 2024 and 2023, respectively.

	2024		
	1% Decrease	**Current Discount Rate Assumption**	**1% Increase**
Total pension liability	$ 491,623,128	$ 454,375,810	$ 422,384,102
Net pension (excess assets) liability	61,243,784	23,996,466	(7,995,242)
System's fiduciary net position total pension liability	87.54%	94.72%	101.89%

	2023		
	1% Decrease	**Current Discount Rate Assumption**	**1% Increase**
Total pension liability	$ 498,239,845	$ 459,566,562	$ 426,428,539
Net pension (excess assets) liability	95,430,686	56,757,403	23,619,380
System's fiduciary net position total pension liability	80.85%	87.65%	94.46%

Discount Rate Used to Calculate the Present Value of Future Benefit Payments

A single discount rate was used to measure the total pension liability. This single discount rate was based on the expected rate of return on the System's investments of 6.75%. This single discount rate is net of administrative expense assumption of 25 basis points and net of investment expenses. The projection of cash flows used to determine this single discount rate assumed that the City would make the required contributions as defined by Missouri State Statutes. Based on these assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current Members and their beneficiaries. Therefore, the long-term expected rate of return on the System's investments was applied to all periods of projected benefit payments to determine the total pension liability. The long-term expected rate of return and for GASB 67 and 68 is increased by 25 basis points to 7.00%, which is gross of administrative expenses.

9. NET PENSION LIABILITY - ENTRY AGE NORMAL ACTUARIAL COST METHOD (Continued)

Methods and Assumptions used in Calculations of Actuarially Determined Pension Liability

Method	
Valuation date	October 1, 2024 and 2023
Actuarial cost method (GASB 67 reporting)	Entry-age normal
Asset valuation method (GASB reporting)	Fair value
Actuarial assumptions	
Investment rate of return	6.75%, net of investment and administrative expenses
Long-term municipal bond rate	3.81% for 2024 and 4.40% for 2023
Rate of payroll growth	2.75% to 4% based on service. Benefits have been frozen as of February 1, 2013, therefore, no salary increases have been assumed for purposes of determining benefits
Consumer price inflation	2.5%
Mortality	Post-retirement ordinary-Pub-2010 Public Safety Employee Mortality Table, sex distinct Pre-retirement -Pub 2010 Public Safety Employee Mortality Tables, sex distinct Post-Disability-Pub-2010 Public Safety Employee Mortality Tables, sex distinct

Future mortality improvements are reflected by projecting the base mortality tables forward from the year 2010 using MP-2021 projection scale.

Cost-of-living adjustments (COLA):

Under Age 60

Service Years	COLA
20-24	1.50%
25-29	2.25%
30 or more	3.00%

Over Age 60

5% with a maximum of 25% in increases after age of 60

10. SECURITIES LENDING

The System participated in The Northern Trust Company's (NTC) securities lending program in order to enhance the investment yield. In a securities lending transaction, the System transfers possession - but not title - of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moody's or Standard and Poor's. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by NTC. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the fair value of the securities lent. The System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The System continues to earn income on the loaned security. In addition, the System receives 70% of the net lending fees generated by each loan of securities.

NTC receives the remaining 30% of the net lending fees as compensation for its services provided in the securities lending program. NTC indemnifies operational risk and counter party risk. The System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities.

The System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the statements of fiduciary net position and changes in fiduciary net position do not reflect an increase in assets or liabilities associated with securities lent.

At September 30, 2024 and 2023, outstanding loans to borrowers were $13,579,038 and $14,652,956, respectively. The System earned income of $773,279, paid rebates of $712,330 and bank fees of $18,263 for its participation in the securities lending program for the year ended September 30, 2024. The System earned income of $851,573, paid rebates of $785,246 and bank fees of $19,870 for its participation in the securities lending program for the year ended September 30, 2023.

11. SYSTEM STAFF PENSION PLAN

General Information about the Pension Plan

Plan Description

All full-time staff at the System are provided with pension benefits through the ERS.

11. SYSTEM STAFF PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Benefits Provided

Upon retirement at age 65, or at any age plus years if credited service equals or exceeds 85 (Rule of 85), employees receive monthly payments for life of yearly benefits equal to years of credited service multiplied by 1.3% of average final compensation plus 2.05% of average final compensation in excess of employee's benefit compensation in excess of the current Social Security wage base. Early retirement can occur at age 60 with at least five years of service. This early service retirement allowance is reduced by 4% for each year prior to age 65 or at the age at which the Rule of 85 would have been satisfied had the employee continued working until that age, if earlier.

Disability retirement is available if an employee has 5 years of creditable service and is totally disabled as determined by the Medical Board. The disability pension is computed in the same manner as normal service retirement.

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

Employees are eligible, after accumulation of 5 years of credited service, for disability benefits prior to eligibility of normal retirement. Survivor benefits are available for beneficiaries of employees who die after at least 5 years of service.

The Deferred Retirement Option Plan (DROP) allows employees who have reached retirement eligibility to begin receiving a pension benefit while continuing to work. The benefit is paid to an employee's DROP account where it earns interest. No creditable service is earned during DROP participation. An employee can participate in DROP for a maximum of 5 years and can immediately retire or continue to work and resume earning creditable service.

Contributions

ERS does not require employee contributions.

The System was contractually required to contribute a percentage of annual payroll as follows:

Service Period	Contribution Rate
July 2024 to Present	17.51%
July 2023 to Present	17.05
July 2022 to June 2023	15.44

11. SYSTEM STAFF PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

Contributions

The amount is actuarially determined and is expected to finance the costs of benefits earned by employees during the year along with any additional amount to finance the unfunded accrued liability. Contributions to ERS from the System were $72,732 and $80,756 for the years ended September 30, 2024 and 2023, respectively.

Net Pension Expense

Net pension expense is the sum of changes in the net pension liability and deferred inflows and outflows of resources. The System's net pension expense was calculated as follows:

	For the Years Ended September 30,	
	2024	**2023**
System's employer contributions	$ 72,732	$ 80,765
Increase (decrease) in net pension liability	31,466	310,903
Increase (decrease) in deferred inflows of resources	(2,310)	(78,154)
(Increase) decrease in deferred outflows of resources	64,061	(191,452)
NET PENSION EXPENSE	$ 165,949	$ 122,053

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

The net pension liability was measured as of the beginning of the System's fiscal years September 30, 2024 and 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The System had a liability of $591,408 (or 0.16%) and $559,942 (or 0.15%) for its proportionate share of ERS' net pension liability for the years ended September 30, 2024 and 2023, respectively. The System's proportion of the net pension liability was based on a projection of the System's long-term share of contributions to ERS relative to the projected contributions of all participating employers, actuarially determined.

11. SYSTEM STAFF PENSION PLAN (Continued)

General Information about the Pension Plan

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

The actuarially determined deferred outflows of resources and deferred inflows of resources related to ERS were from the following sources:

	For the Year Ended September 30, 2024		
	Outflows	**Inflows**	**Net Outflows**
Net difference between expected and actual experience	$ 22,938	$ -	$ 22,938
Net difference between projected and actual earnings on ERS' investments	98,747	-	98,747
Net impact from changes in proportion allocation between the participating employers	16,468	-	16,468
Fiscal year 2025 paid contributions	72,732	-	72,732
TOTAL	$ 210,885	$ -	$ 210,885

	For the Years Ending September 30,				
	Total	**2025**	**2026**	**2027**	**2028**
Deferred outflows (inflows) future recognition	$ 210,885	$ 65,822	$ 21,556	$ 55,789	$ 67,718

11. SYSTEM STAFF PENSION PLAN (Continued)

General Information about the Pension Plan

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

	For the Year Ended September 30, 2023		
	Outflows	**Inflows**	**Net Outflows**
Net difference between expected and actual experience	$ 12,654	$ (2,310)	$ 10,344
Net difference between projected and actual earnings on ERS' investments	159,809	-	159,809
Net impact from changes in proportion allocation between the participating employers	21,727	-	21,727
Fiscal year 2024 paid contributions	80,756	-	80,756
TOTAL	$ 274,946	$ (2,310)	$ 272,636

	For the Years Ending September 30,				
	Total	**2024**	**2025**	**2026**	**2027**
Deferred outflows (inflows) future recognition	$ 272,636	$ 79,064	$ 57,254	$ 40,895	$95,423

11. SYSTEM STAFF PENSION PLAN (Continued)

General Information about the Pension Plan

Actuarial Methods and Assumptions used in Calculations of Actuarially Determined Pension Liability

Valuation date	October 1, 2022 and 2021 (beginning of year) used to calculate the required contribution for ERS' fiscal years ending September 30, 2023 and 2022.
Actuarial methods:	
Actuarial cost method (GASB 68)	Entry-age normal
Amortization method	Fixed 20 year period as of October 1, 2015 as a level percentage of payroll. Future gains and losses and changes in actuarial assumptions will be amortized in layers over 20 year periods
Asset Valuation Method	5 year smoothing
Actuarial Assumptions	
Inflation	2.5%
Salary increases - 2022	2.50% plus merit component based on years of service
Salary increases - 2021	3.00% plus merit component based on years of service
Investment rate of return	7.25%, net of pension plan investment expenses
Consumer price inflation	2.5%
Mortality rates - 2022 and 2021	Active: 135% of the Pub-2010 General Employee below median income mortality table for males and 155% for females projected with generational mortality improvements from 2010 using Scale MP-2019 Health: 125% of the Pub-2010 General Retiree below median income mortality table for males and 120% for females projected with generational mortality improvements from 2010 using Scale MP-2019. Disabled: 120% of the Pub-2010 Non-Safety Disabled retiree mortality table for males and 110% for females projected with generational mortality improvements from 2010 using scale MP-2019.

11. SYSTEM STAFF PENSION PLAN (Continued)

General Information about the Pension Plan

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the ERS' fiduciary net position was projected to be sufficient to make all projected future benefits payments of current plan employees and their beneficiaries.

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 long-term expected rate of return of 7.25%, 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% point lower (6.25%) or 1% point higher (8.25%) than the current rate as of September 30, 2024 and 2023, respectively:

	2024		
	1% Decrease 6.25%	**Current 7.25%**	**1% Increase 8.25%**
Net pension liability	$ 776,217	$ 591,408	$ 434,114

	2023		
	1% Decrease 6.25%	**Current 7.25%**	**1% Increase 8.25%**
Net pension liability	$ 776,217	$ 591,408	$ 434,114

Detailed information about ERS' fiduciary net position is available in the separately issued ERS' financial report.

12. SYSTEM EMPLOYEES' HEALTH CARE BENEFITS

The System will pay health insurance for the employees regardless of whether or not it is the health insurance that the City offers to its employees so long as the cost is less that the City's health insurance plan. Current System employees are reimbursed up to $500 per calendar year for vision care. Reimbursed health care benefits totaled $2,352 and $2,000 for the years ended September 30, 2024 and 2023, respectively.

13. RELATED PARTY TRANSACTIONS

The System reimburses the City 100% of the total salaries, payroll taxes, and employee fringe benefits for the System's employees. The total of these items and the System's expense for the years ended September 30, 2024 and 2023 was $661,073 and $668,864, respectively. The System also reimburses the City for cost allocated from the Treasurer's Department. The System's expenses for the years ended September 30, 2024 and 2023 were $6,231 and $3,427, respectively.

14. RISK MANAGEMENT

The System is exposed to various risks of loss related to breach of fiduciary duties, errors and omissions, and loss of assets, torts, etc. The System has chosen to cover such losses through the purchase of commercial insurance. There have been no material insurance claims filed or paid during the past three fiscal years.

15. COMMITMENTS AND CONTINGENCIES

<u>Unsettled Investment Transactions</u>

The System was committed to the future settlement of investments (sold and purchased). These amounts are reflected in the statements of fiduciary net position as a receivable and liability for unsettled investment transactions, respectively. The pending sales at September 30, 2024 and 2023 were $44,147,919 and $912,993 respectively. The pending purchases at September 30, 2024 and 2023 were $52,545 and $66,742, respectively.

<u>Lawsuits</u>

The System entered into a settlement agreement with the Firefighters' Retirement Plan (FRP) in July 2015 whereby firefighters employed by the City prior to February 1, 2013 are entitled to use unused medical leave that accrued from September 2, 2010 and February 1, 2013 for pension purposes. The cost of the additional sick leave benefits was funded in part with a one-time transfer of $1,070,749 from the System's Future Benefit Fund to FRP paid on October 2, 2015.

The remaining actuarial present value of the cost of the additional sick leave benefits applicable to the System of $1,515,608 shall be paid in full from the System's Future Benefit Fund to the General Reserve Fund of the System on a 15-year amortized basis, with annual payments of $166,792 beginning October 2015. The actuarially determined net present value of the remaining balance to transfer totals was $809,099 and $912,551 as of September 30, 2024 and 2023, respectively.

16. RISKS AND UNCERTAINTIES

Investment Risks

The System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, foreign currency, regulatory, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statements of fiduciary net position.

Experience Risks

Actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

17. TAX STATUS

The System meets the requirements of a governmental plan under Section 414(d) of the Internal Revenue Code (IRC). The System obtained its latest determination letter on December 20, 2016 in which the Internal Revenue Service (IRS) stated that the System, as designed, was in compliance with the applicable requirements of the IRC. The Trustees believe that the System is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, they believe that the System was qualified and the related trust was tax exempt as of the financial date.

Accounting principles generally accepted in the United States of America require the System's Trustees to evaluate tax positions taken by the System and recognize a tax liability if an uncertain position that more likely than not would not be sustained upon examination by the IRS or U.S. DOL. The System's Trustees have analyzed the tax positions taken by the System and has concluded that as of September 30, 2024 and 2023, no uncertain positions are taken or are expected to be taken that would require recognition of a liability or disclosure in the financial statements. The System is subject to routine audits by the taxing jurisdictions; however, there are currently no audits for any tax periods in progress and the System has not been assessed any interest or penalties by the IRS or U.S. DOL.

18. RATE OF RETURN

For the years ended September 30, 2024 and 2023, the annual money-weighted rate of return on the System's investments, net of investment expenses, was 16.79% and 7.53%, respectively. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

19. SUBSEQUENT EVENTS

The System has performed an evaluation of subsequent events through February 14, 2025, the date the financial statements were available to be issued. No material events were identified by the System.

20. SYSTEM RESERVES

Changes in the System's reserves for the years ended 2024 and 2023 are as follows:

	Total	Member's Savings Fund	Benefit Reserve Fund	General Reserve Fund	Future Benefit Fund	Employees Benefit Fund
BALANCE, SEPTEMBER 30, 2022	$ 411,652,100	$ 81,492,199	$ 325,138,765	$ 1,146,483	$ 3,729,496	$ 145,157
Contributions	3,546,643	-	-	3,546,643	-	-
Net investment income less administrative expenses	25,501,881	5,179,621	19,885,126	180,905	239,944	16,285
Transfer due to (surplus) deficit	-	(6,356,985)	9,721,412	(3,364,427)	-	-
Transfer in accordance with Sick Leave Settlement	-	-	-	166,792	(166,792)	-
Benefits paid to retirees and beneficiaries	(32,120,261)	-	(32,120,261)	-	-	-
Refunds of Members' contributions	(1,968,556)	(1,968,556)	-	-	-	-
Change in reserves for the year ended September 30, 2023	(5,040,293)	(3,145,920)	(2,513,723)	529,913	73,152	16,285
BALANCE, SEPTEMBER 30, 2023	406,611,807	78,346,279	322,625,042	1,676,396	3,802,648	161,442
Contributions	4,436,672	-	-	4,436,672	-	-
Net investment income less administrative expenses	62,355,672	12,340,287	48,771,186	649,621	594,578	-
Transfer due to (surplus) deficit	-	(17,194,247)	(6,583,376)	23,777,623	-	-
Transfer in accordance with Sick Leave Settlement	-	-	-	166,792	(166,792)	-
Benefits paid to retirees and beneficiaries	(36,385,256)	-	(36,204,927)	-	(180,329)	-
Refunds of Members' contributions	(2,589,446)	(2,589,446)	-	-	-	-
Change in reserves for the year ended September 30, 2024	27,817,642	(7,443,406)	5,982,883	29,030,708	247,457	-
BALANCE, SEPTEMBER 30, 2024	$ 434,429,449	$ 70,902,873	$ 328,607,925	$ 30,707,104	$ 4,050,105	$ 161,442

REQUIRED SUPPLEMENTAL INFORMATION SECTION

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

GASB STATEMENT NO. 67 PENSION ELEMENTS - SYSTEM RELATED
SCHEDULES OF CHANGES IN NET PENSION LIABILITY (EXCESS ASSETS)

Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
DISCOUNT RATE ASSUMPTIONS (GROSS ADMINISTRAIVE EXPENSE)	7.000%	7.000%	7.000%	7.000%	7.000%	7.000%	7.300%	7.300%	7.300%	7.300%
TOTAL PENSION LIABILITY										
Service cost	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Interest on total pension liability	30,811,856	31,463,798	31,736,762	31,900,271	32,070,852	32,252,813	32,729,886	34,536,458	34,916,115	34,403,495
Benefit changes	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	2,791,765	(2,582,529)	(1,718,793)	(730,385)	(721,053)	(1,287,244)	(5,442,030)	(26,462,974)	(6,984,303)	15,441
Assumption changes (C)	-	(1,753,131)	-	-	-	19,942,113	-	-	-	43,915,338
Benefit payments	(36,204,927)	(32,120,261)	(32,367,984)	(31,866,438)	(32,908,833)	(32,808,908)	(32,161,027)	(32,015,540)	(32,154,888)	(33,561,947)
Refunds of Members' contributions	(2,589,446)	(1,968,556)	(1,378,105)	(1,398,931)	(1,399,122)	(2,027,172)	(649,093)	(816,435)	(1,278,330)	(1,294,477)
Net change in total pension liability	(5,190,752)	(6,960,679)	(3,728,120)	(2,095,483)	(2,958,156)	16,071,602	(5,522,264)	(24,758,491)	(5,501,406)	43,477,850
Total pension liability beginning	459,566,562	466,527,241	470,255,361	472,350,844	475,309,000	459,237,398	464,759,662	489,518,153	495,019,559	451,541,709
TOTAL PENSION LIABILITY ENDING (A)	$ 454,375,810	$ 459,566,562	$ 466,527,241	$ 470,255,361	$ 472,350,844	$ 475,309,000	$ 459,237,398	$ 464,759,662	$ 489,518,153	$ 495,019,559
SYTSTEM FIDUCIARY NET POSITION										
Contributions - Employer	$ 4,436,672	$ 3,546,643	$ 2,296,125	$ 3,403,198	$ 1,297,238	$ -	$ 2,715,141	$ 3,313,603	$ 2,715,140	$ -
Net investment income (loss)	63,088,164	26,447,522	(52,332,583)	88,368,706	19,147,399	8,307,594	24,519,983	60,390,472	38,228,538	(10,931,763)
Benefit payments	(36,204,927)	(32,120,261)	(32,367,984)	(31,866,438)	(32,908,833)	(32,808,908)	(32,161,027)	(32,015,540)	(32,154,888)	(33,561,947)
Refunds of Members' contributions	(2,589,446)	(1,968,556)	(1,378,105)	(1,398,931)	(1,399,122)	(2,027,172)	(649,093)	(816,435)	(1,278,330)	(1,294,477)
Administrative expenses	(1,327,070)	(1,185,585)	(1,015,875)	(1,099,845)	(1,086,499)	(1,027,225)	(1,050,387)	(1,067,626)	(1,095,335)	(1,593,979)
Transfer from Future Benefit Fund	166,792	166,792	166,792	166,792	166,792	166,792	166,792	166,792	166,792	-
Net change in system fiduciary net position	27,570,185	(5,113,445)	(84,631,630)	57,573,482	(14,783,025)	(27,388,919)	(6,458,591)	29,971,266	6,581,917	(47,382,166)
Transfer out	-	-	-	-	-	-	-	-	-	-
System fiduciary net position, beginning	402,809,159	407,922,604	492,554,234	434,980,752	449,763,777	477,152,696	483,611,287	453,640,021	447,058,104	494,440,270
SYSTEM FIDUCIARY NET POSITION, ENDING (B)	$ 430,379,344	$ 402,809,159	$ 407,922,604	$ 492,554,234	$ 434,980,752	$ 449,763,777	$ 477,152,696	$ 483,611,287	$ 453,640,021	$ 447,058,104
NET PENSION LIABILITY (EXCESS ASSETS), ENDING (A)-(B)	$ 23,996,466	$ 56,757,403	$ (22,298,873)	$ 37,370,092	$ 25,545,223	$ (17,915,298)	$ (18,851,625)	$ 35,878,132	$ 47,961,455	$ (43,047,287)
Assets Excluded From System Fiduciary Net Position Future Benefit Fund (B)	$ 4,050,105	$ 3,802,648	$ 3,729,496	$ 5,121,626	$ 4,511,474	$ 4,546,004	$ 4,825,954	$ 5,236,926	$ 5,051,183	$ 4,804,701

Notes:

(A) The total pension liability as of the end of each measurement year is measured as of the measurement date (October 1) at the beginning of each year and projected to the end of each year.

(B) The System's fiduciary net position shown in the above schedules of changes in net pension liability (excess assets) excludes the Future Benefit Fund, including its earnings allocated, transfer out, and SHARE program benefits.

(C) The actuarial assumptions were updated based on the experience reveiw for the period October 1, 2018 through September 30, 2022, and are first effective with the actuarial valuation as of October 1, 2023. The actuarial assumptions were updated based on the experience review for the period October 1, 2014 through September 30, 2018, and are first effective with the actuarial valuation as of October 1, 2019.
The actuarial assumptions were updated based on the experience review for the period October 1, 2009 through September 30, 2014, and are first effective with the actuarial valuation as of October 1, 2015.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

GASB STATEMENT NO. 67 PENSION ELEMENTS - SYSTEM RELATED
SCHEDULES OF NET PENSION LIABILITY (EXCESS ASSETS)

Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Total pension liability	$ 454,375,810	$ 459,566,562	$ 466,527,241	$ 470,255,361	$ 472,350,844	$ 475,309,000	$ 459,237,398	$ 464,759,662	$ 489,518,153	$ 495,019,559
System fiduciary net position	430,379,344	402,809,159	407,922,604	492,554,234	434,980,752	449,763,777	477,152,696	483,611,287	453,640,021	447,058,104
Net Pension Liability (Excess Assets)	$ 23,996,466	$ 56,757,403	$ 58,604,637	$ (22,298,873)	$ 37,370,092	$ 25,545,223	$ (17,915,298)	$ (18,851,625)	$ 35,878,132	$ 47,961,455
System Fiduciary Net Position as a Percentage of the Total Pension Liability	94.72%	87.65%	87.44%	104.74%	92.09%	94.63%	103.90%	104.06%	92.67%	90.31%
Covered Payroll (excluding DROP participants) (A)	$ 24,021,445	$ 22,955,249	$ 23,865,783	$ 25,470,902	$ 28,364,942	$ 28,991,522	$ 29,796,947	$ 31,079,373	$ 30,219,253	$ 30,288,086
Net Pension Liability (Excess Assets) as a Percentage of Covered Payroll	99.90%	247.25%	245.56%	87.55%	131.75%	88.11%	(60.12%)	(60.66%)	118.73%	158.35%

Notes:
(A) 2023 payroll provided only contained six month pay. For valuation purposes, approximated payroll by mutiplying the amount amount provided by two.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

GASB STATEMENT NO. 67 PENSION ELEMENTS - SYSTEM RELATED
SCHEDULES OF EMPLOYER'S CONTRIBUTIONS

For the Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Employer actuarially determined contributions	$ 4,436,672	$ 3,546,643	$ 2,296,125	$ 3,403,198	$ 1,297,238	$ -	$ 2,715,141	$ 3,313,603	$ 2,715,140	$ -
Contributions in relation to the actuarially determined contributions	4,436,672	3,546,643	2,296,125	3,403,198	1,297,238	-	2,715,141	3,313,603	2,715,140	-
CONTRIBUTIONS EXCESS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll (excluding DROP participants)	$ 24,021,445	$ 22,955,249	$ 23,865,783	$ 25,470,902	$ 28,364,942	$ 28,991,522	$ 29,796,947	$ 31,079,373	$ 30,219,253	$ 30,288,086
Contributions as a Percentage of Covered Payroll	18.47%	15.45%	9.62%	13.36%	4.57%	0.00%	9.11%	10.66%	8.98%	0.00%

(See independent auditor's report.)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

GASB STATEMENT NO. 67 PENSION ELEMENTS - SYSTEM RELATED
SCHEDULES OF ANNUAL MONEY-WEIGHTED RATE OF RETURN ON INVESTMENTS

Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Annual money-weighted rate of return, net of investment expenses	16.79%	7.53%	(10.69%)	22.42%	4.69%	1.80%	5.82%	14.69%	9.20%	(2.42%)

(See independent auditor's report.)

1. CHANGES IN BENEFIT TERMS

Changes in benefit terms must be enacted by the General Assembly of the State of Missouri. There were no changes in benefits during the year ended September 30, 2024.

2. CHANGES IN ACTUARIAL ASSUMPTIONS

None

3. CHANGES IN ACTUARIAL METHOD

None

4. METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED PENSION LIABILITY

The actuarially determined employer's contributions were calculated as of the September 30 preceding the fiscal year in which contributions are made. That is, the contributions calculated as of the September 30, 2023 actuarial valuation was made during the fiscal year ended September 30, 2024. The following actuarial methods and assumptions were used to determine pension liability reported in the schedules of changes in employer's net pension liability (schedule):

Method	
Valuation date	October 1, 2015 through 2024
Actuarial cost method (funding by state statutes) - 2014 through 2023	Entry-age - Frozen Initial Liability
Actuarial cost method (GASB 67 reporting) - 2015 through 2018	Entry Age Normal
Actuarial cost method (GASB 67 reporting) - 2019 through 2024	Entry-age - Actuarial Cost Method
Amortization method/period (funding) - 2014 through 2023	30-year closed period from establishment
Remaining amortization period (funding) - 2015 through 2023	Various
Remaining amortization period (funding) - 2014	None - No unfunded actuarial liability
Asset valuation method - 2014 through 2023 (funding)	3-year smoothed market
Asset valuation method - 2015 through 2024 (GASB 67)	Fair value

4. METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED PENSION LIABILITY (Continued)

Actuarial assumptions

Investment rate of return (funding) - 2019 through 2023	6.75%, net of administrative expenses of 25 basis points
Investment rate of return (funding) - 2015 through 2018	7.0%, net of administrative expenses of 30 basis points
Investment rate of return (funding) - 2014	7.625%, net of administrative expenses of 30 basis points
Long-term municipal bond rate (funding)	2014 - 3.71%; 2015 - 3.06%; 2016-3.5%; 2017 - 3.83%; 2018 - 2.75%; 2019 - 2.41%; 2020 - 2.31; 2021 - 2.19%; 2022 - 4.63% and 2023 - 3.81%
Rate of payroll growth (funding) - 2023	3.25% for 10 to 24 years of service, 3.00% from 25 to 29 years of service and 2.75% for 30 or more years of service. Benefits have been frozen as of February 1, 2013; therefore, no salary increases have been assumed.
Rate of payroll growth (funding) - 2022	3.25% for 9 years of service and 2.75% for 10 or more years of service. Benefits have been frozen as of February 1, 2013; therefore, no salary increases have been assumed
Rate of payroll growth (funding) - 2018 through 2021	2.75 to 3.75% based on service. Benefits have been frozen as of February 1, 2013; therefore, no salary increases have been assumed.
Rate of payroll growth (funding) - 2014 through 2017	3% to 4% based on service. Benefits have been frozen as of February 1, 2013; therefore, no salary increases have been assumed.
Consumer price inflation - 2019 through 2024	2.50%
Consumer price inflation - 2015 through 2018	2.75%
Mortality - 2019 through 2024	Post-retirement ordinary - Pub-2010 Public Safety Healthy Annuitant, sex distinct Pre-retirement - Pub-2010 Public Safety Employee Mortality Tables, sex distinct Post-disability - Pub-2010 Public Safety Disable Retiree Mortality Tables, sex distinct

4. METHOD AND ASSUMPTIONS USED IN CALCULATIONS OF ACTUARIALLY DETERMINED PENSION LIABILITY (Continued)

Note:
Future mortality improvements are reflected by projecting the base mortality tables forward from 2010 using MP-2019 projection scale.

Mortality - 2015 through 2018	Post-retirement ordinary - RP-2014 Healthy Annuitant Mortality Tables, sex distinct Pre-retirement - RP-2014 Employee Mortality Tables, sex distinct Post-disability - assumed to be 20% higher than post-retirement mortality rates

5. GASB 67 TEN-YEAR REQUIRED SUPPLEMENTAL SCHEDULES

Required supplemental schedules are required to present ten years of information.

6. MONEY-WEIGHTED RATE OF RETURN

The annual money-weighted rate of return is computed assuming investment yield is received at the end of each month and on the actual or approximate date of contributions, benefit payments, and expenses.

7. DISCOUNT RATE USED TO CALCULATE THE PRESENT VALUE OF FUTURE BENEFITS

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate that reflects: (1) a long-term expected rate of return on the System's investments (to the extent that the System's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year, general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

The long-term expected rate of return of the System's funding is assumed to be 6.75%. Per Missouri State Statutes, this rate is net of both investment and administrative expenses. GASB 67 requires the long-term expected rate of return to be determined net of pension plan investment expense but without reduction for the System's administrative expenses. Administrative expenses are assumed to be approximately 25 basis points; consequently, the long-term expected rate of return used for purposes of GASB 67 is increased by 25 basis points to 7%. This rate is gross of administrative expenses.

7. DISCOUNT RATE USED TO CALCULATE THE PRESENT VALUE OF FUTURE BENEFITS (Continued)

For the purpose of this valuation, the expected rate of return on the System's investments is 7%; the municipal bond rate is 3.81% (based on the most recent daily rate available on or before the measurement date of the Fidelity "20-Year Municipal GO AA Index") and the resulting single discount rate is 7%.

The single discount rate is the same as the expected rate of return on pension plan assets because FRS is closed to new members, benefits are frozen as of February 1, 2013, and FRS is projected to be fully funded by 2049. Our projection assumes the City will make contributions as required by statute.

The System currently expects assets will be sufficient to cover projected vested benefits of all current Members and their beneficiaries using actuarial assumptions until 2113. Furthermore, in the event that the assets fall below the present value of benefits and a contribution is required, a sound funding policy based on the frozen initial liability actuarial cost method is used, as defined by Missouri's state statutes.

8. TOTAL PAYROLL AND COVERED PAYROLL

The covered payroll for active Members is the payroll on which contributions to the System are based. Member payroll were as follows as of September 30:

	2024 Number	2024 Compensation	2023 Number	2023 Compensation
Active members non-DROP "covered payroll"	295	$ 24,021,445	313	$ 22,955,249
Active members participating in DROP	75	6,624,901	94	7,280,583
TOTAL PAYROLL	370	$ 30,646,346	407	$ 30,235,832

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

GASB STATEMENT NO. 68 PENSION ELEMENTS SYSTEM STAFF PENSION RELATED SCHEDULES
OF THE SYSTEM'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY OF THE EMPLOYEES RETIREMENT
SYSTEM OF THE CITY OF ST. LOUIS (ERS), A COST-SHARING, MULTI-EMPLOYER DEFINED BENEFIT PENSION PLAN

For the Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Proportionate Share of the Employer's Contributions	0.16%	0.15%	0.14%	0.13%	0.13%	0.13%	0.13%	0.13%	0.11%	0.10%
Proportionate Share of the Collective Net Pension Liability	$ 591,408	559,942	249,039	383,162	290,948	219,637	222,861	264,825	254,939	161,678
Covered Payroll	$ 399,504	380,144	342,625	330,881	321,019	311,088	307,054	300,217	828,263	260,505
Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	148.04%	147.30%	115.80%	90.63%	70.60%	72.58%	88.21%	30.78%	62.06%	62.06%
ERS' Fiduciary Net Position as a Percentage of the Total Pension Liability	68.20%	67.70%	84.11%	73.82%	78.56%	83.02%	82.46%	78.52%	76.22%	83.47%

Notes:

The System elected to report pension elements using the beginning of the year actuarial valuation as allowed by GASB 68. Therefore, the amounts presented were determined as of ERS' fiscal years ended September 30, 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014 actuarial valuations and projected to the end of the years.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

GASB STATEMENT NO. 68 PENSION ELEMENTS SYSTEM STAFF PENSION RELATED SCHEDULES OF THE SYSTEM'S CONTRIBUTIONS TO THE EMPLOYEES RETIREMENT SYSTEM OF THE CITY OF ST. LOUIS (ERS), A COST-SHARING, MULTI-EMPLOYER DEFINED BENEFIT PENSION PLAN

Last Ten Fiscal Years

FISCAL YEAR ENDED SEPTEMBER 30,	**2024**	**2023**	**2022**	**2021**	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution	$ 63,415	$ 58,638	$ 46,979	$ 41,284	$ 39,603	$ 38,116	$ 38,208	$ 40,662	$ 39,776	$ 38,471
Contributions in relation to the contractually required contribution	(63,415)	(58,638)	(46,979)	(41,284)	(39,603)	(38,116)	(38,208)	(40,662)	(39,776)	(38,471)
CONTRIBUTION EXCESS	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 399,504	$ 380,144	$ 342,625	$ 330,881	$ 321,019	$ 311,088	$ 307,054	$ 300,217	$ 828,263	$ 260,505
Contributions as a Percentage of Covered Payroll	15.87%	15.43%	13.71%	12.48%	12.34%	12.25%	12.44%	13.54%	4.80%	14.77%

Note to schedule:

Actuarial Methods and Assumptions used in Calculations of Actuarially Determined Pension Liability

Valuation date

Actuarially determined contributions are calculated as of October 1, 2014 through 2022 (beginning of year) valuation date used to calculate the required contribution for the fiscal years ending September 30, 2015 through 2024.

Actuarial methods

Actuarial cost method - 2017 through 2023	Entry Age Normal Cost method
Actuarial cost method - 2015 and 2016	Projected Unit Credit Cost Method
Amortization method - 2018 through 2023	Fixed 20 year period as of October 1, 2015 as a level percentage of payroll Future gains and losses and changes in actuarial assumptions will be amortized in layers over separate 20 year periods
Amortization method - 2017	Fixed 20 year period as of October 1, 2015 as a level percentage of payroll
Amortization method - 2015 and 2016	Rolling 30-year level dollar amortization of unfunded liability
Asset valuation method	5-year smoothing

Actuarial assumptions

Inflation	2023, 2022, 2021, 2020, 2019, 2018, 2017, and 2016 - 2.5%; 2015 - 3.125%
Salary increases - 2023	2.5% plus merit component based on employee's years of service
Salary increases - 2017 through 2022	3% plus merit component based on employee's years of service
Salary increases - 2015 and 2016	3.5% plus merit component based on employee's years of service
Investment rate of return	2022, 2021, 2020, 2019, 2018, 2017, and 2016 - 7.5%, and 2015 - 8%, net of pension plan investment expenses
Mortality rates - active - 2021, 2022, and 2023	135% of Pub-2010 General Employee Below-Median Income Weighted mortality for males and 155% for females projected with generaltionally mortality improvements for 2010 using Scale MP-2019
Mortality rates - healthy - 2021, 2022, and 2023	125% of Pub-2010 General Employee Below-Median Income Weighted mortality for males and 120% for females projected with generaltionally mortality improvements for 2010 using Scale MP-2019
Mortality rates - disabled - 2021, 2022, and 2023	120% of Pub-2010 Non-Safety Disabled Retiree mortality for males and 110% for females projected with generaltionally mortality improvements for 2010 using Scale MP-2019
Mortality rates - ordinary - 2016 through 2020	RP-2000 healthy mortality 3 year set-forward with generational projections using scale AA
Mortality rates - ordinary - 2015	1994 Group Annuity Mortality Table
Mortality rates - disability - 2016 through 2020	RP-2000 disabled mortality 3 year set-forward with generational projections using scale AA
Mortality rates - disability - 2015	1953 Railroad Retirement Board disabled life mortality table

(B) The System elected to report pension elements using the beginning of the year actuarial valuation as allowed by GASB 68. Therefore, the amounts presented were determined as of ERS' fiscal years ended September 30, 2014 through 2023 actuarial valuations and projected to the end of the years.

OTHER INFORMATION SECTION

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

BENEFITS PAID TO RETIREES AND BENEFICIARIES

For the Years Ended September 30, 2024 and 2023

	2024	2023
MONTHLY ANNUITY		
Service retirees	$ 16,034,223	$ 15,103,968
Accidental disability	11,361,669	11,334,373
Beneficiaries	3,866,306	3,832,566
Ordinary disability	344,249	345,443
Medical, surgical, and hospital	5,760	7,405
Total monthly annuity	31,612,207	30,623,755
LUMP SUM		
DROP	4,632,521	1,409,636
Death	38,000	58,831
Term	102,528	28,039
Total lump sum	4,773,049	1,496,506
TOTAL BENEFITS PAID TO RETIREES AND BENEFICIARIES	$ 36,385,256	$ 32,120,261

(See independent auditor's report.)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

ADMINISTRATIVE EXPENSES

For the Years Ended September 30, 2024 and 2023

	2024	2023
ADMINISTRATIVE EXPENSES		
Personnel costs		
Salaries	$ 430,028	$ 469,039
Payroll taxes	32,275	35,079
Employee fringe benefits:		
Group benefits	35,173	44,693
Net pension expense	165,949	122,053
Total personnel costs	663,425	670,864
Bank charges	2,503	3,483
Building operations	23,288	18,434
Computer and website	243,983	74,307
Costs allocated from City	6,231	3,427
Depreciation	9,814	10,898
Equipment rental and maintenance	13,051	12,866
Insurance	23,535	31,000
Office supplies and expenses	9,422	7,170
Postage and delivery	8,075	10,140
Professional fees+A26		
Accounting and auditing	44,842	58,968
Actuary	90,970	48,600
Investment consultant	120,000	160,000
Legal and legislative	20,464	25,840
Property assessment	341	341
Telephone	6,751	6,580
Travel and seminars	40,375	42,667
TOTAL ADMINISTRATIVE EXPENSES	$ 1,327,070	$ 1,185,585

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

INVESTMENT MANAGEMENT AND CUSTODIAL FEES

For the Years Ended September 30, 2024 and 2023

	2024	2023
INVESTMENT MANAGEMENT FEES		
Acadian Asset Management, LLC	$ 147,205	$ 233,011
Argent Capital Management, LLC	97,191	90,228
Asset Consulting Group	-	40,000
The Commerce Trust Company	36,683	34,108
Eagle Capital Management, LLC	219,809	206,117
Fisher Investments, Inc.	245,461	304,162
Pinnacle Associates, Ltd.	149,244	134,908
Prudential Trust Company	111,862	108,716
Silchester International Investors, LLP	263,793	-
Total investment management fees	1,271,248	1,151,250
CUSTODIAL AND SECURITIES LENDING FEES		
The Northern Trust Company	855,525	933,164
TOTAL INVESTMENT MANAGEMENT, CUSTODIAL AND SECURITIES LENDING FEES	$ 2,126,773	$ 2,084,414

The System incurs its share of fund operating expenses (including the investment management fees) which are deducted directly from each individual fund's assets for the following investment funds:

ABS Emerging Markets Strategic Portfolio, LP (Hedge Fund)
EnTrust Capital Diversified Fund, Ltd. (Hedge Fund)
Integrity Asset Management, LLC (Small Cap Equity)
MacKay Shields Collective Investment Trust (Fixed Income)
Magnitude Institutional, LLC (Hedge Fund)
Mauna KEA, LLC (Hedge Fund)
Principal Enhanced Property Fund, LP (Real Estate Separate Account)
Principal U.S. Property Account (Real Estate Separate Account)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

HISTORICAL TREND INFORMATION

Last Ten Fiscal Years

ADDITIONS TO NET POSITION

Years Ended September 30	Contributions Employer	Contributions Members	Net Investment Income (Loss)	Total
2024	$ 4,436,672	$ -	$ 63,682,742	$ 68,119,414
2023	3,546,643	-	26,687,466	30,234,109
2022	2,296,125	-	(52,866,939)	(50,570,814)
2021	3,403,198	-	89,290,920	92,694,118
2020	1,297,238	-	19,335,731	20,632,969
2019	-	-	8,382,530	8,382,530
2018	2,715,141	-	24,769,748	27,484,889
2017	3,313,603	-	61,052,343	64,365,946
2016	2,715,140	-	38,641,812	41,356,952
2015	-	-	(11,079,856)	(11,079,856)

DEDUCTIONS FROM NET POSITION

Years Ended September 30	Benefits Paid	Refunds Of Members Contributions	Administrative Expenses	Total
2024	$ 36,385,256	$ 2,589,446	$ 1,327,070	$ 40,301,772
2023	32,120,261	1,968,556	1,185,585	35,274,402
2022	33,058,966	1,378,105	1,015,875	35,452,946
2021	32,011,708	1,398,931	1,099,845	34,510,484
2020	32,964,903	1,399,122	1,086,499	35,450,524
2019	32,997,002	2,027,172	1,027,225	36,051,399
2018	32,654,972	649,093	1,050,387	34,354,452
2017	32,324,876	816,435	1,067,626	34,208,937
2016	32,154,888	1,278,330	1,095,335	34,528,553
2015	33,864,793	1,294,477	1,593,979	36,753,249

(See independent auditor's report.)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

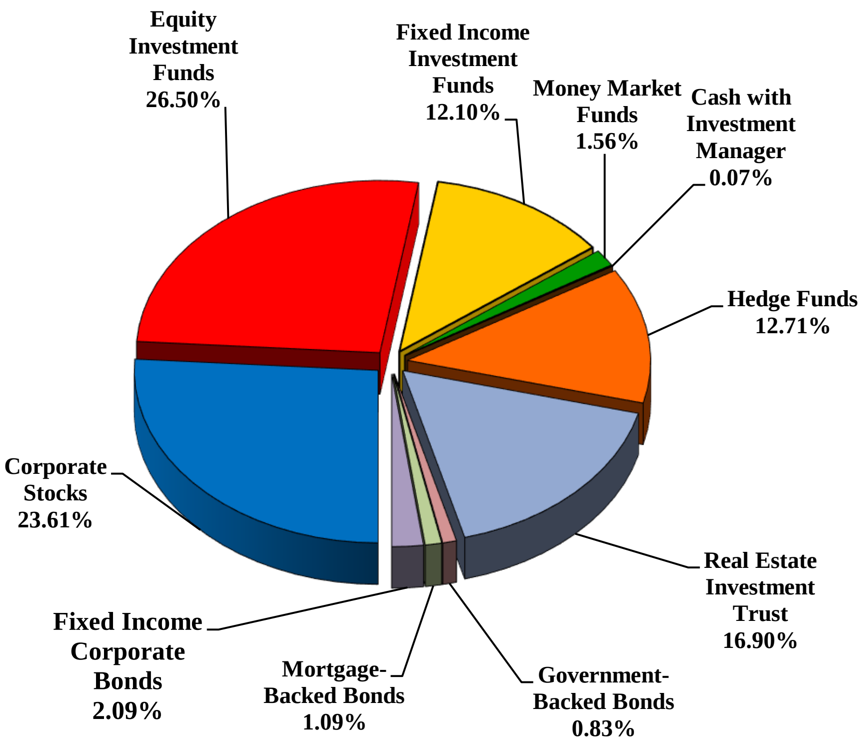
SUMMARY OF INSURANCE COVERAGE

September 30, 2024

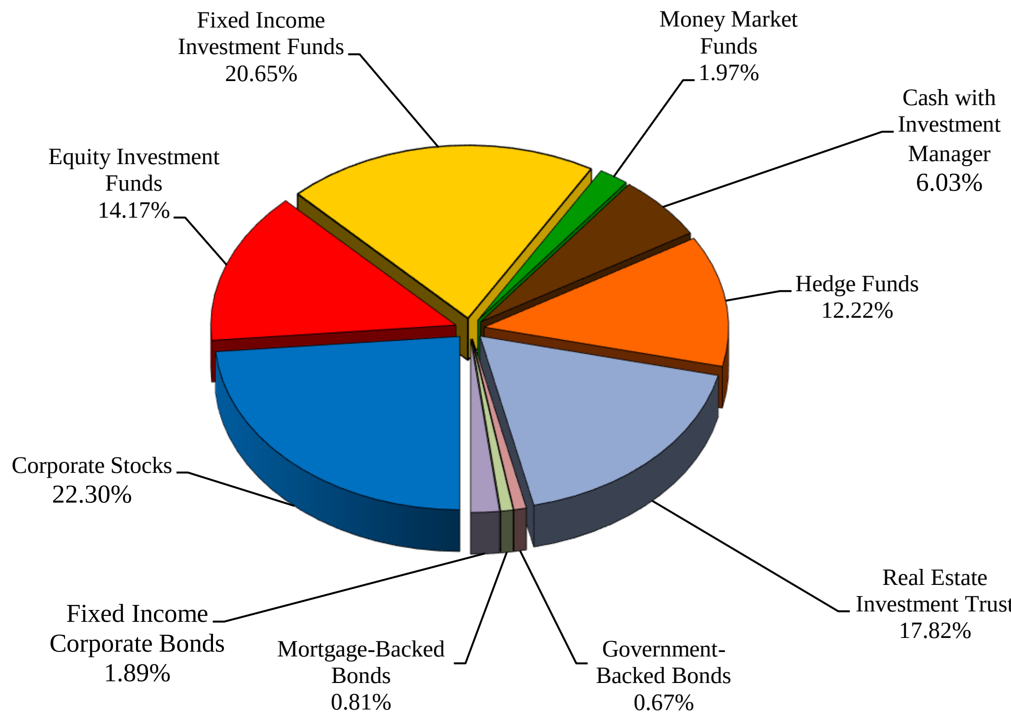
Type	Coverage
Fiduciary Liability, includes claims expenses	$ 5,000,000
Property	
Building	648,939
Contents	619,595
General Liability	
Per occurrence	1,000,000
Aggregate	3,000,000
Workers' Compensation and Employers Liability	Statutory 1,000,000
Umbrella Liability	
Per occurrence	1,000,000
Aggregate	3,000,000
Non-owned Automobile	1,000,000
Cyber and Privacy Liability, includes claims expenses	2,000,000
Commercial Crime - Employee Theft	300,000

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

INVESTMENTS



September 30, 2024

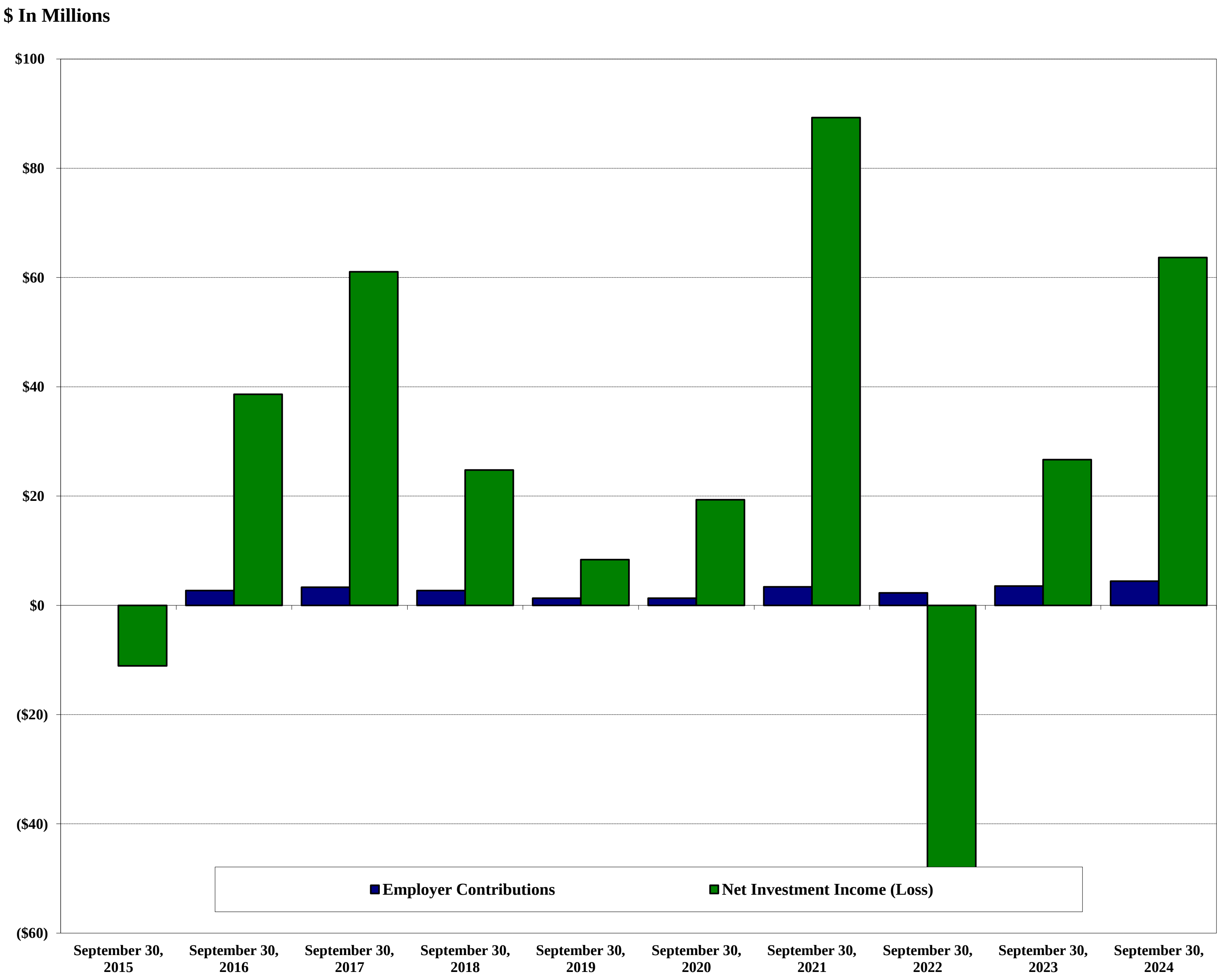


September 30, 2023

(See independent auditor's report.)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

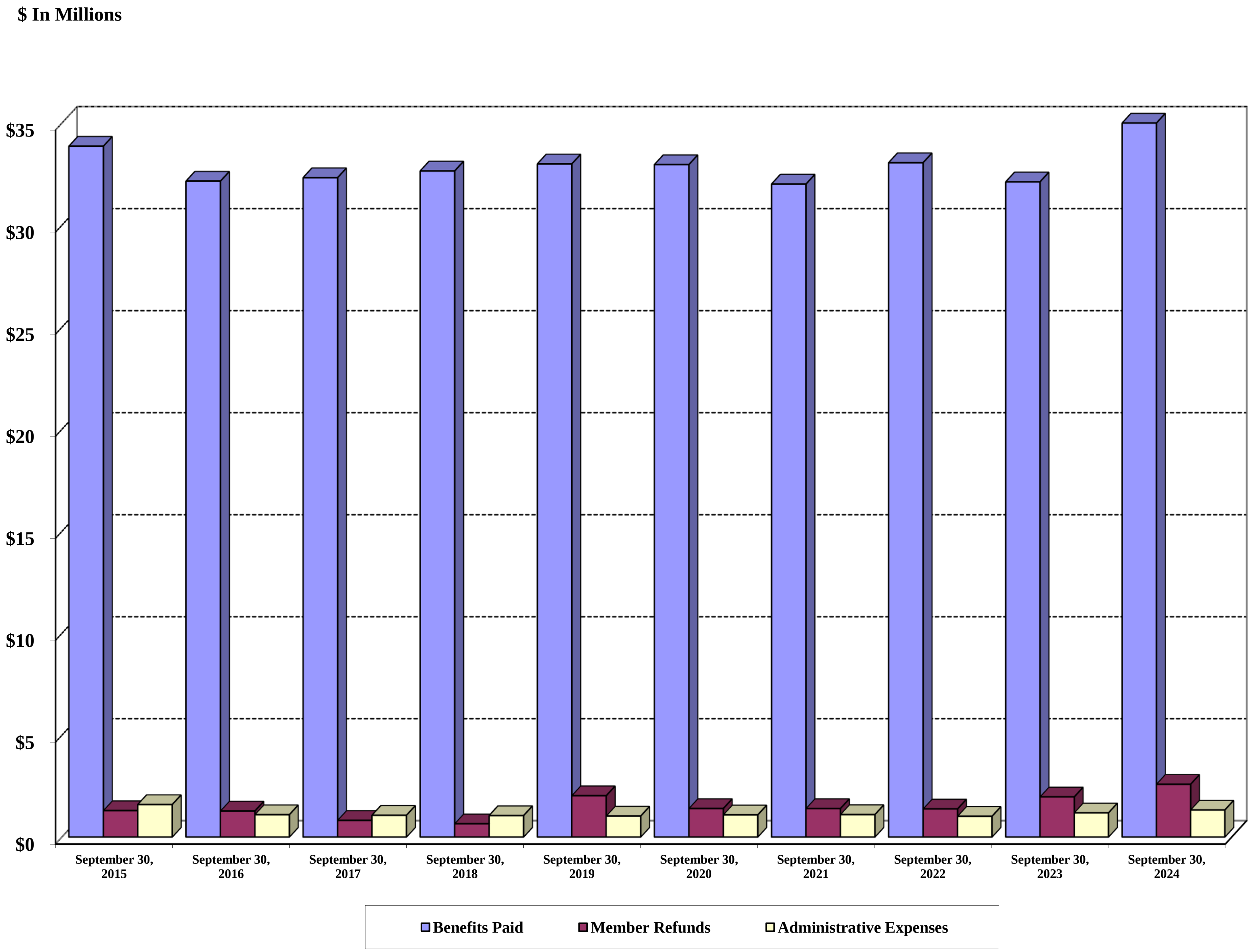
ADDITIONS TO NET POSTIONS



(See independent auditor's report.)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

DEDUCTIONS FROM NET POSITION

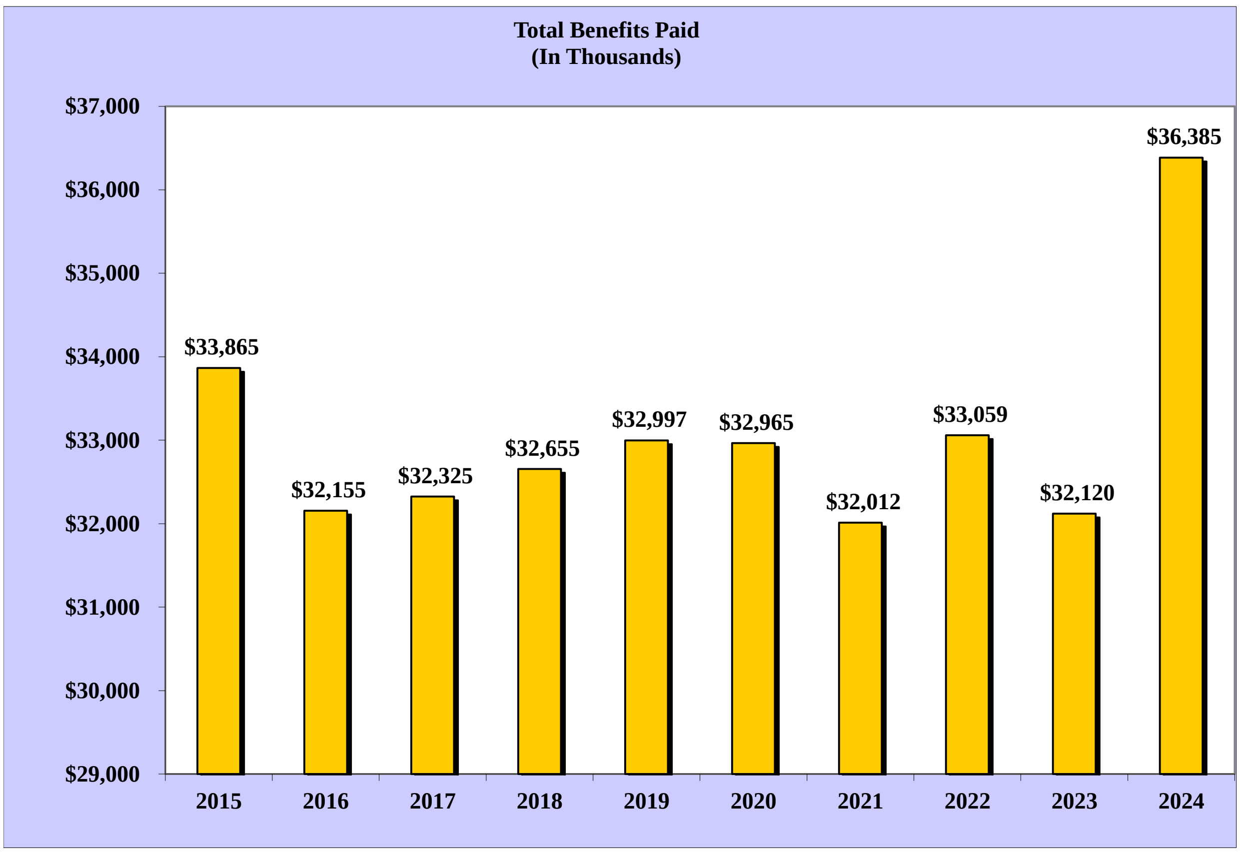


(See independent auditor's report.)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

BENEFITS PAID BY TYPE

For The Fiscal Years Ended	Service Retirees*	Accidental Disability	Beneficiaries	Ordinary Disability	Death	Medical, Surgical, And Hospital	Total
2015	$ 16,353,491	12,930,902	3,935,283	584,622	52,000	8,495	33,864,793
2016	15,120,366	12,583,999	3,898,375	493,231	50,000	8,917	32,154,888
2017	14,668,199	13,067,252	4,056,421	474,736	48,000	10,268	32,324,876
2018	15,466,367	12,563,840	4,097,804	476,057	44,000	6,904	32,654,972
2019	16,204,404	12,311,401	3,953,464	472,296	48,000	7,437	32,997,002
2020	16,407,639	12,204,068	3,824,629	466,356	56,000	6,211	32,964,903
2021	16,060,309	11,500,379	3,924,300	456,455	64,000	6,265	32,011,708
2022	16,935,211	11,551,887	4,091,954	434,465	40,000	5,439	33,058,956
2023	16,541,643	11,334,373	3,832,566	345,443	58,831	7,405	32,120,261
2024	**20,769,272**	**11,361,669**	**3,866,306**	**344,249**	**38,000**	**5,760**	**36,385,256**



*Includes DROP benefit payments.