

St. Paul Teachers' Retirement Fund Association

GASB Statement Nos. 67 and 68 Accounting and
Financial Reporting for Pensions
June 30, 2025





November 5, 2025

St. Paul Teachers' Retirement Fund Association
2550 University Avenue W, Suite 312N
St. Paul, Minnesota 55114

Dear Trustees:

This report provides accounting and financial reporting information that is intended to comply with the Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 for the St. Paul Teachers' Retirement Fund Association ("SPTRFA" or "Fund"). These calculations have been made on a basis that is consistent with our understanding of these Statements.

GASB Statement No. 67 is the accounting standard that applies to the stand-alone financial reports issued by retirement systems. GASB Statement No. 68 establishes accounting and financial reporting for state and local government employers who provide their employees (including former employees) pension benefits through a trust. GASB Statement No. 82 is an amendment to Statement Nos. 67, No. 68, and No. 73, intended to improve consistency in the application of accounting statements.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of providing reporting and disclosure information that satisfies the requirements of GASB Statement Nos. 67 and 68. *The Net Pension Liability is not an appropriate measure for measuring the sufficiency of plan assets to cover the estimated cost of settling the employer's benefit obligation. The Net Pension Liability is not an appropriate measure for assessing the need for or amount of future employer contributions. The calculation of the plan's liability for this report is not applicable for purposes of funding the plan.* A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 67 may produce significantly different results. The information in this report is calculated on a total plan basis. The Fund is responsible for preparing the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer. This report may be provided to parties other than the St. Paul Teachers' Retirement Fund Association only in its entirety and only with the permission of the Board. GRS is not responsible for unauthorized use of this report.

This report is based upon information, furnished to us by the Fund, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. If your understanding of this information is different, please let us know. This information was checked for internal consistency, but it was not audited.

This report complements the actuarial valuation report for funding purposes that was or will be provided to the Fund and should be considered in conjunction with that report. Please see the actuarial funding valuation report as of June 30, 2025 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

To the best of our knowledge, the information contained within this report is accurate and represents the actuarial position of the St. Paul Teachers' Retirement Fund Association according to the disclosed assumptions. All calculations have been made in conformity with generally accepted actuarial principles and practices, as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The signing actuaries are independent of the plan sponsor.

Bonita J. Wurst and Sheryl L. Christensen are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
Gabriel, Roeder, Smith & Company



Bonita J. Wurst, ASA, EA, FCA, MAAA



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SECTION A

EXECUTIVE SUMMARY

Executive Summary

as of June 30, 2025 (Dollars in Thousands)

	2025
Actuarial Valuation Date	June 30, 2025
Measurement Date of the Net Pension Liability	June 30, 2025

Membership

Number of	
- Service Retirements	3,984
- Survivors	404
- Disability Retirements	23
- Deferred Retirements	2,664
- Terminated other non-vested	3,138
- Active Members	3,482
- Total	13,695
Covered Payroll	\$ 321,336

Net Pension Liability

Total Pension Liability	\$ 1,986,406
Plan Fiduciary Net Position	1,433,936
Net Pension Liability	\$ 552,470
Plan Fiduciary Net Position as a Percentage	
of Total Pension Liability	72.19%
Net Pension Liability as a Percentage	
of Covered Payroll	171.93%

Development of the Single Discount Rate

Single Discount Rate	7.00%
Long-Term Expected Rate of Investment Return	7.00%
Long-Term Municipal Bond Rate*	5.20%
Last year ending June 30 in the 2026 to 2125 projection period	
within which projected benefit payments are fully funded	2125

Total Pension Expense	\$ 7,546
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Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 6,545	\$ -
Changes in assumptions	7,173	-
Net difference between projected and actual earnings		
on pension plan investments	38,288	90,302
Total	\$ 52,006	\$ 90,302

* Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in The Bond Buyer's Index's '20-Bond GO Index' as of June 30, 2025.



Discussion

Accounting Standard

For pension plans that are administered through trusts or equivalent arrangements, Governmental Accounting Standards Board (GASB) Statement No. 67 establishes standards of financial reporting for separately issued financial reports and specifies the required approach for measuring the pension liability. Similarly, GASB Statement No. 68 establishes standards for state and local government employers (as well as non-employer contributing entities) to account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information, such as notes regarding accounting policies and investments, is not included in this report and the retirement fund and/or plan sponsor will be responsible for preparing and disclosing that information to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state or local governments to recognize the net pension liability and the pension expense on their financial statements. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Paragraph 57 of GASB Statement No. 68 states, "Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions." There were no contributions made to the SPTRFA subsequent to the measurement date of June 30, 2025.

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the liability and investment experience.

Pension plans that prepare their own, stand-alone financial statements are required to present two financial statements – a statement of fiduciary net position and a statement of changes in fiduciary net position in accordance with GASB Statement No. 67. The statement of fiduciary net position presents the assets and liabilities of the pension plan at the end of the pension plan's reporting period. The statement of changes in fiduciary net position presents the additions, such as contributions and investment income, and deductions, such as benefit payments and expenses, and net increase or decrease in the fiduciary net position.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows and inflows of resources related to pensions.

GASB Statement Nos. 67 and 68 require the notes of the financial statements for the employers and pension plans to include certain additional information. The list of disclosure items should include:

- A description of benefits provided by the plan;
- The type of employees and number of members covered by the pension plan;
- A description of the plan's funding policy, which includes member and employer contribution requirements;
- The pension plan's investment policies;
- The pension plan's fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- The net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes;
- Significant assumptions and methods used to calculate the total pension liability;
- Inputs to the discount rates; and
- Certain information about mortality assumptions and the dates of experience studies.

Retirement systems that issue stand-alone financial statements are required to disclose additional information in accordance with GASB Statement No. 67. This information includes:

- The composition of the pension plan's Board and the authority under which benefit terms may be amended;
- A description of how fair value is determined;
- Information regarding certain reserves and investments, which include concentrations of investments greater than or equal to 5%, receivables, and insurance contracts excluded from plan assets; and
- Annual money-weighted rate of return.

Required Supplementary Information

GASB Statement No. 67 requires a 10-year fiscal history of:

- Sources of changes in the net pension liability;
- Information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- A comparison of the actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

Measurement of the Net Pension Liability

The net pension liability is to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

General Implications of Contribution Allocation Procedure or Funding Policy on Future Expected Plan Contributions and Funded Status

Given the plan's contribution allocation procedure, if there are no changes in benefits, Chapter 356 required contributions are made, and all actuarial assumptions are met (including the assumption of the plan earning 7.00% on an actuarial value of assets basis, as prescribed by statutes), it is expected that:

- (1) The normal cost of the plan is expected to remain approximately level as a percent of pay;
- (2) The funded status of the plan is expected to gradually improve and is expected to be 100% funded within the next 23 years; and
- (3) The unfunded liability will begin to decline.

The projections in this report are strictly for the purpose of determining the GASB single discount rate and are different from a funding projection for the ongoing plan.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For employer reporting, the net pension liability and pension expense should be measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2025 and a measurement date of June 30, 2025.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a single discount rate. This rate differs depending on whether or not the Fund has a projected sufficiency of assets to pay benefits.

Due to the projected sufficiency of assets to pay benefits, the single discount rate is equal to the 7.00% long-term expected rate of return on pension plan investments, for the purposes of this valuation.

Had the Fund been projected to have insufficient assets to pay all projected benefits, the single discount rate would instead reflect a combination of (1) the 7.00% long-term expected rate of return on pension plan investments (for all years where a projected asset sufficiency exists), then (2) a lower tax-exempt municipal bond rate* (for all remaining years where projected asset insufficiencies exist).

** Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in The Bond Buyer's Index's '20-Bond GO Index' as of June 30, 2025*

SECTION B

FINANCIAL STATEMENTS

Note – Section B is intended to assist in preparation of the financial statements of the St. Paul Teachers' Retirement Fund Association. Financial statements are the responsibility of management, subject to the auditor's review.

Statement of Pension Expense under GASB Statement No. 68

Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Expense/(Income)

1. Service Cost	\$ 32,231
2. Interest on the Total Pension Liability	132,011
3. Current-Period Benefit Changes	-
4. Employee Contributions (made negative for addition here)	(24,597)
5. Projected Earnings on Plan Investments (made negative for addition here)	(91,949)
6. Pension Plan Administrative Expense	1,018
7. Other Changes in Plan Fiduciary Net Position	-
8. Recognition of Outflow (Inflow) of Resources due to Liabilities	(4,765)
9. Recognition of Outflow (Inflow) of Resources due to Assets	(36,403)
10. Total Pension Expense / (Income)	<u>\$ 7,546</u>

Recognition of Deferred Outflows and Inflows of Resources

Differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

At the beginning of the current measurement period, the expected remaining service lives of all active employees in the plan was approximately 42,602 years. Additionally, the total plan membership (active employees and inactive employees) was 13,637. As a result, the average of the expected remaining service lives for purposes of recognizing the applicable deferred outflows and inflows of resources established in the current measurement period is 3.0000 years (rounded).

Additionally, differences between projected and actual earnings on plan investments should be recognized in pension expense using a systematic and rational method over a closed 5-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the pension expense as a level dollar amount over the closed period identified above.

Statement of Outflows and Inflows Arising from Current Reporting Period Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Outflows (Inflows) of Resources due to Liabilities

1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	\$ 5,013
2. Assumption Changes (gains) or losses	\$ 10,759
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}	3
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	\$ 1,671
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	\$ 3,586
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	<u>\$ 5,257</u>
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	\$ 3,342
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	\$ 7,173
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	<u>\$ 10,515</u>

B. Outflows (Inflows) of Resources due to Assets

1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	\$ (49,903)
2. Recognition period for Assets {in years}	5
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	\$ (9,981)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	\$ (39,922)

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows/(Inflows) of Resources
1. Due to Liabilities	\$ 8,459	\$ 13,224	\$ (4,765)
2. Due to Assets	38,288	74,691	(36,403)
3. Total	\$ 46,747	\$ 87,915	\$ (41,168)

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows/(Inflows) of Resources
1. Differences between expected and actual experience	\$ 4,873	\$ 5,375	\$ (502)
2. Assumption Changes	3,586	7,849	(4,263)
3. Net Difference between projected and actual earnings on pension plan investments	38,288	74,691	(36,403)
4. Total	\$ 46,747	\$ 87,915	\$ (41,168)

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows/ (Inflows) of Resources
1. Differences between expected and actual experience	\$ 6,545	\$ -	\$ 6,545
2. Assumption Changes	7,173	-	7,173
3. Net Difference between projected and actual earnings on pension plan investments	38,288	90,302	(52,014)
4. Total	\$ 52,006	\$ 90,302	\$ (38,296)

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows/ (Inflows) of Resources
2026	\$ 17,897
2027	(23,595)
2028	(22,618)
2029	(9,980)
2030	-
Thereafter	-
Total	\$ (38,296)

Recognition of Deferred Outflows and Inflows of Resources Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

Year Established	Initial Amount	Initial Recognition Period	Current Year Recognition	Remaining Recognition	Remaining Recognition Period
Deferred Outflow (Inflow) due to Differences between Expected and Actual Experience on Liabilities					
2023	\$ (16,123)	3.0000	\$ (5,375)	\$ -	0.0000
2024	9,607	3.0000	3,202	3,203	1.0000
2025	5,013	3.0000	1,671	3,342	2.0000
Total			\$ (502)	\$ 6,545	
Deferred Outflow (Inflow) due to Assumption Changes					
2023	\$ (23,547)	3.0000	\$ (7,849)	\$ -	0.0000
2024	-	3.0000	-	-	1.0000
2025	10,759	3.0000	3,586	7,173	2.0000
Total			\$ (4,263)	\$ 7,173	
Deferred Outflow (Inflow) due to Differences between Projected and Actual Earnings on Plan Investments					
2021	\$ (229,203)	5.0000	\$ (45,840)	\$ -	0.0000
2022	191,443	5.0000	38,288	38,288	1.0000
2023	(31,166)	5.0000	(6,233)	(12,467)	2.0000
2024	(63,187)	5.0000	(12,637)	(37,913)	3.0000
2025	(49,903)	5.0000	(9,981)	(39,922)	4.0000
Total			\$ (36,403)	\$ (52,014)	
Deferred Outflow (Inflow) due to All Sources					
Total			\$ (41,168)	\$ (38,296)	

Statement of Fiduciary Net Position as of June 30, 2025 (Dollars in Thousands)

	<u>2025</u>
Assets	
Cash and Deposits	\$ 5,808
Receivables*	\$ 15,347
Investments	
Fixed Income	\$ 398,702
Equity	703,443
Real Assets	73,073
Cash and Cash Equivalents	108,262
Other	167,650
Total Investments	<u>\$ 1,451,130</u>
Total Assets	<u>\$ 1,472,285</u>
Liabilities	
Payables	
Accounts Payable - Purchase of Investments	\$ 38,349
Accrued Expenses	-
Accounts Payable - Other	-
Total Liabilities	<u>\$ 38,349</u>
Net Position Restricted for Pensions	<u>\$ 1,433,936</u>

* Accounts Receivable	
Employer Contribution	\$ 521
Employee Contribution	314
Service Purchases Receivable	-
Pensions Receivable	77
State Contributions	838
Real Estate Income Receivable	9
Commission Recapture Receivable	-
Interest Receivable	92
Dividend Receivable	1,659
Misc. Receivable	-
Sales Of Securities	<u>11,837</u>
Total Accounts Receivable	<u>\$ 15,347</u>
(Numbers may not add due to rounding.)	

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2025 (Dollars in Thousands)

Additions

Contributions

Employer	\$ 41,744
Employer (for Re-employed Annuitants)	436
Employee	24,597
Other	18,003
Total Contributions	\$ 84,780

Investment Income

Net Appreciation in Fair Value of Investments	\$ 124,947
Interest and Dividends	19,744
Less Investment Expense	(2,839)
Net Investment Income	\$ 141,852

Other

Total Additions	\$ 226,632
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Deductions

Benefit payments, including refunds of employee contributions	\$ 126,715
Pension Plan Administrative Expense	1,018
Other	-
Total Deductions	\$ 127,733

Net Increase in Net Position	\$ 98,899
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Net Position Restricted for Pensions

Beginning of Year	\$ 1,335,037
End of Year	\$ 1,433,936

SECTION C

REQUIRED SUPPLEMENTARY INFORMATION

Note – Section C is intended to assist in preparation of the financial statements of the St. Paul Teachers' Retirement Fund Association. Financial statements are the responsibility of management, subject to the auditor's review.

Schedule of Changes in Net Pension Liability and Related Ratios

Current Period

Fiscal Year Ended June 30, 2025 (Dollars in Thousands)

A. Total Pension Liability

1. Service Cost	\$ 32,231
2. Interest on the Total Pension Liability	132,011
3. Changes of benefit terms	-
4. Difference between expected and actual experience of the Total Pension Liability	5,013
5. Changes of assumptions	10,759
6. Benefit payments, including refunds of employee contributions	(126,715)
7. Net change in Total Pension Liability	\$ 53,299
8. Total Pension Liability – Beginning	1,933,107
9. Total Pension Liability – Ending	<u><u>\$ 1,986,406</u></u>

B. Plan Fiduciary Net Position

1. Contributions – Employer [^]	\$ 60,183
2. Contributions – Employee	24,597
3. Net investment income	141,852
4. Benefit payments, including refunds of employee contributions	(126,715)
5. Pension Plan Administrative Expense	(1,018)
6. Other	-
7. Net change in Plan Fiduciary Net Position	\$ 98,899
8. Plan Fiduciary Net Position – Beginning	1,335,037
9. Plan Fiduciary Net Position – Ending	<u><u>\$ 1,433,936</u></u>

C. Net Pension Liability

\$ 552,470

D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability

72.19%

E. Covered-Employee payroll

\$ 321,336

F. Net pension liability as a percentage of Covered-Employee payroll

171.93%

[^] Includes employer contributions, supplemental contributions, and re-employed annuitant employer contributions.

Schedules of Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios Multiyear

(Dollars in Thousands)

Last 10 Fiscal Years

Fiscal year ending June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service Cost	\$ 32,231	\$ 30,174	\$ 28,846	\$ 24,863	\$ 23,777	\$ 23,120	\$ 23,279	\$ 25,087	\$ 24,098	\$ 25,596
Interest on the Total Pension Liability	132,011	129,014	126,124	126,096	123,262	123,300	122,197	125,256	123,820	124,294
Benefit Changes	-	-	50,908	-	-	-	-	(74,376)	-	-
Difference between Expected and Actual Experience	5,013	9,607	(16,123)	(11,734)	20,339	(22,742)	(9,831)	(13,445)	7,106	(42,295)
Assumption Changes	10,759	-	(23,547)	102,005	(9,741)	(5,601)	(3,037)	118,561	(22,643)	-
Benefit Payments	(125,476)	(126,178)	(122,347)	(120,672)	(118,665)	(117,306)	(116,379)	(115,298)	(112,771)	(111,167)
Refunds	(1,239)	(1,127)	(1,539)	(884)	(587)	(1,256)	(701)	(800)	(972)	(628)
Net Change in Total Pension Liability	53,299	41,490	42,322	119,674	38,385	(485)	15,528	64,985	18,638	(4,200)
Total Pension Liability - Beginning	1,933,107	1,891,617	1,849,295	1,729,621	1,691,236	1,691,721	1,676,193	1,611,208	1,592,570	1,596,770
Total Pension Liability - Ending (a)	\$ 1,986,406	\$ 1,933,107	\$ 1,891,617	\$ 1,849,295	\$ 1,729,621	\$ 1,691,236	\$ 1,691,721	\$ 1,676,193	\$ 1,611,208	\$ 1,592,570
Plan Fiduciary Net Position										
Employer Contributions*	\$ 60,183	\$ 73,792	\$ 54,688	\$ 54,735	\$ 50,916	\$ 49,804	\$ 46,981	\$ 39,209	\$ 38,350	\$ 37,228
Employee Contributions	24,597	25,265	22,420	23,099	21,334	20,889	20,626	20,112	20,146	18,538
Pension Plan Net Investment Income	141,852	147,343	110,297	(95,988)	305,232	5,726	60,209	95,886	128,719	1,475
Benefit Payments	(125,476)	(126,178)	(122,347)	(120,672)	(118,665)	(117,306)	(116,379)	(115,298)	(112,771)	(111,167)
Refunds	(1,239)	(1,127)	(1,539)	(884)	(587)	(1,256)	(701)	(800)	(972)	(628)
Pension Plan Administrative Expense	(1,018)	(811)	(1,193)	(927)	(779)	(788)	(764)	(786)	(889)	(749)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	98,899	118,284	62,326	(140,637)	257,451	(42,931)	9,972	38,323	72,583	(55,303)
Plan Fiduciary Net Position - Beginning	1,335,037	1,216,753	1,154,427	1,295,064	1,037,613	1,080,544	1,070,572	1,032,249	959,666	1,014,969
Plan Fiduciary Net Position - Ending (b)	\$ 1,433,936	\$ 1,335,037	\$ 1,216,753	\$ 1,154,427	\$ 1,295,064	\$ 1,037,613	\$ 1,080,544	\$ 1,070,572	\$ 1,032,249	\$ 959,666
Net Pension Liability - Ending (a) - (b)	552,470	598,070	674,864	694,868	434,557	653,623	611,177	605,621	578,959	632,904
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.19 %	69.06 %	64.32 %	62.43 %	74.88 %	61.35 %	63.87 %	63.87 %	64.07 %	60.26 %
Covered-Employee Payroll	\$ 321,336	\$ 319,667	\$ 296,674	\$ 304,227	\$ 279,916	\$ 274,667	\$ 268,614	\$ 263,122	\$ 264,342	\$ 258,787
Net Pension Liability as a Percentage of Covered-Employee Payroll	171.93 %	187.09 %	227.48 %	228.40 %	155.25 %	237.97 %	227.53 %	230.17 %	219.02 %	244.57 %
Notes to Schedule:										
N/A										

* Includes employer contributions, supplemental contributions, and re-employed annuitant employer contributions.



Schedules of Required Supplementary Information

Schedule of the Net Pension Liability Multiyear (Dollars in Thousands)

Last 10 Fiscal Years

FY Ending June 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as a % of Total Pension Liability	Covered Payroll	Net Pension Liability as a % of Covered Payroll
2016	\$ 1,592,570	\$ 959,666	\$ 632,904	60.26%	\$ 258,787	244.57%
2017	1,611,208	1,032,249	578,959	64.07%	264,342	219.02%
2018	1,676,193	1,070,572	605,621	63.87%	263,122	230.17%
2019	1,691,721	1,080,544	611,177	63.87%	268,614	227.53%
2020	1,691,236	1,037,613	653,623	61.35%	274,667	237.97%
2021	1,729,621	1,295,064	434,557	74.88%	279,916	155.25%
2022	1,849,295	1,154,427	694,868	62.43%	304,227	228.40%
2023	1,891,617	1,216,753	674,864	64.32%	296,674	227.48%
2024	1,933,107	1,335,037	598,070	69.06%	319,667	187.09%
2025	1,986,406	1,433,936	552,470	72.19%	321,336	171.93%

Schedule of Contributions Multiyear (Dollars in Thousands)

Last 10 Fiscal Years

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution*	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 39,068	\$ 37,228	\$ 1,840	\$ 258,787	14.39%
2017	39,172	38,350	822	264,342	14.51
2018	38,196	39,209	(1,013)	263,122	14.90
2019	37,233	46,981	(9,748)	268,614	17.49
2020	39,181	49,804	(10,623)	274,667	18.13
2021	39,072	50,916	(11,844)	279,916	18.19
2022	39,298	54,735	(15,437)	304,227	17.99
2023	36,796	54,688	(17,892)	296,674	18.43
2024	53,053	73,792	(20,739)	319,667	23.08
2025	50,981	60,183	(9,202)	321,336	18.73

* Includes employer contributions, supplemental contributions, and reemployed annuitant employer contributions.

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Fiscal Year Ending June 30, 2025 Contribution Rates Reported in this Schedule:

Notes	Actuarially determined contribution rates are calculated as of each June 30 and apply to the fiscal year beginning on the day after the measurement date.
Valuation Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	5-year smoothed market; no corridor
Inflation	2.5%
Salary Increases	2.50% to 8.00%; service based
Investment Rate of Return	7.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2016-2021.
Mortality	Pub-2010 teacher generational mortality table, projected with scale MP-2021 from a base year of 2010, multiplied by a factor of 1.03 for annuitants (no adjustment for employees).

Other Information:

Notes	See separate funding report as of July 1, 2024 for additional detail.
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Schedule of Investment Returns Multiyear

Last 10 Fiscal Years

FY Ending June 30,	Annual Return¹
2016	0.34 %
2017	13.93 %
2018	9.75 %
2019	5.73 %
2020	0.10 %
2021	32.65 %
2022	(9.37)%
2023	9.43 %
2024	12.04 %
2025	10.48 %

¹ Annual money-weighted rate of return, net of investment expenses.

The St. Paul Teachers' Retirement Fund Association compiled this data and the related investment notes and furnished this information for inclusion within this report. We did not audit this information. We are not responsible for its accuracy or completeness.

Rate of Return

The Association's money-weighted rate of return for the year ending June 30, 2025 was 10.48% (net of fees). The money-weighted rate of return expresses investment performance, net of fees, adjusted for the actual cash flows that took place during the performance period.

SECTION D

NOTES TO FINANCIAL STATEMENTS

Note – Section D is intended to assist in preparation of the financial statements of the St. Paul Teachers' Retirement Fund Association. Financial statements are the responsibility of management, subject to the auditor's review.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These real rates of return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. For each major asset class that is included in the pension plan's target asset allocation as of June 30, 2025, these best estimates are summarized in the following table:

Long-Term Expected Real Rate of Return*

Asset Class	Target Allocation	Long-Term Expected
		Real Rate of Return (Arithmetic)
Domestic Equity	30%	6.55%
International Equity	20%	6.98%
Fixed Income	30%	3.45%
Real Assets	10%	3.90%
Private Equity & Alternatives	10%	7.47%
Total	100%	

* For purposes of these calculations, SPTRFA's assumed inflation rate is 2.50%.

The St. Paul Teachers' Retirement Fund Association compiled this data and the related investment notes and furnished this information for inclusion within this report. We did not audit this information. We are not responsible for its accuracy or completeness.

Single Discount Rate

A Single Discount Rate of 7.00% was used to measure the total pension liability. This Single Discount Rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this Single Discount Rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Regarding the sensitivity of the net pension liability to changes in the Single Discount Rate, the following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.00%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability to the Single Discount Rate Assumption *(Dollars in Thousands)*

	1% Decrease 6.00%	Current Single Discount Rate Assumption 7.00%	1% Increase 8.00%
Total Pension Liability	\$2,237,766	\$1,986,406	\$1,778,715
Net Position Restricted for Pensions	1,433,936	1,433,936	1,433,936
Net Pension Liability	\$ 803,830	\$ 552,470	\$ 344,779

Note that we believe the 8.0% interest rate assumption does not comply with Actuarial Standards of Practice.

Reconciliation of Members

Summary of Changes in Participant Status During Fiscal Year Ending June 30, 2025

	Active Participants	Leave of Absence	Vested Terminated	Other Non-Vested	Retired Participants	Disabled Participants	Survivors and Beneficiaries	Alternate Payees ²	Total
A. Number as of June 30, 2024	3,366	106	2,681	3,106	3,906	21	393	58	13,637
B. Additions	211	82	143	84	136	1	33	2	692
C. Deletions									
1. Retirements	(41)	(1)	(92)						(134)
2. Disability	(1)								(1)
3. Died with Beneficiary	(1)				(33)				(34)
4. Died without Beneficiary	(3)				(77)	(1)	(28)		(109)
5. Terminated - Deferred	(127)	(16)							(143)
6. Terminated - Not Vested	(83)	(1)							(84)
7. Refunds	(5)		(41)	(74)					(120)
8. Rehired as Active	108	(33)	(23)	(52)					-
9. Leave of Absence	(82)								(82)
10. Repayment of Refund									-
11. Expired Benefits									-
12. Disability to Retirement						(2)			(2)
D. Data Adjustments ¹		3	(4)	74		3	(1)		75
E. Total on June 30, 2025	3,342	140	2,664	3,138	3,932	22	397	60	13,695

¹ May include members not valued in prior valuation who repaid refunds or otherwise restored prior service.

² Includes alternate payees of retired participants (52), disabled participants (1), and survivors (7).



GASB Reconciliation (Dollars in Thousands)

Fiscal Year Ended June 30, 2025

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)	Deferred Outflows	Deferred Inflows	Outflows Prior Year	Total Pension Expense
Balance Beginning of Year	\$ 1,933,107	\$ 1,335,037	\$ 598,070				
Changes for the Year:							
Service Cost	\$ 32,231		\$ 32,231				\$ 32,231
Interest on Total Pension Liability	132,011		132,011				132,011
Interest on Fiduciary Net Position ⁽¹⁾		\$ 91,949	(91,949)				(91,949)
Changes in Benefit Terms			-				-
Liability Experience Gains and Losses	5,013		5,013	\$ 6,545	\$ -	\$ 1,030	(502)
Changes in Assumptions	10,759		10,759	7,173	-	(7,849)	(4,263)
Contributions - Employer		60,183	(60,183)				
Contributions - Employees		24,597	(24,597)				(24,597)
Asset Gain/(Loss) ⁽¹⁾		49,903	(49,903)	38,288	90,302	(38,514)	(36,403)
Benefit Payouts	(126,715)	(126,715)	-				
Administrative Expenses		(1,018)	1,018				1,018
Other changes		-	-				-
Net Changes	\$ 53,299	\$ 98,899	\$ (45,600)				\$ 7,546
Balance End of Year	\$ 1,986,406	\$ 1,433,936	\$ 552,470	\$ 52,006	\$ 90,302	\$ (45,333)	

⁽¹⁾ The sum of these items equals the net investment income of \$141,852.

SECTION E

SUMMARY OF BENEFITS

Summary of Benefit Provisions for Basic Members as of July 1, 2025

PARTICIPANTS

Licensed Educators first employed prior to July 1, 1978 by schools in the City of St. Paul or St. Paul College whose position requires a license from the Minnesota Professional Educator Licensing and Standards Board, who are not covered under the Social Security Act.

There are no remaining active Basic Members.

ACCREDITED SERVICE

Service which has been verified and accredited by the Association for the purpose of determining contributions and benefits (may include service earned while working outside of St. Paul Public Schools, previous St. Paul service, military service and governmental service).

ALLOWABLE ST. PAUL SERVICE

Service earned as a licensed educator in the St. Paul Public Schools, in the St. Paul College, or as an employee of the Association. Also includes service credited after receipt of payment as required, for licensed educators on leave.

SALARY

Total compensation earned during a school year (July 1 to June 30) excluding lump sum payments for unused leave at termination and employer-paid insurance coverage.



Summary of Benefit Provisions for Basic Members as of July 1, 2025

AVERAGE SALARY

Average of the highest 5 years of salary during the last 10 years of St. Paul service while making contributions.

NORMAL RETIREMENT BENEFIT

Eligibility

Attainment of age 65 and 5 years of Accredited Service.

Benefit

2.50 percent of Average Salary for each year of Accredited Service.

EARLY RETIREMENT BENEFIT

Eligibility

Attainment of age 55 and 5 years of Accredited Service.

Benefit

The greater of the following benefits:

- 2.00 percent of Average Salary per year of Accredited Service, subject to a maximum of 40 years with a 0.25 percent reduction for each month the member is under age 65. If the member has 25 years of Accredited Service, the reduction is taken from age 60; therefore, no reduction is required if the member is age 60 or older. No reduction is taken if age plus years of Accredited Service totals at least 90 years.
- 2.50 percent of Average Salary per year of Accredited Service, subject to a maximum of 40 years, reduced for each month the member is under age 65 using linear interpolation of the table listed below.

Age at Retirement	Reduction Factor
55	0.4200
56	0.4600
57	0.5000
58	0.5400
59	0.5800
60	0.6500
61	0.7200
62	0.7900
63	0.8600
64	0.9300
65	1.0000



Summary of Benefit Provisions for Basic Members as of July 1, 2025

DISABILITY RETIREMENT BENEFIT

Eligibility

Total and permanent disablement before attaining age 65 and 5 years of Accredited Service.

Benefit

If the member is under age 65, 75 percent of the member's annual contract salary less any Social Security and Workers' Compensation benefits payable until age 65. At age 65, a normal retirement benefit is calculated using the projected service and average salary as if the member had continued to teach in their position held at the time of disability. Members age 65 or older at time of disability receive a normal retirement benefit.

DEFERRED RETIREMENT BENEFIT

Eligibility

5 years of Accredited Service.

Benefit

Benefit computed under law in effect at termination and payable as a normal or early retirement benefit. For members hired on or before June 30, 2006, the benefit is augmented at 3.00 percent compounded annually from the 1st of the month following termination until the January 1st after turning age 55 and then augmented at 5.00 percent compounded annually from that date to July 1, 2012. For members hired after June 30, 2006, the benefit is augmented at 2.50 percent compounded annually from the 1st of the month following termination to July 1, 2012. Augmentation for all members, regardless of hire date, changed to 2.00 percent as of July 1, 2012 for the portion of benefit deferral which occurs after June 30, 2012 to June 30, 2019. After June 30, 2019, benefits are not augmented.

PRE-RETIREMENT SURVIVOR BENEFIT (Family Benefit)

Eligibility

Active member with five years of Accredited Service.

Benefit

- Children's Benefit: 25 percent of the maximum Bachelor of Arts salary for the year in which the member died for each eligible child up to a maximum of two. Benefits are paid until the child attains age 18, or 22 for full-time students.
- Spousal Benefit: 15 percent of the maximum Bachelor of Arts salary for an eligible spouse who has legal custody of an eligible child. Spousal benefits cease when the spouse remarries, dies, or elects the regular survivor benefit. Electing the regular survivor benefit does not disqualify the child from receiving the family benefit.



Summary of Benefit Provisions for Basic Members as of July 1, 2025

SURVIVOR BENEFIT (Active or Retired Member)

Eligibility

Active member or retired member with five years of Accredited Service. A surviving spouse must have been married to the member for three years at the earlier of death or retirement.

Benefit

Retirement benefit earned at the time of death or retirement, whichever is earlier, reduced by the use of 100 percent joint survivorship tables, based on the ages of the member and survivor at the time of retirement.

REFUND OF CONTRIBUTIONS

Eligibility

Termination or death where no annuity is payable.

Benefit

Member contributions with 6.00 percent interest accrued through June 30, 2011, 4.00 percent interest accrued through June 30, 2018, and 3.00 percent interest thereafter.

REEMPLOYED ANNUITANTS

The School District shall make the regular employer contribution and additional employer contribution, plus a supplemental contribution equal to 2.5 percent of salary, on behalf of any retired member who is reemployed by the School District. Reemployed annuitants do not accrue additional benefits.

NORMAL FORM OF RETIREMENT BENEFITS

Unreduced annuity payments made until the death of the member, with a 100 percent Joint and Survivor adjusted pension payable to the surviving beneficiary.

BENEFIT INCREASES

1.0 percent per year on January 1.

For retirements on and after July 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivors).

Summary of Benefit Provisions for Basic Members as of July 1, 2025

CHANGES IN PLAN PROVISIONS

There were no changes in plan provisions since the prior valuation.

Summary of Benefit Provisions for Coordinated Members as of June 30, 2025

STATUTORY CONTRIBUTIONS

Statutory contribution rates for members and their employers are shown as a percent-of-pay below.

<u>Contribution after June 30,</u>	<u>Member</u>	<u>Employer Regular</u>	<u>Employer Additional</u>
2023	7.75%	9.00%	3.84%
2024	7.50%	9.00%	3.84%
2025	8.75%	9.75%	3.84%
2026	9.00%	9.75%	3.84%

SUPPLEMENTAL CONTRIBUTIONS

1996 legislation provides for a variable amortization aid contribution paid annually on July 15. The actual contribution during the past fiscal year was \$838,000.

Annual supplemental contributions of \$14,827,000 will be contributed by the State of Minnesota each October 1. The contributions will continue until the earlier of the Plan achieving 100% funded ratio for three consecutive years, or June 30, 2048.

PARTICIPANTS

Licensed educators in the public schools of the City of St. Paul, excluding charter schools, whose position requires a license from the Minnesota Professional Educator Licensing and Standards Board, and who are covered under the Social Security Act and make contributions to the St. Paul Teachers' Retirement Fund Association, are covered under the Coordinated Plan.

ALLOWABLE SERVICE

Service earned as a licensed educator in the St. Paul Public Schools, in the St. Paul College, or in certain charter schools, or as an employee of the Association. Also includes service credited after receipt of payment as required, for licensed educators on leave. Service is granted on a proportional basis for part-time teachers.

Summary of Benefit Provisions for Coordinated Members as of June 30, 2025

SALARY

Total compensation excluding lump sum payments for unused leave at termination and employer-paid insurance coverage.

AVERAGE SALARY

Average of the highest five successive years of salary while making contributions. In cases where the Allowable Service is less than five years, Average Salary is based on the Allowable Service years.

NORMAL RETIREMENT BENEFIT

Eligibility

Three years of Allowable Service. The eligibility age is 65 for those hired before July 1, 1989. The eligibility age is the earlier of eligibility for full Social Security retirement benefits to a maximum of age 66 for those hired on or after July 1, 1989 and retired prior to July 1, 2025. Beginning July 1, 2025, the eligibility age is 65 for all members. A Proportionate Retirement Annuity is available at Normal Retirement Age with one year of Allowable Service.

Benefit

1.70 percent of Average Salary for each year of Allowable Service rendered before July 1, 2015 and 1.90 percent of Average Salary for each year of Allowable Service rendered after June 30, 2015.

Summary of Benefit Provisions for Coordinated Members as of June 30, 2025

EARLY RETIREMENT BENEFIT

Eligibility

Attainment of age 55 and 3 years of Allowable Service.

Benefit

Members hired before July 1, 1989 are eligible for the greater of the following benefits. Members hired after July 1, 1989 are eligible for the benefits shown in item (b):

- a) For the first 10 years of Allowable Service, 1.20 percent of Average Salary for each year of Allowable Service rendered prior to July 1, 2015, plus 1.40 percent of Average Salary for each year of Allowable Service rendered after June 30, 2015. Additionally, for each subsequent year of Allowable Service in excess of 10 years, 1.70 percent of Average Salary for each year rendered prior to July 1, 2015, plus 1.90 percent of Average Salary for each year rendered after June 30, 2015. There is a reduction of 0.25 percent for each month the member is under age 65, or under age 62 with 30 years of Allowable Service. No reduction applies if the age plus years of service totals at least 90.
- b) 1.70 percent of Average Salary per year of Allowable Service rendered before July 1, 2015 and 1.90 percent of Average Salary for each year of service rendered after June 30, 2015 reduced for each month the member is under the Normal Retirement Age using linear interpolation of the factors in the tables listed below.

Normal Retirement Age: Age at Retirement	<u>Reduction Factor</u>	
	<u>Under Age 62 or Less than 30 Years of Service</u>	
	<u>65</u>	<u>66</u>
55	0.4200	0.3500
56	0.4600	0.3900
57	0.5000	0.4300
58	0.5400	0.4700
59	0.5800	0.5100
60	0.6500	0.5800
61	0.7200	0.6500
62	0.7900	0.7200
63	0.8600	0.7900
64	0.9300	0.8600
65	1.0000	0.9300
66		1.0000

Summary of Benefit Provisions for Coordinated Members as of June 30, 2025

DISABILITY RETIREMENT BENEFIT

Eligibility

Total and permanent disablement and three years of Allowable Service with service earned within the current fiscal year and at least two years of Allowable Service since the last interruption in service.

Benefit

Calculated as a normal retirement benefit payable for life without reduction for early commencement. At normal retirement age, the benefit converts from a disability benefit to a retirement benefit. The disability benefit is reduced by any Workers' Compensation benefits payable.

DEFERRED RETIREMENT BENEFIT

Eligibility

Three years of Allowable Service.

Benefit

Benefit computed under law in effect at termination and payable as a normal or early retirement benefit. For members hired on or before June 30, 2006, the benefit is augmented at 3.00 percent compounded annually from the 1st of the month following termination until the January 1st after turning age 55 and then augmented at 5.00 percent compounded annually from that date to July 1, 2012. For members hired after June 30, 2006, the benefit is augmented at 2.50 percent compounded annually from the 1st of the month following termination to July 1, 2012. Augmentation for all members, regardless of hire date, changed to 2.00 percent as of July 1, 2012 for the portion of benefit deferral which occurs after June 30, 2012 to June 30, 2019. After June 30, 2019, benefits are not augmented.

SURVIVOR BENEFIT (Active Members)

Eligibility

Active member with three years of Allowable service. A surviving spouse is defined as the person legally married to the member at the time of death. If none, a dependent child who is the legal child of the member, who is less than 20 years of age and unmarried.

Benefit

Retirement benefit earned at the time of death with choices for either a reduced for 100 percent joint survivorship, or 5-, 10-, 15-, or 20-year term certain. The benefit is available immediately upon application. Actuarial reductions assuming 2.5 percent augmentation for the calculation of the survivorship portion of a 100 percent joint and survivor benefit are actuarially determined based on the member's and survivor's ages at the death of the member.

Early retirement reductions apply to the survivor benefit based on the member's age when deceased. If the deceased member had not yet attained age 55 at time of death, the additional early retirement reduction from age 55 to the age of the member at death applies at only one-half of the actuarial rate.

Summary of Benefit Provisions for Coordinated Members as of June 30, 2025

REFUND OF CONTRIBUTIONS

Eligibility

Termination or death where no annuity is payable or a refund of contributions is chosen in lieu of an annuity.

Benefit

Member contributions with 6.00 percent interest accrued through June 30, 2011, 4.00 percent interest accrued through June 30, 2018, and 3.00 percent interest thereafter.

REEMPLOYED ANNUITANTS

The School District shall make the regular employer contribution and additional employer contribution, plus a supplemental contribution equal to 2.5 percent of salary, on behalf of any retired member who is reemployed by the School District. Reemployed annuitants do not accrue additional benefits.

NORMAL FORM OF RETIREMENT BENEFITS

Straight life annuity. Actuarially equivalent options are available to provide post-retirement beneficiary or survivor benefits.

BENEFIT INCREASES

1.0 percent per year on January 1.

For retirements on and after July 1, 2024, the first benefit increase is delayed until the retiree reaches Normal Retirement Age (not applicable to Rule of 90 retirees, Rule of 62/30 retirees, disability benefit recipients, or survivors).

CHANGES IN PLAN PROVISIONS

There were no changes in plan provisions since the prior valuation.

SECTION F

ACTUARIAL COST METHOD AND ACTUARIAL ASSUMPTIONS

Actuarial Cost Method and Actuarial Assumptions

I. Actuarial Cost Method

Normal cost and the allocation of benefit values between service rendered before and after the valuation date were determined using an Individual Entry-Age Actuarial Cost Method having the following characteristics:

- 1) The annual normal cost for each individual active member, payable from the date of employment to the date of retirement, is sufficient to accumulate the value of the member's benefit at the time of retirement; and
- 2) Each annual normal cost is a constant percentage of the member's year by year projected covered pay.

Actuarial gains/(losses), as they occur, reduce (increase) the Unfunded Actuarial Accrued Liability.

II. Current Actuarial Assumptions

Assumptions are based on an experience study for the five-year period of July 1, 2016 to June 30, 2021, as well as a legislated change to the investment return assumption effective July 1, 2023.

A. Demographic Assumptions

Mortality:

1. Healthy and Disabled Annuitant Mortality:

- a. Male: Pub-2010 Male Healthy Teacher Retiree Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010. Rates are multiplied by a factor of 1.03.
- b. Female: Pub-2010 Female Healthy Teacher Retiree Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010. Rates are multiplied by a factor of 1.03.

2. Employee Mortality:

- a. Male: Pub-2010 Male Healthy Teacher Employee Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010.
- b. Female: Pub-2010 Female Healthy Teacher Employee Mortality Table, adjusted for mortality improvements using projection scale MP-2021 from 2010.

Actuarial Cost Method and Actuarial Assumptions

Mortality Expressed as the Number of Occurrences per 10,000:

Age in <u>2025</u>	Post-Retirement Mortality	
	<u>Male</u>	<u>Female</u>
55	22	19
56	24	21
57	27	23
58	30	25
59	33	28
60	37	30
61	41	32
62	45	35
63	50	37
64	55	40
65	60	43
66	67	47
67	74	51
68	81	55
69	90	61
70	101	68
71	113	77
72	126	87
73	142	99
74	161	113
75	182	129
76	207	148
77	235	170
78	267	196
79	304	225
80	346	258
81	395	297
82	451	341
83	514	391
84	587	448
85	671	513
86	764	586
87	869	668
88	987	760
89	1,117	864
90	1,261	980
91	1,418	1,110
92	1,586	1,254
93	1,763	1,410
94	1,947	1,577

Actuarial Cost Method and Actuarial Assumptions

Mortality Expressed as the Number of Occurrences per 10,000:

Age in 2025	Pre-Retirement Mortality	
	Male	Female
25	2	1
26	2	1
27	2	1
28	3	1
29	3	2
30	3	2
31	3	2
32	4	2
33	4	2
34	4	3
35	5	3
36	5	3
37	5	3
38	5	3
39	6	4
40	6	4
41	6	4
42	6	4
43	7	4
44	7	4
45	7	5
46	8	5
47	8	5
48	9	6
49	10	6
50	10	7
51	11	7
52	12	8
53	14	9
54	15	9
55	16	10
56	18	11
57	20	12
58	22	14
59	24	15
60	27	16
61	29	18
62	33	19
63	36	21
64	39	23

Actuarial Cost Method and Actuarial Assumptions

Rates of Disability:

Disability Expressed as the Number of Occurrences per 10,000:

Age	Disability	Age	Disability
20	1	45	4
21	1	46	4
22	1	47	4
23	1	48	4
24	1	49	4
25	1	50	6
26	1	51	6
27	1	52	6
28	1	53	6
29	1	54	6
30	2	55	12
31	2	56	12
32	2	57	12
33	2	58	12
34	2	59	12
35	2	60	20
36	2	61	20
37	2	62	20
38	2	63	20
39	2	64	20
40	2		
41	2		
42	2		
43	2		
44	2		

Actuarial Cost Method and Actuarial Assumptions

Rates of Termination:

Year	Number of Terminations per 1,000 Active Members	
	Male	Female
1	450	450
2	235	200
3	160	120
4	75	95
5	65	75
6	55	70
7	40	60
8	35	50
9	30	50
10	30	50
11	30	40
12	30	30
13	30	25
14	25	20
15 & Over	25	20

Rates of Retirement:

Retirements Expressed as the Number of Occurrences per 10,000:

Age	Male Coordinated Members Eligible for Rule of 90 Provision	Female Coordinated Members Eligible for Rule of 90 Provision	Male Coordinated Members Not Eligible for Rule of 90 Provision	Female Coordinated Members Not Eligible for Rule of 90 Provision
<55	2,500	3,500	0	0
55	2,500	3,500	500	500
56	3,500	3,000	500	500
57	3,000	2,000	500	500
58	2,500	2,500	700	500
59	2,500	3,000	700	700
60	2,500	3,000	1,200	900
61	3,000	3,000	800	1,000
62	5,000	3,500	2,000	1,800
63	3,000	3,000	2,500	2,100
64	2,500	2,500	2,500	2,100
65	10,000	10,000	3,000	4,500
66	10,000	10,000	3,500*	5,000*
67	10,000	10,000	4,000	4,500
68	10,000	10,000	3,500	3,000
69	10,000	10,000	3,500	2,500
70 & Over	10,000	10,000	10,000	10,000

**2,800 for male members and 3,200 for female members hired after June 30, 1989 with a Normal Retirement Age equal to 66.*

Note: Members reaching age 62 and 30 years of service prior to age 65 are assumed to retire at the same rate as Rule of 90 retirements.

Actuarial Cost Method and Actuarial Assumptions

B. Economic Assumptions

Investment Return Rate:	7.00%
Single Discount Rate:	7.00%
Price Inflation:	2.50% per year
Payroll Growth (Wage Inflation):	2.50% per year
Future Salary Increases:	Service-based rates shown below:

Annual Salary Increases

Ultimate Rate of Annual Salary Increases		Ultimate Rate of Annual Salary Increases	
Year		Year	
1	8.00%	21	2.70%
2	6.75%	22	2.50%
3	6.50%	23 & Over	2.50%
4	6.25%		
5	6.00%		
6	5.75%		
7	5.50%		
8	5.25%		
9	5.00%		
10	4.75%		
11	4.50%		
12	4.25%		
13	4.00%		
14	3.75%		
15	3.50%		
16	3.40%		
17	3.30%		
18	3.20%		
19	3.10%		
20	2.90%		

Asset Value: The actuarial value of assets is smoothed by using a five-year average market value.

Actuarial Cost Method and Actuarial Assumptions

C. *Other Assumptions*

Marital Status:	It is assumed that 75% of male members and 60% of female members have an eligible spouse. The male spouse is assumed to be two years older than the female spouse. Married members are assumed to have two dependent children.
Deferred Benefit Commencement:	Basic Plan members who terminate vested are assumed to commence benefits at age 61. Coordinated Plan members are assumed to commence benefits at age 63. If the member is already past the assumed deferral age, the member is assumed to commence benefits one year from the valuation date.
Administrative Expenses:	In the valuation year, equal to prior year administrative expenses expressed as a percent of prior year projected payroll. In each subsequent year, equal to the initial administrative expense percentage applied to payroll for the closed group.
Refund of Contributions:	All employees withdrawing after becoming eligible for a deferred benefit take the larger of their contributions accumulated with interest or the value of their deferred benefit. Account balances for deferred members accumulate interest until the assumed benefit commencement date and are discounted back to the valuation date.
Allowance for Combined Service Annuity:	28.0% load on liabilities for former, vested members. 58.0% load on liabilities for former, non-vested members.
Missing Salary and Salary Minimums:	Active members with reported salaries of \$100 or less were assumed to have the average non-zero active salary. Active members with salaries less than those reported at the prior valuation date are valued using their prior salary amount. Active members who have been hired within one year of the valuation date have had their pay annualized by dividing by months of service credited, not to exceed the average non-zero active salary. For members on leave of absence at valuation date who were not on leave at the prior valuation date, the prior year's valuation pay was used.
Missing Data for Deferred Vested Members:	Deferred vested members without a reported benefit and without salary information were assumed to have a final average salary of \$40,000.
Decrement Timing:	Retirement and Termination: end of valuation year – consistent with retirements and terminations occurring at the end of the school year. Death and Disability: middle of valuation year.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service nearest whole year on the date the decrement is assumed to occur.

Actuarial Cost Method and Actuarial Assumptions

Service Credit Accruals:	It is assumed that members accrue one year of service credit per year. Exact fractional service is used to determine the amount of benefit payable.
Supplemental Contributions:	1996 legislation provides for a variable amortization aid contribution paid annually on July 15. We assumed the annual amortization aid contribution will equal \$838,000, which was the actual contribution for the most recent fiscal year. Additionally, annual supplemental contributions equal to \$14,827,000 are scheduled to be paid each October 1. The contributions described herein will continue until the plan is 100% funded for three consecutive years or until June 30, 2048, whichever occurs earlier.
Projected Annual Payroll Calculation:	The census data as of July 1, 2025 reflects retirements and terminations occurring during the months of May and June; however, it does not necessarily reflect the replacements hired to fill their positions who may have hire dates in August and September. We assumed that May and June retirements are replaced by members coming in at the B.A. entry salary level of \$56,788; the Projected Annual Payroll for the fiscal year ending June 30, 2026 includes this replacement salary amount.
Changes in Actuarial Assumptions Since the Prior Valuation:	The Combined Service Annuity load was changed from 20% to 28% for vested terminated members, and from 9% to 58% for non-vested terminated members.

SECTION G

CALCULATION OF THE SINGLE DISCOUNT RATE

Calculation of the Single Discount Rate

GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As long as assets are projected to be on hand in a future year, the assumed valuation discount rate is used. In years where assets are not projected to be sufficient to meet benefit payments, the use of a municipal bond rate is required, as described in the following paragraph. The plan is projected to have sufficient assets to pay all benefits.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the 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 as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 5.20%; and the resulting SDR is 7.00%.

The tables in this section provide background for the development of the SDR.

The **Projection of Contributions** table shows the development of expected contributions in future years. Normal Cost contributions for future hires are not included (nor are their liabilities).

The **Projection of Plan Fiduciary Net Position** table shows the development of expected asset levels in future years.

The **Present Values of Projected Benefit Payments** table shows the development of the SDR. It breaks down the benefit payments into present values for funded and unfunded portions and shows the equivalent total using the SDR.

Single Discount Rate Development

Projection of Contributions (Dollars in Thousands)

Year	Payroll			Projected Contributions				
	Payroll for Current Employees	Payroll for New Employees	Total Employee Payroll	Contributions from Current Employees	Employer		Supplemental Contributions**	Total Contributions
					Contributions for Current Employees	Employer Contributions on Future Payroll toward Current UAL*		
0	\$ 321,336	\$ -	\$ 321,336					
1	336,138	-	336,138	\$ 29,412	\$ 45,681	\$ -	\$ 15,665	\$ 90,758
2	320,814	23,727	344,541	28,873	43,599	2,907	15,665	91,044
3	310,134	43,021	353,155	27,912	42,147	5,270	15,665	90,994
4	300,828	61,156	361,984	27,075	40,883	7,492	15,665	91,115
5	291,647	79,386	371,033	26,248	39,635	9,725	15,665	91,273
6	282,123	98,186	380,309	25,391	38,340	12,028	15,665	91,424
7	272,734	117,083	389,817	24,546	37,065	14,343	15,665	91,619
8	263,233	136,329	399,562	23,691	35,773	16,700	15,665	91,829
9	253,330	156,221	409,551	22,800	34,428	19,137	15,665	92,030
10	243,418	176,372	419,790	21,908	33,080	21,606	15,665	92,259
11	233,218	197,067	430,285	20,990	31,694	24,141	15,665	92,490
12	223,107	217,935	441,042	20,080	30,320	26,697	15,665	92,762
13	212,668	239,400	452,068	19,140	28,902	29,326	15,665	93,033
14	202,452	260,918	463,370	18,221	27,513	31,962	-	77,696
15	192,322	282,632	474,954	17,309	26,137	34,622	-	78,068
16	181,804	305,024	486,828	16,362	24,707	37,365	-	78,434
17	171,375	327,623	498,998	15,424	23,290	40,134	-	78,848
18	160,760	350,713	511,473	14,468	21,847	42,962	-	79,277
19	149,605	374,655	524,260	13,464	20,331	45,895	-	79,690
20	138,308	399,059	537,367	12,448	18,796	48,885	-	80,129
21	127,155	423,646	550,801	11,444	17,280	51,897	-	80,621
22	116,265	448,306	564,571	10,464	15,800	54,917	-	81,181
23	105,420	473,265	578,685	9,488	14,327	57,975	-	81,790
24	94,924	498,228	593,152	8,543	12,900	61,033	-	82,476
25	85,092	522,889	607,981	7,658	11,564	64,054	-	83,276
26	75,953	547,228	623,181	6,836	10,322	67,035	-	84,193
27	66,675	572,085	638,760	6,001	9,061	70,080	-	85,142
28	57,703	597,026	654,729	5,193	7,842	73,136	-	86,171
29	49,376	621,721	671,097	4,444	6,710	76,161	-	87,315
30	41,820	646,055	687,875	3,764	5,683	79,142	-	88,589
31	34,866	670,206	705,072	3,138	4,738	82,100	-	89,976
32	28,947	693,751	722,698	2,605	3,934	84,985	-	91,524
33	23,390	717,376	740,766	2,105	3,179	87,879	-	93,163
34	18,783	740,502	759,285	1,691	2,553	90,711	-	94,955
35	14,264	764,003	778,267	1,284	1,938	93,590	-	96,812
36	10,533	787,191	797,724	948	1,431	96,431	-	98,810
37	7,597	810,070	817,667	684	1,032	99,234	-	100,950
38	5,173	832,936	838,109	466	703	102,035	-	103,204
39	3,319	855,742	859,061	299	451	104,828	-	105,578
40	2,089	878,449	880,538	188	284	107,610	-	108,082
41	1,270	901,281	902,551	114	173	110,407	-	110,694
42	752	924,363	925,115	68	102	113,235	-	113,405
43	381	947,862	948,243	34	52	116,113	-	116,199
44	192	971,757	971,949	17	26	119,040	-	119,083
45	93	996,155	996,248	8	13	122,029	-	122,050
46	38	1,021,116	1,021,154	3	5	125,087	-	125,095
47	8	1,046,675	1,046,683	1	1	128,218	-	128,220
48	-	1,072,850	1,072,850	-	-	131,424	-	131,424
49	-	1,099,671	1,099,671	-	-	134,710	-	134,710
50	-	1,127,163	1,127,163	-	-	138,077	-	138,077

* Contributions related to future employees in excess of normal cost and expenses of 10.34% of pay.

** Supplemental contributions are equal to \$15,665,000 until the earlier of 100% funding for three consecutive years (on an AVA basis), or June 30, 2048; this contribution is assumed to end after 13 years.

For purposes of this projection, based on GASB guidance, we assumed the statutory contribution rates would continue after the plan becomes fully funded unless noted otherwise. If we reflected a decrease in contribution rates due to full funding, future assets and contributions would be less than what is shown herein.



Single Discount Rate Development

Projection of Contributions (Concluded) (Dollars in Thousands)

Year	Payroll			Projected Contributions				
	Payroll for Current Employees	Payroll for New Employees	Total Employee Payroll	Contributions from Current Employees	Employer Contributions for Current Employees	Employer Contributions on Future Payroll toward Current UAL*	Supplemental Contributions**	Total Contributions
51	\$ -	\$ 1,155,342	\$ 1,155,342	\$ -	\$ -	\$ 141,529	\$ -	\$ 141,529
52	-	1,184,226	1,184,226	-	-	145,068	-	145,068
53	-	1,213,831	1,213,831	-	-	148,694	-	148,694
54	-	1,244,177	1,244,177	-	-	152,412	-	152,412
55	-	1,275,281	1,275,281	-	-	156,222	-	156,222
56	-	1,307,163	1,307,163	-	-	160,128	-	160,128
57	-	1,339,843	1,339,843	-	-	164,131	-	164,131
58	-	1,373,339	1,373,339	-	-	168,234	-	168,234
59	-	1,407,672	1,407,672	-	-	172,440	-	172,440
60	-	1,442,864	1,442,864	-	-	176,751	-	176,751
61	-	1,478,935	1,478,935	-	-	181,170	-	181,170
62	-	1,515,909	1,515,909	-	-	185,699	-	185,699
63	-	1,553,807	1,553,807	-	-	190,341	-	190,341
64	-	1,592,652	1,592,652	-	-	195,100	-	195,100
65	-	1,632,468	1,632,468	-	-	199,977	-	199,977
66	-	1,673,280	1,673,280	-	-	204,977	-	204,977
67	-	1,715,112	1,715,112	-	-	210,101	-	210,101
68	-	1,757,990	1,757,990	-	-	215,354	-	215,354
69	-	1,801,939	1,801,939	-	-	220,738	-	220,738
70	-	1,846,988	1,846,988	-	-	226,256	-	226,256
71	-	1,893,162	1,893,162	-	-	231,912	-	231,912
72	-	1,940,492	1,940,492	-	-	237,710	-	237,710
73	-	1,989,004	1,989,004	-	-	243,653	-	243,653
74	-	2,038,729	2,038,729	-	-	249,744	-	249,744
75	-	2,089,697	2,089,697	-	-	255,988	-	255,988
76	-	2,141,940	2,141,940	-	-	262,388	-	262,388
77	-	2,195,488	2,195,488	-	-	268,947	-	268,947
78	-	2,250,375	2,250,375	-	-	275,671	-	275,671
79	-	2,306,635	2,306,635	-	-	282,563	-	282,563
80	-	2,364,300	2,364,300	-	-	289,627	-	289,627
81	-	2,423,408	2,423,408	-	-	296,867	-	296,867
82	-	2,483,993	2,483,993	-	-	304,289	-	304,289
83	-	2,546,093	2,546,093	-	-	311,896	-	311,896
84	-	2,609,745	2,609,745	-	-	319,694	-	319,694
85	-	2,674,989	2,674,989	-	-	327,686	-	327,686
86	-	2,741,864	2,741,864	-	-	335,878	-	335,878
87	-	2,810,410	2,810,410	-	-	344,275	-	344,275
88	-	2,880,671	2,880,671	-	-	352,882	-	352,882
89	-	2,952,687	2,952,687	-	-	361,704	-	361,704
90	-	3,026,505	3,026,505	-	-	370,747	-	370,747
91	-	3,102,167	3,102,167	-	-	380,015	-	380,015
92	-	3,179,721	3,179,721	-	-	389,516	-	389,516
93	-	3,259,214	3,259,214	-	-	399,254	-	399,254
94	-	3,340,695	3,340,695	-	-	409,235	-	409,235
95	-	3,424,212	3,424,212	-	-	419,466	-	419,466
96	-	3,509,817	3,509,817	-	-	429,953	-	429,953
97	-	3,597,563	3,597,563	-	-	440,701	-	440,701
98	-	3,687,502	3,687,502	-	-	451,719	-	451,719
99	-	3,779,689	3,779,689	-	-	463,012	-	463,012
100	-	3,874,182	3,874,182	-	-	474,587	-	474,587

* Contributions related to future employees in excess of normal cost and expenses of 10.34% of pay.

** Supplemental contributions are equal to \$15,665,000 until the earlier of 100% funding for three consecutive years (on an AVA basis), or June 30, 2048; this contribution is assumed to end after 13 years.

For purposes of this projection, based on GASB guidance, we assumed the statutory contribution rates would continue after the plan becomes fully funded unless noted otherwise. If we reflected a decrease in contribution rates due to full funding, future assets and contributions would be less than what is shown herein.



Single Discount Rate Development

Projection of Plan Fiduciary Net Position (Dollars in Thousands)

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 7.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
1	\$ 1,433,936	\$ 90,758	\$ 127,823	\$ 1,042	\$ 99,064	\$ 1,494,893
2	1,494,893	91,044	131,151	995	103,228	1,557,019
3	1,557,019	90,994	133,343	961	107,501	1,621,210
4	1,621,210	91,115	135,426	933	111,928	1,687,894
5	1,687,894	91,273	137,951	904	116,515	1,756,827
6	1,756,827	91,424	140,922	875	121,245	1,827,699
7	1,827,699	91,619	143,868	845	126,112	1,900,717
8	1,900,717	91,829	146,929	816	131,126	1,975,927
9	1,975,927	92,030	150,034	785	136,292	2,053,430
10	2,053,430	92,259	153,054	755	141,622	2,133,502
11	2,133,502	92,490	156,000	723	147,135	2,216,404
12	2,216,404	92,762	158,789	692	152,853	2,302,538
13	2,302,538	93,033	161,815	659	158,788	2,391,885
14	2,391,885	77,696	164,521	628	164,423	2,468,855
15	2,468,855	78,068	167,161	596	169,734	2,548,900
16	2,548,900	78,434	169,779	564	175,261	2,632,252
17	2,632,252	78,848	172,353	531	181,022	2,719,238
18	2,719,238	79,277	174,786	498	187,043	2,810,274
19	2,810,274	79,690	177,699	464	193,331	2,905,132
20	2,905,132	80,129	180,823	429	199,880	3,003,889
21	3,003,889	80,621	183,700	394	206,712	3,107,128
22	3,107,128	81,181	186,545	360	213,862	3,215,266
23	3,215,266	81,790	189,541	327	221,350	3,328,538
24	3,328,538	82,476	192,376	294	229,206	3,447,550
25	3,447,550	83,276	194,975	264	237,476	3,573,063
26	3,573,063	84,193	197,086	235	246,222	3,706,157
27	3,706,157	85,142	199,323	207	255,496	3,847,265
28	3,847,265	86,171	201,682	179	265,328	3,996,903
29	3,996,903	87,315	203,617	153	275,777	4,156,225
30	4,156,225	88,589	204,950	130	286,928	4,326,662
31	4,326,662	89,976	205,850	108	298,876	4,509,556
32	4,509,556	91,524	205,928	90	311,730	4,706,792
33	4,706,792	93,163	205,488	73	325,609	4,920,003
34	4,920,003	94,955	204,522	58	340,629	5,151,007
35	5,151,007	96,812	203,128	44	356,911	5,401,558
36	5,401,558	98,810	201,535	33	374,574	5,673,374
37	5,673,374	100,950	198,865	24	393,767	5,969,202
38	5,969,202	103,204	195,495	16	414,669	6,291,564
39	6,291,564	105,578	191,456	10	437,455	6,643,131
40	6,643,131	108,082	186,673	6	462,315	7,026,849
41	7,026,849	110,694	181,210	4	489,454	7,445,783
42	7,445,783	113,405	175,274	2	519,077	7,902,989
43	7,902,989	116,199	169,090	1	551,390	8,401,487
44	8,401,487	119,083	162,638	1	586,606	8,944,537
45	8,944,537	122,050	156,003	-	624,950	9,535,534
46	9,535,534	125,095	149,237	-	666,657	10,178,049
47	10,178,049	128,220	142,369	-	711,977	10,875,877
48	10,875,877	131,424	135,420	-	761,175	11,633,056
49	11,633,056	134,710	128,415	-	814,531	12,453,882
50	12,453,882	138,077	121,379	-	872,347	13,342,927

For purposes of this projection, based on GASB guidance, we assumed the statutory contribution rates would continue after the plan becomes fully funded unless noted otherwise. If we reflected a decrease in contribution rates due to full funding, future assets and contributions would be less than what is shown herein.



Single Discount Rate Development

Projection of Plan Fiduciary Net Position (Concluded)

(Dollars in Thousands)

Year	Projected Beginning Plan Net Position	Projected Total Contributions	Projected Benefit Payments	Projected Administrative Expenses	Projected Investment Earnings at 7.00%	Projected Ending Plan Net Position
	(a)	(b)	(c)	(d)	(e)	(f)=(a)+(b)-(c)-(d)+(e)
51	\$ 13,342,927	\$ 141,529	\$ 114,333	\$ -	\$ 934,941	\$ 14,305,064
52	14,305,064	145,068	107,298	-	1,002,655	15,345,489
53	15,345,489	148,694	100,300	-	1,075,850	16,469,733
54	16,469,733	152,412	93,365	-	1,154,914	17,683,694
55	17,683,694	156,222	86,522	-	1,240,257	18,993,651
56	18,993,651	160,128	79,798	-	1,332,320	20,406,301
57	20,406,301	164,131	73,221	-	1,431,570	21,928,781
58	21,928,781	168,234	66,821	-	1,538,505	23,568,699
59	23,568,699	172,440	60,624	-	1,653,657	25,334,172
60	25,334,172	176,751	54,658	-	1,777,593	27,233,858
61	27,233,858	181,170	48,947	-	1,910,920	29,277,001
62	29,277,001	185,699	43,518	-	2,054,283	31,473,465
63	31,473,465	190,341	38,391	-	2,208,371	33,833,786
64	33,833,786	195,100	33,585	-	2,373,923	36,369,224
65	36,369,224	199,977	29,116	-	2,551,725	39,091,810
66	39,091,810	204,977	24,996	-	2,742,620	42,014,411
67	42,014,411	210,101	21,231	-	2,947,508	45,150,789
68	45,150,789	215,354	17,826	-	3,167,352	48,515,669
69	48,515,669	220,738	14,782	-	3,403,184	52,124,809
70	52,124,809	226,256	12,096	-	3,656,106	55,995,075
71	55,995,075	231,912	9,757	-	3,927,300	60,144,530
72	60,144,530	237,710	7,752	-	4,218,030	64,592,518
73	64,592,518	243,653	6,059	-	4,529,652	69,359,764
74	69,359,764	249,744	4,656	-	4,863,617	74,468,469
75	74,468,469	255,988	3,512	-	5,221,480	79,942,425
76	79,942,425	262,388	2,598	-	5,604,909	85,807,124
77	85,807,124	268,947	1,883	-	6,015,688	92,089,876
78	92,089,876	275,671	1,335	-	6,455,731	98,819,943
79	98,819,943	282,563	925	-	6,927,087	106,028,668
80	106,028,668	289,627	625	-	7,431,951	113,749,621
81	113,749,621	296,867	412	-	7,972,674	122,018,750
82	122,018,750	304,289	264	-	8,551,774	130,874,549
83	130,874,549	311,896	165	-	9,171,945	140,358,225
84	140,358,225	319,694	100	-	9,836,073	150,513,892
85	150,513,892	327,686	59	-	10,547,246	161,388,765
86	161,388,765	335,878	34	-	11,308,770	173,033,379
87	173,033,379	344,275	19	-	12,124,182	185,501,817
88	185,501,817	352,882	10	-	12,997,269	198,851,958
89	198,851,958	361,704	5	-	13,932,083	213,145,740
90	213,145,740	370,747	3	-	14,932,959	228,449,443
91	228,449,443	380,015	1	-	16,004,537	244,833,994
92	244,833,994	389,516	1	-	17,151,783	262,375,292
93	262,375,292	399,254	-	-	18,380,009	281,154,555
94	281,154,555	409,235	-	-	19,694,901	301,258,691
95	301,258,691	419,466	-	-	21,102,542	322,780,699
96	322,780,699	429,953	-	-	22,609,443	345,820,095
97	345,820,095	440,701	-	-	24,222,571	370,483,367
98	370,483,367	451,719	-	-	25,949,379	396,884,465
99	396,884,465	463,012	-	-	27,797,845	425,145,322
100	425,145,322	474,587	-	-	29,776,503	455,396,412

For purposes of this projection, based on GASB guidance, we assumed the statutory contribution rates would continue after the plan becomes fully funded unless notes otherwise. If we reflected a decrease in contribution rates due to full funding, future assets and contributions would be less than what is shown herein.



Single Discount Rate Development

Present Values of Projected Benefits (Dollars in Thousands)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v ^a ((a)-.5)	(g)=(e)*vf ^a ((a)-.5)	(h)=(c)/(1+sdr) ^a ((a)-.5)
1	\$ 1,433,936	\$ 127,823	\$ 127,823	\$ -	\$ 123,571	\$ -	\$ 123,571
2	1,494,894	131,151	131,151	-	118,493	-	118,493
3	1,557,021	133,343	133,343	-	112,592	-	112,592
4	1,621,212	135,426	135,426	-	106,871	-	106,871
5	1,687,895	137,951	137,951	-	101,741	-	101,741
6	1,756,829	140,922	140,922	-	97,133	-	97,133
7	1,827,701	143,868	143,868	-	92,676	-	92,676
8	1,900,718	146,929	146,929	-	88,456	-	88,456
9	1,975,929	150,034	150,034	-	84,417	-	84,417
10	2,053,431	153,054	153,054	-	80,482	-	80,482
11	2,133,504	156,000	156,000	-	76,665	-	76,665
12	2,216,406	158,789	158,789	-	72,930	-	72,930
13	2,302,539	161,815	161,815	-	69,458	-	69,458
14	2,391,886	164,521	164,521	-	65,999	-	65,999
15	2,468,857	167,161	167,161	-	62,672	-	62,672
16	2,548,902	169,779	169,779	-	59,489	-	59,489
17	2,632,255	172,353	172,353	-	56,440	-	56,440
18	2,719,241	174,786	174,786	-	53,492	-	53,492
19	2,810,278	177,699	177,699	-	50,826	-	50,826
20	2,905,137	180,823	180,823	-	48,336	-	48,336
21	3,003,894	183,700	183,700	-	45,892	-	45,892
22	3,107,133	186,545	186,545	-	43,554	-	43,554
23	3,215,271	189,541	189,541	-	41,359	-	41,359
24	3,328,543	192,376	192,376	-	39,231	-	39,231
25	3,447,556	194,975	194,975	-	37,160	-	37,160
26	3,573,070	197,086	197,086	-	35,105	-	35,105
27	3,706,164	199,323	199,323	-	33,181	-	33,181
28	3,847,272	201,682	201,682	-	31,377	-	31,377
29	3,996,911	203,617	203,617	-	29,606	-	29,606
30	4,156,232	204,950	204,950	-	27,850	-	27,850
31	4,326,669	205,850	205,850	-	26,142	-	26,142
32	4,509,564	205,928	205,928	-	24,441	-	24,441
33	4,706,800	205,488	205,488	-	22,794	-	22,794
34	4,920,011	204,522	204,522	-	21,202	-	21,202
35	5,151,014	203,128	203,128	-	19,680	-	19,680
36	5,401,566	201,535	201,535	-	18,248	-	18,248
37	5,673,383	198,865	198,865	-	16,829	-	16,829
38	5,969,212	195,495	195,495	-	15,461	-	15,461
39	6,291,573	191,456	191,456	-	14,151	-	14,151
40	6,643,140	186,673	186,673	-	12,895	-	12,895
41	7,026,858	181,210	181,210	-	11,699	-	11,699
42	7,445,792	175,274	175,274	-	10,575	-	10,575
43	7,902,997	169,090	169,090	-	9,535	-	9,535
44	8,401,494	162,638	162,638	-	8,571	-	8,571
45	8,944,545	156,003	156,003	-	7,683	-	7,683
46	9,535,542	149,237	149,237	-	6,869	-	6,869
47	10,178,058	142,369	142,369	-	6,124	-	6,124
48	10,875,886	135,420	135,420	-	5,444	-	5,444
49	11,633,065	128,415	128,415	-	4,825	-	4,825
50	12,453,890	121,379	121,379	-	4,262	-	4,262

For purposes of this projection, based on GASB guidance, we assumed the statutory contribution rates would continue after the plan becomes fully funded unless noted otherwise. If we reflected a decrease in contribution rates due to full funding, future assets and contributions would be less than what is shown herein.



Single Discount Rate Development

Present Values of Projected Benefits (Concluded)

(Dollars in Thousands)

Year	Projected Beginning Plan Net Position	Projected Benefit Payments	Funded Portion of Benefit Payments	Unfunded Portion of Benefit Payments	Present Value of Funded Benefit Payments using Expected Return Rate (v)	Present Value of Unfunded Benefit Payments using Municipal Bond Rate (vf)	Present Value of Benefit Payments using Single Discount Rate (sdr)
(a)	(b)	(c)	(d)	(e)	(f)=(d)*v^((a)-.5)	(g)=(e)*vf ^((a)-.5)	(h)=(c)/(1+sdr)^(a-.5)
51	\$ 13,342,936	\$ 114,333	\$ 114,333	\$ -	\$ 3,752	\$ -	\$ 3,752
52	14,305,073	107,298	107,298	-	3,291	-	3,291
53	15,345,498	100,300	100,300	-	2,875	-	2,875
54	16,469,742	93,365	93,365	-	2,501	-	2,501
55	17,683,702	86,522	86,522	-	2,166	-	2,166
56	18,993,660	79,798	79,798	-	1,867	-	1,867
57	20,406,310	73,221	73,221	-	1,601	-	1,601
58	21,928,788	66,821	66,821	-	1,366	-	1,366
59	23,568,706	60,624	60,624	-	1,158	-	1,158
60	25,334,179	54,658	54,658	-	976	-	976
61	27,233,865	48,947	48,947	-	817	-	817
62	29,277,007	43,518	43,518	-	679	-	679
63	31,473,471	38,391	38,391	-	559	-	559
64	33,833,793	33,585	33,585	-	457	-	457
65	36,369,230	29,116	29,116	-	371	-	371
66	39,091,816	24,996	24,996	-	297	-	297
67	42,014,417	21,231	21,231	-	236	-	236
68	45,150,796	17,826	17,826	-	185	-	185
69	48,515,676	14,782	14,782	-	144	-	144
70	52,124,815	12,096	12,096	-	110	-	110
71	55,995,081	9,757	9,757	-	83	-	83
72	60,144,535	7,752	7,752	-	61	-	61
73	64,592,524	6,059	6,059	-	45	-	45
74	69,359,769	4,656	4,656	-	32	-	32
75	74,468,474	3,512	3,512	-	23	-	23
76	79,942,431	2,598	2,598	-	16	-	16
77	85,807,129	1,883	1,883	-	11	-	11
78	92,089,882	1,335	1,335	-	7	-	7
79	98,819,950	925	925	-	5	-	5
80	106,028,675	625	625	-	3	-	3
81	113,749,628	412	412	-	2	-	2
82	122,018,758	264	264	-	1	-	1
83	130,874,557	165	165	-	1	-	1
84	140,358,233	100	100	-	-	-	-
85	150,513,900	59	59	-	-	-	-
86	161,388,773	34	34	-	-	-	-
87	173,033,388	19	19	-	-	-	-
88	185,501,827	10	10	-	-	-	-
89	198,851,968	5	5	-	-	-	-
90	213,145,750	3	3	-	-	-	-
91	228,449,453	1	1	-	-	-	-
92	244,834,005	1	1	-	-	-	-
93	262,375,303	-	-	-	-	-	-
94	281,154,565	-	-	-	-	-	-
95	301,258,700	-	-	-	-	-	-
96	322,780,708	-	-	-	-	-	-
97	345,820,104	-	-	-	-	-	-
98	370,483,377	-	-	-	-	-	-
99	396,884,475	-	-	-	-	-	-
100	425,145,331	-	-	-	-	-	-
Totals					\$ 2,280,186	\$ -	\$ 2,280,186

For purposes of this projection, based on GASB guidance, we assumed the statutory contribution rates would continue after the plan becomes fully funded unless noted otherwise. If we reflected a decrease in contribution rates due to full funding, future assets and contributions would be less than what is shown herein.



SECTION H

GLOSSARY OF TERMS

Glossary of Terms

<i>Accrued Service</i>	Service credited under the system which was rendered before the date of the actuarial valuation.
<i>Actuarial Accrued Liability (AAL)</i>	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as “accrued liability” or “actuarial liability.”
<i>Actuarial Assumptions</i>	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
<i>Actuarial Cost Method</i>	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
<i>Actuarial Equivalent</i>	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
<i>Actuarial Gain (Loss)</i>	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
<i>Actuarial Present Value (APV)</i>	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
<i>Actuarial Valuation</i>	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
<i>Actuarial Valuation Date</i>	The date as of which an actuarial valuation is performed.
<i>Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)</i>	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically, the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

Glossary of Terms

<i>Amortization Payment</i>	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
<i>Amortization Method</i>	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be “open” (meaning, reset each year) or “closed” (the number of years remaining will decline each year).
<i>Cost-of-Living Adjustments</i>	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
<i>Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)</i>	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
<i>Covered-Employee Payroll</i>	The payroll of employees that are provided with pensions through the pension plan.
<i>Deferred Inflows and Outflows</i>	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
<i>Deferred Retirement Option Program (DROP)</i>	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
<i>Discount Rate</i>	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: 1. The benefit payments to be made while the pension plans’ fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

Glossary of Terms

Entry Age Actuarial Cost Method (EAN)

The EAN is a cost method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit age(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.

Fiduciary Net Position

The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.

GASB

The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.

Long-Term Expected Rate of Return

The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.

Money-Weighted Rate of Return

The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.

Multiple-Employer Defined Benefit Pension Plan

A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

Municipal Bond Rate

The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.

Net Pension Liability (NPL)

The NPL is the liability of employers and non-employer contributing entities to plan members for benefits provided through a defined benefit pension plan.

Non-Employer Contributing Entities

Non-employer contributing entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contributing entities.

Normal Cost

The portion of the actuarial present value allocated to a valuation year is called the normal cost. For purposes of application to the requirements of this Statement, the term normal cost is the equivalent of service cost.

Glossary of Terms

Other Postemployment Benefits (OPEB)

All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment health care benefits regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.

Real Rate of Return

The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.

Service Cost

The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.

Total Pension Expense

The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year:

1. Service Cost
2. Interest on the Total Pension Liability
3. Current-Period Benefit Changes
4. Employee Contributions (made negative for addition here)
5. Projected Earnings on Plan Investments (made negative for addition here)
6. Pension Plan Administrative Expense
7. Other Changes in Plan Fiduciary Net Position
8. Recognition of Outflow (Inflow) of Resources due to Liabilities
9. Recognition of Outflow (Inflow) of Resources due to Assets

Total Pension Liability (TPL)

The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.

Unfunded Actuarial Accrued Liability (UAAL)

The UAAL is the difference between actuarial accrued liability and valuation assets.

Valuation Assets

The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.