# Public Employee Retirement System of Idaho

## GASB 67 and 68 Disclosure
## Fiscal Year: July 1, 2025, to June 30, 2026

**Prepared by**

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# Certification

Actuarial computations presented in this report under Statements No. 67 and 68 of the Governmental Accounting Standards Board are for purposes of assisting the System and participating employers in fulfilling their financial accounting requirements. This report is for fiscal year July 1, 2025, to June 30, 2026. The reporting date for determining plan assets and obligations is June 30, 2026. The calculations enclosed in this report have been made on a basis consistent with our understanding of the plan provisions. Determinations for purposes other than meeting financial reporting requirements may be significantly different than the results contained in this report. Accordingly, additional determinations may be needed for other purposes, such as judging benefit security or meeting employer funding requirements.

Actuarial assumptions, including investment return assumption, mortality tables, and others identified in this report, and actuarial cost methods are adopted by the Retirement Board. That entity is responsible for selecting the plan's funding policy, actuarial valuation methods, asset valuation methods, and assumptions. The policies, methods, and assumptions used in this valuation are those that have been so adopted and are described in this report. The System is solely responsible for communicating to Milliman any changes required thereto. In compliance with GASB Statements No. 67 and No. 68, the individual entry age cost method is used. All costs, liabilities, rates of interest, and other factors for the System have been determined on the basis of actuarial assumptions and methods which, in our professional opinion, are individually reasonable (taking into account the experience of the System and reasonable expectations); and which, in combination, offer a reasonable estimate of anticipated future experience affecting the System and are expected to have no significant bias.

This valuation report is only an estimate of the System's financial condition as of a single date. It can neither predict the System's future condition nor guarantee future financial soundness. Actuarial valuations do not affect the ultimate cost of System benefits, only the timing of System contributions. While the valuation is based on an array of individually reasonable assumptions, other assumption sets may also be reasonable and valuation results based on those assumptions would be different. No one set of assumptions is uniquely correct. Determining results using alternative assumptions is outside the scope of our engagement.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to factors such as, but not limited to, the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or modifications to contribution calculations based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of the actuarial assignment, we did not perform an analysis of the potential range of such future measurements. The Retirement Board has the final decision regarding the selection of the assumptions and actuarial cost methods, and the Board has adopted them as indicated in Appendix A of our actuarial valuation reports.

In preparing this report, we relied, without audit, on information (some oral and some in writing) as of June 30, 2026, and July 1, 2026, supplied by PERSI's staff. This information includes, but is not limited to, benefit provisions, member census data, and financial information. Please see Milliman's funding valuation report dated October 7, 2026, for more information on the plan's participant group as of July 1, 2026, as well as a summary of the plan provisions and a summary of the actuarial methods and assumptions used for funding purposes.

We performed a limited review of the census and financial information used directly in our analysis and have found them to be reasonably consistent and comparable with information used for other purposes. The valuation results depend on the integrity of this information. If any of this information is inaccurate or incomplete our results may be different and our calculations may need to be revised.

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# Certification

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No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

The valuation results were developed using models intended for valuations that use standard actuarial techniques. We have reviewed the models, including their inputs, calculations, and outputs for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice.

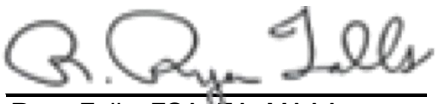
The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal, investment, or accounting counsel.

The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the *Code of Professional Conduct* and *Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States*, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.



Robert J. Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary



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# Overview of GASB 67 and GASB 68

GASB 67 applies to financial reporting for public pension plans and was required to be implemented for plan fiscal years beginning after June 15, 2013. Note that a plan's fiscal year might not be the same as the employer's fiscal year. Even if the plan does not issue standalone financial statements, but rather is considered a pension trust fund of a government, it is subject to GASB 67. Under GASB 67, enhancements to the financial statement disclosures are required, along with certain required supplementary information.

GASB 68 governs the specifics of accounting for public pension plan obligations for participating employers and was required to be implemented for employer fiscal years beginning after June 15, 2014. GASB 68 requires a liability for pension obligations, known as the Net Pension Liability, to be recognized on the balance sheets of participating employers. Changes in the Net Pension Liability will be immediately recognized as Pension Expense on the income statement or reported as deferred inflows/outflows of resources depending on the nature of the change.

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# Executive Summary

### Relationship Between Valuation Date, Measurement Date, and Reporting Date

The Valuation Date is July 1, 2026. This is the date as of which the actuarial valuation is performed. The Measurement Date is June 30, 2026; this is the date as of which the net pension liability is determined. The Reporting Date is June 30, 2026; this is the plan's fiscal year ending date.

### Significant Changes

There have been no significant changes between the valuation date and fiscal year end.

### Data, Assumptions, Methods, and Plan Provisions

The assumptions and methods used for the figures herein are for financial reporting purposes unless otherwise noted. We believe that these assumptions and methods meet the parameters set by Actuarial Standards of Practice (ASOPs).

The assumptions used include the changes adopted by the Board during the Safety line of duty death and disability assumptions and cost study. The assumptions are detailed in our 2026 Assumptions and Cost Study Letter dated July 23, 2026.

In addition, House Bill 642 was signed into law on March 24, 2026, which enhanced the line of duty death benefit for safety members. The benefit enhancement is detailed in our 2026 Death Benefit Enhancement letter dated July 23, 2026, and our forthcoming 2026 Actuarial Valuation Report.

The long-term expected rate of return on investments is 6.55%, including 0.05% for expected administrative expenses. For purposes of determining the contribution rate, we use an interest rate that is net of all expenses (6.50%). According to GASB Statements 67 and 68, the discount rate used to determine the Total Pension Liability should be determined without reduction for administrative expenses. Therefore the figures herein have been determined using a discount rate of 6.55%.

Except as noted otherwise, the attached exhibits present results that are based on the methods described in our July 1, 2026, funding valuation report (dated October 7, 2026).

These results are based on the plan provisions in effect at July 1, 2026. We have reflected census and asset data as of July 1, 2026, which are summarized in our July 1, 2026, funding valuation report.

In this report, we assume a 1.00% annual Postretirement Allowance Adjustment (PAA). PAAs above 1.00% per year are not guaranteed, but the Board has the authority to grant a PAA above 1.00% if the CPI-U increases by more than 1.00% in a year. The accounting methodology used in this report does not reflect additional PAAs in the Total Pension Liability (TPL) until they are granted by the Board (in-line with the discretionary nature of these additional PAAs). When the Board does grant a discretionary PAA, it is then recognized as a plan change. GASB 67 paragraph 39 and GASB 68 paragraph 24 state that the TPL should include ad-hoc benefit changes only "to the extent that they are considered to be substantively automatic." Footnote guidance (GASB 67 fn. 14; GASB 68 fn. 9) suggests three tests for that designation:

- A consistent historical pattern of granting the changes
- Consistency in the size of the changes—or in how those changes track a published index such as CPI-U
- No evidence that the changes might cease in the future

Although the PERSI Board has periodically granted discretionary PAAs, the grants have varied in both timing and amount, even when measured against CPI-U. Therefore, we believe it reasonable to conclude that the discretionary PAAs are not "substantively automatic" under GASB guidance and should be excluded from the TPL. See our Funding Valuation Reports for information on the PAA history of the plan. For illustrative purposes, if the PAA assumption was raised to 2.00% per year this would result in an increase in the TPL of approximately $2,741.0 million.

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# Schedule of Employer Contributions

| Fiscal Year Ending June 30 | Actuarially Determined Contribution | Actual Employer Contribution | Contribution Deficiency (Excess) | Covered Payroll | Contribution as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2017 | $337,212,145 | $356,367,389 | ($19,155,244) | $3,089,555,264 | 11.53% |
| 2018 | 388,341,490 | 369,139,113 | 19,202,377 | 3,200,396,203 | 11.53% |
| 2019 | 382,640,388 | 390,080,902 | (7,440,514) | 3,382,051,785 | 11.53% |
| 2020 | 392,340,997 | 430,638,154 | (38,297,157) | 3,546,033,069 | 12.14% |
| 2021 | 394,829,024 | 450,951,588 | (56,122,564) | 3,716,726,113 | 12.13% |
| 2022 | 463,064,998 | 476,416,795 | (13,351,797) | 3,926,999,249 | 12.13% |
| 2023 | 436,766,149 | 513,828,265 | (77,062,116) | 4,234,182,185 | 12.14% |
| 2024 | 650,450,333 | 554,409,453 | 96,040,880 | 4,573,375,234 | 12.12% |
| 2025 | 621,829,960 | 621,829,960 | 0 | 4,770,642,002 | 13.03% |
| 2026 | 642,555,442 | 642,555,442 | 0 | 5,023,590,782 | 12.79% |

**Assumptions and Methods used in Calculation of the Actuarially Determined Contribution (ADC)**

Prior to fiscal year ending June 30, 2025, the ADC was the contribution rate necessary to fully fund the Unfunded Actuarial Accrued Liability (UAAL) over a period of 25 years based on the valuation result one year prior to the start of the fiscal year. See Table 12 of the relevant year's Actuarial Valuation report for more details on this calculation.

Starting with fiscal year ending June 30, 2025, the ADC is based on the Board scheduled contribution rates as of the start of the fiscal year, which are required by Idaho statute to amortize the UAAL in no more than 25 years.

The ADC also includes 1.49% of salaries of university members in the ORP prior to July 1, 2025.

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# Contribution Summary

| | Fiscal Year Ending June 30, 2026 |
|---|---|
| **Actuarially Determined Contribution** | |
| Actuarially determined employer contribution | $642,555,442 |
| Contributions in relation to the actuarially determined employer contribution | 642,555,442 |
| Contribution deficiency (excess) | 0 |
| Covered payroll | 5,023,590,782 |
| Contributions as a percentage of covered payroll | 12.79% |
| **Actuarially Determined Contribution Components** | |
| Normal cost (Employer only) | 412,939,162 |
| Normal cost as a % of covered payroll | 8.22% |
| Unfunded liability amortization payment | 229,616,280 |
| Amortization payment as a % of covered payroll | 4.57% |
| Total actuarially determined contribution | 642,555,442 |
| **Actual Contributions Made** | |
| Total member contributions made | 414,582,751 |
| Member contributions as a % of covered payroll | 8.25% |
| Total employer contributions made | 642,555,442 |
| Employer contributions as a % of covered payroll | 12.79% |
| Total contributions made | 1,057,138,193 |
| Total contributions as a % of covered payroll | 21.04% |

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# Statement of Fiduciary Net Position

| Fiscal Year Ending | June 30, 2026 | June 30, 2025 |
|---|---|---|
| **Assets** | | |
| Cash and cash equivalents | $32,190,598 | $46,744,221 |
| Receivables and prepaid expenses: | | |
| Receivable contributions | 25,411,714 | 20,764,037 |
| Receivable investment income | 115,888,536 | 138,964,465 |
| Receivables from brokers for unsettled trades | 0 | 0 |
| Prepaid expenses | 113,419,212 | 107,408,023 |
| Total receivables | 254,719,462 | 267,136,525 |
| Investments: | | |
| Fixed income | 7,339,709,089 | 6,325,556,949 |
| Stocks | 15,977,549,931 | 14,404,844,766 |
| Short-term investments | 344,356,647 | 416,769,398 |
| Real estate | 992,269,449 | 989,222,233 |
| Alternative investments | 1,928,561,142 | 1,846,932,407 |
| Total investments | 26,582,446,258 | 23,983,325,753 |
| Invested securities lending cash collateral | 0 | 0 |
| Capital assets net of accumulated depreciation | 0 | 0 |
| Total assets | 26,869,356,318 | 24,297,206,499 |
| **Liabilities** | | |
| Investments Purchased | 101,825,341 | 136,928,979 |
| Monies Due To/(From) Other Funds | 8,334,140 | 0 |
| Accrued Liabilities | 22,083,600 | 19,813,973 |
| Benefits and Refunds Payable | 0 | 1,574,674 |
| Total liabilities | 132,243,081 | 158,317,626 |
| **Net position restricted for pensions** | $26,737,113,237 | $24,138,888,873 |

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# Statement of Changes in Fiduciary Net Position

| Fiscal Year Ending | June 30, 2026 |
|---|---|
| **Additions** | |
| Member contributions | $414,582,751 |
| Employer contributions | 642,555,442 |
| Total contributions | 1,057,138,193 |
| Investment income (loss): | |
| Interest and dividends | 488,290,842 |
| Net increase in fair value of investments | 2,543,304,384 |
| Securities lending income | 0 |
| Other income | 1,319,850 |
| Less investment expenses: | |
| Direct investment expense | 65,623,737 |
| Securities lending management fees | 0 |
| Securities lending borrower rebate | 0 |
| Increase / (Decrease) in assets used in plan operations | 2,546,284 |
| Net investment income | 2,964,745,055 |
| Total additions | 4,021,883,248 |
| **Deductions** | |
| Service benefits | 1,411,465,803 |
| Administrative expenses | 12,193,081 |
| Total deductions | 1,423,658,884 |
| Net increase (decrease) | 2,598,224,364 |
| **Net position restricted for pensions** | |
| Beginning of year (June 30, 2025) | 24,138,888,873 |
| End of year (June 30, 2026) | $26,737,113,237 |

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# Long-Term Expected Rate of Return

The assumption for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are from Callan Associates Investment Consulting as of January 1, 2026.

| Asset Class | Index | Target Allocation* | 10-Year Projected Real Rate of Return** |
|---|---|---|---|
| Large Cap US Equity | S&P 500 | 22% | 4.75% |
| Small/Mid Cap US Equity | Russell 2500 | 10% | 4.95% |
| Developed ex-US Equity | MSCI World ex USA | 11% | 4.75% |
| Emerging Markets Equity | MSCI Emerging Markets | 11% | 4.95% |
| Core US Fixed | Bloomberg Aggregate | 20% | 2.25% |
| TIPS | Bloomberg TIPS | 10% | 2.00% |
| Core Real Estate | NCREIF ODCE | 8% | 3.75% |
| Private Equity | Cambridge Private Equity | 8% | 6.00% |
| Portfolio 10-Year Projected Real Rate of Return, Net of Investment Expenses | | | 4.70% |
| Portfolio Standard Deviation | | | 12.64% |

**Valuation Assumptions Chosen by PERSI Board**

| | |
|---|---|
| Long-Term Expected Real Rate of Return, Net of Investment Expenses | 4.15% |
| Assumed Inflation | 2.40% |
| **Long-Term Expected Nominal Rate of Return, Net of Investment Expenses** | **6.55%** |

* PERSI strategic policy
** Net of investment expenses

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# Plan Membership Summary

| Fiscal Year Ending | June 30, 2026 | June 30, 2025 |
|---|---|---|
| **Plan Membership** | | |
| Active members - vested | 46,160 | 45,841 |
| Active members - non-vested | 32,725 | 32,905 |
| Retirees and beneficiaries | 58,895 | 57,473 |
| Terminated vested | 17,292 | 16,875 |
| Terminated non-vested | 43,677 | 41,180 |
| Total membership | 198,749 | 194,274 |

| | 2025 - 2026 | 2024 - 2025 |
|---|---|---|
| **Changes in Retirees and Beneficiaries** | | |
| Beginning of fiscal year | 57,473 | 56,084 |
| New retirements | 2,709 | 2,644 |
| Death of retiree/beneficiary | (1,287) | (1,255) |
| End of fiscal year | 58,895 | 57,473 |

| | 2025 - 2026 | 2024 - 2025 |
|---|---|---|
| **Changes in Active Members** | | |
| Beginning of fiscal year | 78,746 | 78,354 |
| New hires and rehires | 9,301 | 9,652 |
| Retirements, terminations, and deaths | (9,162) | (9,260) |
| End of fiscal year | 78,885 | 78,746 |

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# Depletion Date Projection

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 and 68 (paragraph 29) do allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the System:

- The Fiduciary net position as a percentage of total pension liabilities is 95.54% as of June 30, 2026.

- Employers participating in the System are required by statute to make contributions that are deemed to be sufficient to amortize any unfunded actuarial accrued liability over a period no greater than 25 years (Idaho Code 59-1322).

- Since the Fiduciary Net Position is growing to be equal to the actuarial accrued liability, there is no point in time at which it is projected to be insufficient to make projected benefit payments.

- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is our professional opinion that the detailed depletion date projections outlined in GASB 67 and 68 will show that the Fiduciary Net Position is always projected to be sufficient to cover benefit payments and administrative expenses.

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# Net Pension Liability

| Fiscal Year Ending | June 30, 2026 | June 30, 2025 |
|---|---|---|
| Total pension liability | $27,984,810,851 | $26,557,051,324 |
| Fiduciary net position | 26,737,113,237 | 24,138,888,873 |
| Net pension liability / (asset) | 1,247,697,614 | 2,418,162,451 |
| Fiduciary net position as a % of total pension liability | 95.54% | 90.89% |
| Covered payroll | 5,023,590,782 | 4,770,642,002 |
| Net pension liability / (asset) as a % of covered payroll | 24.84% | 50.69% |

The total pension liability was determined by an actuarial valuation as of the measurement date, calculated based on the discount rate and actuarial assumptions below.

**Discount Rate**

| | | |
|---|---|---|
| Discount rate | 6.55% | 6.55% |
| Long-term expected rate of return, net of investment expense | 6.55% | 6.55% |
| Municipal bond rate | N/A | N/A |

The Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

**Other Key Actuarial Assumptions**

The actuarial assumptions that determined the total pension liability as of June 30, 2026, were based on the results of an actuarial experience study for the period July 1, 2020, to June 30, 2024.

| | | |
|---|---|---|
| Valuation date | July 1, 2026 | July 1, 2025 |
| Measurement date | June 30, 2026 | June 30, 2025 |
| Actuarial cost method | Entry Age Normal | Entry Age Normal |
| Inflation | 2.40% | 2.40% |
| Salary increases including inflation | 3.15% | 3.15% |

Please see Milliman's 2025 funding valuation report dated October 8, 2025, for more detail on the methods and assumptions used in the July 1, 2025, valuation. Please see Milliman's 2026 funding valuation report dated October 7, 2026, for more detail on the methods and assumptions used in the July 1, 2026, valuation.

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# Changes in Net Pension Liability

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability / (Asset) (a) - (b) |
| Balances as of June 30, 2025 | $26,557,051,324 | $24,138,888,873 | $2,418,162,451 |
| Changes for the year: | | | |
| Service cost | 750,657,090 | | 750,657,090 |
| Interest[(1)] | 1,743,162,519 | | 1,743,162,519 |
| Effect of plan changes | 172,140,676 | | 172,140,676 |
| Effect of economic/demographic gains or losses | 173,695,552 | | 173,695,552 |
| Effect of assumptions changes or inputs | (430,507) | | (430,507) |
| Benefit payments | (1,411,465,803) | (1,411,465,803) | 0 |
| Employer contributions | | 642,555,442 | (642,555,442) |
| Member contributions | | 414,582,751 | (414,582,751) |
| Net investment income | | 2,964,745,055 | (2,964,745,055) |
| Administrative expenses | | (12,193,081) | 12,193,081 |
| Balances as of June 30, 2026 | 27,984,810,851 | 26,737,113,237 | 1,247,697,614 |

[(1)]Includes interest on total pension liability, service cost, and benefit payments.

**Sensitivity Analysis**

The following presents the net pension liability of PERSI, calculated using the discount rate of 6.55%, as well as what PERSI's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.55%) or one percentage point higher (7.55%) than the current rate.

| | 1% Decrease 5.55% | Current Discount Rate 6.55% | 1% Increase 7.55% |
|---|---|---|---|
| Total pension liability | $31,563,920,508 | $27,984,810,851 | $25,061,782,714 |
| Fiduciary net position | 26,737,113,237 | 26,737,113,237 | 26,737,113,237 |
| Net pension liability / (asset) | 4,826,807,271 | 1,247,697,614 | (1,675,330,523) |

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# Schedule of Changes in Net Pension Liability and Related Ratios

| Fiscal Year Ending June 30 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Liability** | | | | | | | | | | |
| Service cost | $750,657,090 | $760,233,915 | $701,894,003 | $637,491,431 | $596,927,904 | $513,205,361 | $484,964,767 | $461,646,272 | $437,257,407 | $406,910,895 |
| Interest on total pension liability | 1,743,162,519 | 1,648,218,420 | 1,571,819,788 | 1,480,236,878 | 1,397,434,963 | 1,388,578,112 | 1,321,253,945 | 1,250,119,942 | 1,202,947,872 | 1,129,286,928 |
| Effect of plan changes | 172,140,676 | 39,744,573 | 0 | 22,917,868 | 274,272,094 | 5,638,304 | 372,935,449 | 0 | 84,200,000 | 12,200,000 |
| Effect of economic/demographic (gains) or losses | 173,695,552 | 160,779,384 | 202,720,914 | 506,681,792 | 457,371,784 | 26,369,372 | 166,634,457 | (105,480,176) | (38,113,799) | 273,580,592 |
| Effect of assumption changes or inputs | (430,507) | (550,294,170) | 0 | 0 | 0 | 1,136,086,143 | 0 | 0 | 104,724,103 | 0 |
| Benefit payments | (1,411,465,803) | (1,374,038,315) | (1,290,539,869) | (1,249,058,510) | (1,129,444,374) | (1,092,389,237) | (1,012,529,440) | (975,200,330) | (909,678,264) | (864,785,159) |
| Net change in total pension liability | 1,427,759,527 | 684,643,807 | 1,185,894,836 | 1,398,269,459 | 1,596,562,371 | 1,977,488,055 | 1,333,259,178 | 631,085,708 | 881,337,319 | 957,193,256 |
| Total pension liability, beginning | 26,557,051,324 | 25,872,407,517 | 24,686,512,681 | 23,288,243,222 | 21,691,680,851 | 19,714,192,796 | 18,380,933,618 | 17,749,847,910 | 16,868,510,591 | 15,911,317,335 |
| Total pension liability, ending (a) | 27,984,810,851 | 26,557,051,324 | 25,872,407,517 | 24,686,512,681 | 23,288,243,222 | 21,691,680,851 | 19,714,192,796 | 18,380,933,618 | 17,749,847,910 | 16,868,510,591 |
| **Fiduciary Net Position** | | | | | | | | | | |
| Employer contributions | $642,555,442 | $621,829,960 | $554,409,453 | $513,828,265 | $476,416,795 | $450,951,588 | $430,638,154 | $390,080,902 | $369,139,113 | $356,367,389 |
| Member contributions | 414,582,751 | 399,578,459 | 359,388,202 | 335,646,335 | 315,161,350 | 294,084,814 | 280,790,591 | 257,060,511 | 243,950,654 | 237,032,668 |
| Investment income net of investment expenses | 2,964,745,055 | 2,370,733,712 | 1,824,049,369 | 1,755,938,036 | (2,073,323,125) | 4,734,923,136 | 463,879,610 | 1,301,966,592 | 1,283,658,926 | 1,692,713,855 |
| Benefit payments | (1,411,465,803) | (1,374,038,315) | (1,290,539,869) | (1,249,058,510) | (1,129,444,374) | (1,092,389,237) | (1,012,529,440) | (975,200,330) | (909,678,264) | (864,785,159) |
| Administrative expenses | (12,193,081) | (10,977,574) | (11,386,642) | (9,997,170) | (9,984,308) | (8,972,053) | (10,179,831) | (9,276,642) | (8,922,335) | (8,810,136) |
| Net change in plan fiduciary net position | 2,598,224,364 | 2,007,126,242 | 1,435,920,513 | 1,346,356,956 | (2,421,173,662) | 4,378,598,248 | 152,599,084 | 964,631,033 | 978,148,094 | 1,412,518,617 |
| Fiduciary net position, beginning | 24,138,888,873 | 22,131,762,631 | 20,695,842,118 | 19,349,485,162 | 21,770,658,824 | 17,392,060,576 | 17,239,461,492 | 16,274,830,459 | 15,296,682,365 | 13,884,163,748 |
| Fiduciary net position, ending (b) | 26,737,113,237 | 24,138,888,873 | 22,131,762,631 | 20,695,842,118 | 19,349,485,162 | 21,770,658,824 | 17,392,060,576 | 17,239,461,492 | 16,274,830,459 | 15,296,682,365 |
| Net pension liability / (asset), ending = (a) - (b) | 1,247,697,614 | 2,418,162,451 | 3,740,644,886 | 3,990,670,563 | 3,938,758,060 | (78,977,973) | 2,322,132,220 | 1,141,472,126 | 1,475,017,451 | 1,571,828,226 |
| Fiduciary net position as a % of total pension liability | 95.54% | 90.89% | 85.54% | 83.83% | 83.09% | 100.36% | 88.22% | 93.79% | 91.69% | 90.68% |
| Covered payroll | $5,023,590,782 | $4,770,642,002 | $4,573,375,234 | $4,234,182,185 | $3,926,999,249 | $3,716,726,113 | $3,546,033,069 | $3,382,051,785 | $3,200,396,203 | $3,089,555,264 |
| Net pension liability / (asset) as a % of covered payroll | 24.84% | 50.69% | 81.79% | 94.25% | 100.30% | -2.12% | 65.49% | 33.75% | 46.09% | 50.88% |

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# Schedule of Collective Pension Amounts

## Changes in Net Pension Liability and Other Pension-Related Items During Fiscal Year

| | | Deferred Outflows of Resources | | | Deferred Inflows of Resources | | | Expense (Revenue) Changes to NPL | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Fiscal Year Ending | Beginning of Year Net Pension Liability/(Asset) | Changes of Assumptions | Differences Between Expected and Actual Experience | Total Deferred Outflows of Resources Excluding Employer Specific Amounts[1] | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes of Assumptions | Differences Between Expected and Actual Experience | Total Deferred Inflows of Resources Excluding Employer Specific Amounts[1] | Plan Pension Expense (Revenue) | Employer Contributions[2] | End of Year Net Pension Liability/(Asset) |
| 6/30/2026 | 2,418,162,451 | - | (126,095,062) | (126,095,062) | (1,397,589,891) | 124,741,352 | - | (1,272,848,539) | 870,493,666 | (642,014,902) | 1,247,697,614 |

## Total Deferred Outflows and Inflows as of June 30, 2026

| | Deferred Outflows of Resources | | | Deferred Inflows of Resources | | | |
|---|---|---|---|---|---|---|---|
| | Changes of Assumptions | Differences Between Expected and Actual Experience | Total Deferred Outflows of Resources Excluding Employer Specific Amounts[1] | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | Changes of Assumptions | Differences Between Expected and Actual Experience | Total Deferred Inflows of Resources Excluding Employer Specific Amounts[1] |
| | - | 329,592,718 | 329,592,718 | (2,019,217,694) | (300,485,961) | - | (2,319,703,655) |

(1) Employer specific amounts that are excluded from this schedule are the changes in proportion as defined in paragraphs 54 and 55 of GASB Statement 68.

(2) Represent contributions that have been reported on the employers' records

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# Pension Expense

| Fiscal Year | July 1, 2025 to June 30, 2026 | July 1, 2024 to June 30, 2025 |
|---|---|---|
| Service cost | $750,657,090 | $760,233,915 |
| Interest on total pension liability | 1,743,162,519 | 1,648,218,420 |
| Effect of plan changes | 172,140,676 | 39,744,573 |
| Administrative expenses | 12,193,081 | 10,977,574 |
| Member contributions | (414,582,751) | (399,578,459) |
| Other Income | (540,540) | (6,894,206) |
| Expected investment return net of investment expenses | (1,569,284,041) | (1,394,000,062) |
| Recognition of Deferred Inflows/Outflows of Resources | | |
| Recognition of economic/demographic gains or losses | 299,790,614 | 300,636,790 |
| Recognition of assumption changes or inputs | (125,171,859) | 23,118,294 |
| Recognition of investment gains or losses | 2,128,877 | (423,004,802) |
| Pension Expense | 870,493,666 | 559,452,037 |

As of June 30, 2026, the deferred inflows and outflows of resources are as follows:

| Deferred Inflows / Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $0 | $329,592,718 |
| Changes of assumptions | (300,485,961) | 0 |
| Net difference between projected and actual earnings | (2,019,217,694) | 0 |
| Contributions made subsequent to measurement date | 0 | 0 |
| Total | (2,319,703,655) | 329,592,718 |

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---|---|
| 2027 | ($640,979,664) |
| 2028 | (606,675,448) |
| 2029 | (467,589,600) |
| 2030 | (274,866,225) |
| 2031 | 0 |
| Thereafter* | 0 |
| Total | (1,990,110,937) |

* Note that additional future deferred inflows and outflows of resources may impact these numbers.

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# Schedule of Deferred Inflows and Outflows of Resources

| | Original Amount | Date Established | Original Recognition Period* | Amount Recognized in 06/30/2026 Expense | Balance of Deferred Inflows 06/30/2026 | Balance of Deferred Outflows 06/30/2026 |
|---|---|---|---|---|---|---|
| **Economic/ demographic gains or losses** | $457,371,784 | 6/30/2022 | 4.6 | $59,657,188 | $0 | $0 |
| | 506,681,792 | 6/30/2023 | 4.4 | 115,154,953 | 0 | 46,061,980 |
| | 202,720,914 | 6/30/2024 | 4.4 | 46,072,935 | 0 | 64,502,109 |
| | 160,779,384 | 6/30/2025 | 4.4 | 36,540,769 | 0 | 87,697,846 |
| | 173,695,552 | 6/30/2026 | 4.1 | 42,364,769 | 0 | 131,330,783 |
| | | Total | | 299,790,614 | 0 | 329,592,718 |
| **Assumption changes or inputs** | (550,294,170) | 6/30/2025 | 4.4 | (125,066,857) | (300,160,456) | 0 |
| | (430,507) | 6/30/2026 | 4.1 | (105,002) | (325,505) | 0 |
| | | Total | | (125,171,859) | (300,485,961) | 0 |
| **Investment gains or losses** | 3,444,885,678 | 6/30/2022 | 5.0 | 688,977,134 | 0 | 0 |
| | (540,049,791) | 6/30/2023 | 5.0 | (108,009,958) | (108,009,959) | 0 |
| | (521,996,832) | 6/30/2024 | 5.0 | (104,399,366) | (208,798,734) | 0 |
| | (976,733,650) | 6/30/2025 | 5.0 | (195,346,730) | (586,040,190) | 0 |
| | (1,395,461,014) | 6/30/2026 | 5.0 | (279,092,203) | (1,116,368,811) | 0 |
| | | Total | | 2,128,877 | (2,019,217,694) | 0 |
| **Total for economic/demographic gains or losses and assumption changes or inputs** | | | | | (300,485,961) | 329,592,718 |
| **Net deferred (inflows)/outflows for investment gains or losses** | | | | | (2,019,217,694) | 0 |
| **Total deferred (inflows)/outflows** | | | | | (2,319,703,655) | 329,592,718 |
| **Total net deferrals** | | | | | (1,990,110,937) | |

* Investment (gains)/losses are recognized in pension expense over a period of five years; economic/demographic (gains)/losses and assumption changes or inputs are recognized over the average remaining service life for all active and inactive members.

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# Summary Chart

| | Total Pension (Liability) | Plan Fiduciary Net Position | Net Pension (Liability) | Deferred (Inflows) | Deferred Outflows | Net Deferrals | Net Pension (Liability) plus Net Deferrals | Annual Expense |
|---|---|---|---|---|---|---|---|---|
| **Balances as of June 30, 2025** | ($26,557,051,324) | $24,138,888,873 | ($2,418,162,451) | ($1,735,832,250) | $1,144,664,914 | ($591,167,336) | ($3,009,329,787) | |
| Service cost | (750,657,090) | | (750,657,090) | | | | | 750,657,090 |
| Interest on total pension liability | (1,743,162,519) | | (1,743,162,519) | | | | | 1,743,162,519 |
| Effect of plan changes | (172,140,676) | | (172,140,676) | | | | | 172,140,676 |
| Effect of liability gains or losses | (173,695,552) | | (173,695,552) | | $173,695,552 | 173,695,552 | | |
| Effect of assumption changes or inputs | 430,507 | | 430,507 | (430,507) | | (430,507) | | |
| Benefit payments | 1,411,465,803 | (1,411,465,803) | 0 | | | | | |
| Administrative expenses | | (12,193,081) | (12,193,081) | | | | | 12,193,081 |
| Member contributions | | 414,582,751 | 414,582,751 | | | | | (414,582,751) |
| Other Income | | 540,540 | 540,540 | | | | | (540,540) |
| Expected investment income (net of inv expenses) | | 1,569,284,041 | 1,569,284,041 | | | | | (1,569,284,041) |
| Investment gains or losses | | 1,395,461,014 | 1,395,461,014 | (1,395,461,014) | | (1,395,461,014) | | |
| Employer contributions | | 642,014,902 | 642,014,902 | | | | 642,014,902 | |
| Recognition of liability gains or losses | | | | | ($299,790,614) | (299,790,614) | | 299,790,614 |
| Recognition of assumption changes or inputs | | | | 125,171,859 | | 125,171,859 | | (125,171,859) |
| Recognition of investment gains or losses | | | | 686,848,257 | ($688,977,134) | (2,128,877) | | 2,128,877 |
| Annual expense | | | | | | | (870,493,666) | 870,493,666 |
| **Balances as of June 30, 2026** | (27,984,810,851) | 26,737,113,237 | (1,247,697,614) | (2,319,703,655) | 329,592,718 | (1,990,110,937) | (3,237,808,551) | |

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# Glossary

| | |
|---|---|
| **Actuarially Determined Contribution** | A target or recommended contribution to a defined benefit pension plan for the reporting period, determined based on the funding policy and most recent measurement available when the contribution for the reporting period was adopted. |
| **Deferred Inflows/Outflows of Resources** | Portion of changes in net pension liability that is not immediately recognized in Pension Expense. These changes include differences between expected and actual experience, changes in assumptions, and differences between expected and actual earnings on plan investments. |
| **Discount Rate** | Single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the sum of:<br>1) The actuarial present value of benefit payments projected to be made in future periods where the plan assets are projected to be sufficient to meet benefit payments, calculated using the Long-Term Expected Rate of Return.<br>2) The actuarial present value of projected benefit payments not included in (1), calculated using the Municipal Bond Rate. |
| **Fiduciary Net Position** | Equal to market value of assets. |
| **Long-Term Expected Rate of Return** | Long-term expected rate of return on pension plan investments expected to be used to finance the payment of benefits, net of investment expenses. |
| **Money-Weighted Rate of Return** | The internal rate of return on pension plan investments, net of investment expenses. |
| **Municipal Bond Rate** | Yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. |
| **Net Pension Liability** | Total Pension Liability minus the Plan's Fiduciary Net Position (unfunded accrued liability). |
| **Projected Benefit Payments** | All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and expected future service. |
| **Service Cost** | The portion of the actuarial present value of projected benefit payments that is attributed to a valuation year. |
| **Total Pension Liability** | The portion of actuarial present value of projected benefit payments that is attributable to past periods of member service using the Entry Age Normal cost method based on the requirements of GASB 67 and 68. |

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