

Schedule of Employer Allocations and Collective Other  
Postemployment Benefit Amounts  
June 30, 2025

**Public Employee Retirement System of  
Idaho Sick Leave Insurance Reserve  
Fund – State Members**

Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund – State  
Members  
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## Independent Auditor's Report

To the Retirement Board  
Public Employee Retirement System of Idaho  
Boise, Idaho

### **Report on Audit of the Schedule of Employer Allocations and Schedule of Collective Other Postemployment Benefit (OPEB) Amounts**

#### ***Opinions***

We have audited the accompanying schedule of employer allocations of Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund – State Members (the Fund) for the year ended June 30, 2025, and related notes. We have also audited the totals for the columns titled net OPEB liability (asset), total deferred outflows of resources, total deferred inflows of resources and plan OPEB expense (expense offset) (specified column totals) included in the accompanying schedule of collective OPEB amounts (collectively the Schedules) of the Fund as of and for the year ended June 30, 2025.

In our opinion, the Schedules referred to above present fairly, in all material respects, the employer allocations and net OPEB liability (asset), total deferred outflows of resources, total deferred inflows of resources, and plan OPEB expense (expense offset) for the Fund as of and for the year ended June 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Other Matters***

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Public Employee Retirement System of Idaho (the System) as of and for the year ended June 30, 2025, and our report thereon, dated October 17, 2025, expressed an unmodified opinion on those financial statements.

### ***Responsibilities of Management for the Schedules***

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

### ***Auditor's Responsibilities for the Audit of the Schedules***

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedules.

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

### ***Restriction on Use***

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



Boise, Idaho

October 17, 2025

Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund – State  
Members  
Schedule of Employer Allocations  
June 30, 2025

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|   | <b>Fiscal Year 2020<br/>Employer<br/>Contributions</b> | <b>Employer<br/>Proportionate<br/>Share</b> |
|---|--|---|
| <b>State Offices and Departments</b>      |  |   |
| Accountancy Board                         | \$ 703   | 0.000156493                                 |
| Administration Dept                       | 22,372   | 0.004980181                                 |
| Agriculture Dept                          | 54,811   | 0.012201355                                 |
| Attorney General                          | 61,022   | 0.013583972                                 |
| Barley Commission                         | 454  | 0.000101064                                 |
| Bean Commission                           | 274  | 0.000060995                                 |
| Beef Council                              | 570  | 0.000126886                                 |
| Board of Education                        | 8,856  | 0.001971414                                 |
| Board of Veterinary Medicine              | 374  | 0.000083255                                 |
| Boise State University                    | 693,662  | 0.154414559                                 |
| Brand Inspector                           | 5,729  | 0.001275320                                 |
| Commerce Dept                             | 8,937  | 0.001989446                                 |
| Commission For Pardons And Paroles        | 5,902  | 0.001313831                                 |
| Commission for the Blind                  | 7,392  | 0.001645517                                 |
| Commission on Aging                       | 2,995  | 0.000666710                                 |
| Commission on Hispanic Affairs            | 494  | 0.000109968                                 |
| Commission on the Arts                    | 1,855  | 0.000412937                                 |
| Controller's Office                       | 22,666   | 0.005045628                                 |
| Correction Department                     | 357,677  | 0.079621683                                 |
| Correctional Industry                     | 7,148  | 0.001591200                                 |
| Dentistry Board                           | 710  | 0.000158052                                 |
| Department of Environmental Quality       | 83,527   | 0.018593760                                 |
| Division Occ & Prof License               | 7,028  | 0.001564487                                 |
| Division of Building Safety               | 28,254   | 0.006289560                                 |
| Division of Financial Management          | 5,247  | 0.001168023                                 |
| Division of Human Resources               | 4,181  | 0.000930723                                 |
| Division of Veteran Services              | 57,535   | 0.012807739                                 |
| Endowment Fund Investment Bd              | 1,500  | 0.000333912                                 |
| Finance Department                        | 15,434   | 0.003435728                                 |
| Fish & Game Department                    | 132,902  | 0.029585019                                 |
| Forest Products Commission                | 659  | 0.000146699                                 |
| Governor's Office                         | 4,621  | 0.001028671                                 |
| Health & Welfare Department               | 557,215  | 0.124040394                                 |
| Health District 1                         | 20,992   | 0.004672982                                 |
| Health District 2                         | 8,432  | 0.001877029                                 |
| Health District 3                         | 16,549   | 0.003683936                                 |
| Health District 4                         | 20,714   | 0.004611098                                 |
| Health District 5                         | 12,164   | 0.002707801                                 |
| Health District 6                         | 13,210   | 0.002940649                                 |
| Health District 7                         | 15,131   | 0.003368278                                 |
| Historical Society                        | 8,166  | 0.001817815                                 |
| House of Representatives                  | 889  | 0.000197898                                 |
| Id Workforce Development Council          | 1,266  | 0.000281821                                 |
| Idaho Division of Prof-Tech Education     | 9,073  | 0.002019720                                 |
| Idaho Grape Growers & Wine Producers Comm | 775  | 0.000172521                                 |

Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund – State  
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Schedule of Employer Allocations  
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| <b>State Offices and Departments, continued</b> | <b>Fiscal Year 2020<br/>Employer<br/>Contributions</b> | <b>Employer<br/>Proportionate<br/>Share</b> |
|---|--|---|
| Idaho Public Television                         | 11,943   | 0.002658605                                 |
| Idaho Rangeland Resources Commission            | 334  | 0.000074351                                 |
| Idaho State Police                              | 136,971  | 0.030490810                                 |
| Idaho State University                          | 414,413  | 0.092251557                                 |
| Independent Living Council                      | 759  | 0.000168959                                 |
| Industrial Commission                           | 22,208   | 0.004943674                                 |
| Info Tech Services                              | 15,461   | 0.003441739                                 |
| Insurance Department                            | 13,489   | 0.003002756                                 |
| Insurance Fund                                  | 70,890   | 0.015780665                                 |
| Judicial Branch                                 | 124,497  | 0.027714001                                 |
| Juvenile Corrections                            | 70,052   | 0.015594120                                 |
| Labor Department                                | 93,017   | 0.020706308                                 |
| Lands Department                                | 78,710   | 0.017521458                                 |
| Lava Hot Springs Foundation                     | 2,337  | 0.000520234                                 |
| Legislative Services                            | 17,549   | 0.003906544                                 |
| Lewis-Clark State College                       | 93,306   | 0.020770641                                 |
| Library   | 6,639  | 0.001477893                                 |
| Lieutenant Governor                             | 158  | 0.000035172                                 |
| Liquor Dispensary                               | 30,353   | 0.006756814                                 |
| Lottery   | 8,518  | 0.001896173                                 |
| Medicine Board                                  | 3,084  | 0.000686522                                 |
| Military Division                               | 78,627   | 0.017502982                                 |
| Nursing Board                                   | 2,215  | 0.000493076                                 |
| Office of Drug Policy                           | 1,416  | 0.000315213                                 |
| Office of Energy Resources                      | 1,679  | 0.000373758                                 |
| Office of Performance Evaluations               | 2,212  | 0.000492408                                 |
| Office of Species Conservation                  | 3,177  | 0.000707225                                 |
| Outfitters & Guides                             | 779  | 0.000173411                                 |
| Parks & Recreation                              | 26,797   | 0.005965221                                 |
| Pharmacy Board                                  | 2,980  | 0.000663371                                 |
| Potato Commission                               | 8,435  | 0.001877697                                 |
| Prof Eng & Surveyors                            | 1,362  | 0.000303192                                 |
| Public Defense Commission                       | 1,314  | 0.000292507                                 |
| Public Employee Retirement System               | 13,287   | 0.002957790                                 |
| Public Utilities Commission                     | 8,627  | 0.001920437                                 |
| Racing Commission                               | 265  | 0.000058991                                 |
| Real Estate Comm                                | 2,596  | 0.000577890                                 |
| Secretary of State                              | 4,779  | 0.001063843                                 |
| Senate  | 634  | 0.000141133                                 |
| Soil Conservation Comm                          | 4,141  | 0.000921819                                 |
| State Appellate Public Defender                 | 6,514  | 0.001450067                                 |
| State Bar                                       | 5,812  | 0.001293796                                 |
| Stem Action Center                              | 1,548  | 0.000344597                                 |
| Superintendent of Public Instruction            | 31,253   | 0.006957161                                 |
| Tax Appeals Board                               | 1,179  | 0.000262455                                 |
| Tax Commission                                  | 77,274   | 0.017201794                                 |
| Transportation Dept                             | 314,253  | 0.069955162                                 |

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Schedule of Employer Allocations  
June 30, 2025

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|   | Fiscal Year 2020<br>Employer<br>Contributions | Employer<br>Proportionate<br>Share |
|---|---|------------------------------------|
| <b>State Offices and Departments, continued</b> |   |                                    |
| Treasurer                                       | 6,328   | 0.001408662                        |
| Vocational Rehab                                | 27,038  | 0.006018869                        |
| Water Resources Dept                            | 33,983  | 0.007564880                        |
| Wheat Commission                                | 1,100   | 0.000244869                        |
| <b>Community Colleges</b>                       |   |                                    |
| College of Eastern Idaho                        | 33,271  | 0.007406383                        |
| College of Southern Idaho                       | 93,521  | 0.020818502                        |
| College of Western Idaho                        | 89,411  | 0.019903584                        |
| North Idaho College                             | 99,644  | 0.022181530                        |
| <b>Grand Total: All State Employers</b>         |   |                                    |
| Totals  | \$ 4,492,206                                  | 1.000000000                        |

Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund– State Members  
 Schedule of Collective OPEB Amounts  
 June 30, 2025

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| Deferred Outflows of Resources |                   |                           | Deferred Inflows of Resources                  |                                 |                        |   |                                    |  |
|--------------------------------|-------------------|---------------------------|--|---------------------------------|------------------------|---|------------------------------------|--|
| Changes of Assumptions         | Actual Experience | Employer Specific Amounts | Net Difference Between                         |                                 |                        | Total Deferred Inflows of Resources Excluding | Plan OPEB Expense (Expense Offset) | June 30, 2025 Net OPEB Liability (Asset) |
|                                |                   |                           | Total Deferred Outflows of Resources Excluding | Projected and Actual Investment | Changes of Assumptions |   |                                    |  |
| \$ 6,036,211                   | \$ 5,496,840      | \$ 11,533,051             | \$ 15,189,352                                  | \$ 6,921,400                    | \$ 1,547,671           | \$ 23,658,423                                 | \$ (8,352,349)                     | \$ (178,029,742)                         |

Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund– State  
Members  
Notes to Schedule of Employer Allocations and Collective OPEB Amounts  
June 30, 2025

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**Note 1 - Significant Accounting Policies**

The Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund – State Members (the Fund) is administered by the Public Employee Retirement System of Idaho (the System). Employer contributions to the Fund are calculated on eligible compensation for active members reported by employers.

The Schedule of Collective OPEB Amounts presents the deferred inflow of resources, deferred outflow of resources, OPEB expense (expense offset) and net OPEB liability (asset) at the Fund level. The Schedule of Employer Allocations (collectively, the Schedules) reflects employer contributions for fiscal year ending June 30, 2020, as there were no contributions during fiscal years ending June 30, 2025, 2024, 2023, 2022, and 2021. The June 30, 2020 continues to be a reasonable allocation method based on the activity of the Fund. The Schedule of Employer Allocations includes the following for each individual employer:

- Employer name.
- The amount of employer contributing entity's contributions for the period July 1, 2019 to June 30, 2020.
- The employer contributing entity's contributions as a percentage of total employer contributions, as defined by state statute.

The Schedule of Employer Allocations has been rounded and presents the first nine decimal places.

**Basis of Accounting**

Contributions for employers and the net OPEB liability (asset) are recognized on an accrual basis of accounting.

**Use of Estimates in the Preparation of the Schedules**

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

**Components of Net OPEB Liability (Asset)**

The components of the net OPEB liability (asset) of the Fund, for participating employers, as of June 30, 2025 are as follows:

|   |                         |
|---|-------------------------|
| Total OPEB liability  | \$ 131,858,259          |
| Fund fiduciary net position                                     | <u>309,888,001</u>      |
| Employers' net OPEB liability (asset)                           | <u>\$ (178,029,742)</u> |
| Fund fiduciary net position as a percentage of total OPEB asset | <u>235.02%</u>          |

**Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund– State  
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The net OPEB liability (asset) is calculated using a discount rate of 5.45%, which is the expected rate of return on investments reduced by investment expenses. The OPEB total was determined by an actuarial valuation as of July 1, 2025. Actuarial valuation involves estimates of the reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the OPEB total are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

#### **Actuarial Assumptions**

The following are the actuarial assumptions and the entry age normal cost method, applied to all periods included in the measurement:

|  |              |
|--|--------------|
| Inflation  | 2.40 percent |
| Salary increases including inflation                 | 3.15 percent |
| Investment rate of return, net of investment expense | 5.45 percent |
| Health care trend rate                               | N/A*         |

\* Health care trend rate is not applicable as the benefit is based on the unused sick leave hours at retirement, and is calculated as a fixed dollar amount that can be applied to premiums.

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

Even though history provides a valuable perspective for setting the investment return assumption, the approach used builds upon the latest capital market assumptions. The assumptions and the System's formal policy for asset allocation are shown below. The formal asset allocation policy is more conservative than the current allocation of the System's assets. The real rate of return is determined by subtracting expected inflation of 2.30% from the expected long-term returns.

| Asset Class         | Target Allocation | 10-Year Projected Real Rate of Return |
|---------------------|-------------------|---------------------------------------|
| Broad U.S. Equity   | 39.36%            | 4.85%                                 |
| Global ex US Equity | 10.64%            | 4.95%                                 |
| Core US Fixed       | 50.00%            | 2.25%                                 |

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Discount rate – The discount rate used to measure the total OPEB liability was 5.45%. The projection of cash flows used to determine the discount rate assumed that contributions from Fund employers will be made at the current contribution rate. Based on these assumptions, the Fund’s net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Fund investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The long-term expected rate of return was determined net of OPEB plan investment expense, but without reduction for OPEB plan administrative expense.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate – The following presents the net OPEB liability (asset) of the Fund’s employers calculated using the discount rate of 5.45% as well as what the employer’s liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                                       | 1% Decrease<br>(4.45%)  | Current Discount<br>Rate (5.45%) | 1% Increase<br>(6.45%)  |
|---------------------------------------|-------------------------|----------------------------------|-------------------------|
| Employer's net OPEB liability (asset) | <u>\$ (166,127,471)</u> | <u>\$ (178,029,742)</u>          | <u>\$ (188,634,615)</u> |

#### **Deferred Inflows of Resources and Deferred Outflows of Resources**

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

#### **Plan OPEB Expense (Expense Offset)**

Plan OPEB expense (expense offset) consists of changes that are expensed immediately. The following table provides the detail of the plan OPEB expense (expense offset):

|   |                       |
|---|-----------------------|
| Service costs and interest  | \$ 12,641,574         |
| Expected investment return  | (15,333,964)          |
| Administrative expenses   | 60,061                |
| Amortization of difference between expected and actual experience                                   | 737,620               |
| Amortization of changes of assumptions  | (788,308)             |
| Amortization of net difference between projected and actual investment earnings on OPEB investments | <u>(5,669,332)</u>    |
| Plan OPEB expense (expense offset)  | <u>\$ (8,352,349)</u> |

The amortization period is based on the remaining expected service lives of all employees that are provided with OPEB through the System determined at the beginning of the measurement period. The amortization period was calculated at 7.5 years. The amortization of the net difference between projected and actual investment earnings on OPEB plan investments is amortized over a closed 5-year period inclusive of this fiscal year.

**Public Employee Retirement System of Idaho Sick Leave Insurance Reserve Fund– State  
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The amount reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense (expense offset) as follows:

|            |              |
|------------|--------------|
| 2026       | \$ 2,348,632 |
| 2027       | (7,809,393)  |
| 2028       | (5,445,139)  |
| 2029       | (2,338,452)  |
| 2030       | 879,866      |
| Thereafter | 239,114      |

**Changes in Net OPEB Liability (Asset)**

The following table represents the changes in total OPEB liability (asset) and fiduciary net position for the year ended June 30, 2025:

|   | Total OPEB<br>Liability (a) | Fiduciary Net<br>Position (b) | Net OPEB Liability<br>(Asset) (a)-(b) |
|---|-----------------------------|-------------------------------|---------------------------------------|
| Balances at July 1, 2024                              | \$ 124,248,515              | \$ 283,970,452                | \$ (159,721,937)                      |
| <b>Changes for the year</b>                           |                             |                               |                                       |
| Service costs   | 5,700,206                   | -                             | 5,700,206                             |
| Interest  | 6,941,368                   | -                             | 6,941,368                             |
| Differences between expected and<br>actual experience | (189,528)                   | -                             | (189,528)                             |
| Changes in assumptions                                | 395,500                     | -                             | 395,500                               |
| Contributions - employer                              | -                           | 971                           | (971)                                 |
| Net investment income                                 | -                           | 31,214,441                    | (31,214,441)                          |
| Benefit payments                                      | (5,237,802)                 | (5,237,802)                   | -                                     |
| Administrative expenses                               | -                           | (60,061)                      | 60,061                                |
| <b>Net Changes</b>                                    | <b>7,609,744</b>            | <b>25,917,549</b>             | <b>(18,307,805)</b>                   |
| Balances at June 30, 2025                             | <u>\$ 131,858,259</u>       | <u>\$ 309,888,001</u>         | <u>\$ (178,029,742)</u>               |