St. Paul Teachers' Retirement Fund Association

GASB Statement Nos. 67 and 68 Accounting and Financial Reporting for Pensions

June 30, 2026



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October 30, 2026

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, 2026 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

Sheryl L. Christensen, FSA, EA, FCA, MAAA

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SECTION A

EXECUTIVE SUMMARY

Executive Summary
as of June 30, 2026 (Dollars in Thousands)

	2026
Actuarial Valuation Date	June 30, 2026
Measurement Date of the Net Pension Liability	June 30, 2026
Membership	
Number of	
- Service Retirements	4,007
- Survivors	424
- Disability Retirements	26
- Deferred Retirements	2,649
- Terminated other non-vested	3,129
- Active Members	3,565
- Total	13,800
Covered Payroll	$ 340,463
Net Pension Liability	
Total Pension Liability	$ 2,037,766
Plan Fiduciary Net Position	1,641,264
Net Pension Liability	$ 396,502
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.54%
Net Pension Liability as a Percentage of Covered Payroll	116.46%
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*	4.67%
Last year ending June 30 in the 2027 to 2126 projection period within which projected benefit payments are fully funded	2126
Total Pension Expense	$ 37,876

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	$ 2,759	$ -
Changes in assumptions	3,587	-
Net difference between projected and actual earnings on pension plan investments	-	174,992
Total	$ 6,346	$ 174,992

** 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, 2026.*

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, 2026.

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 22 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, 2026 and a measurement date of June 30, 2026.

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, 2026.*

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, 2026 (Dollars in Thousands)

A. Expense/(Income)

1.	Service Cost	$ 33,859
2.	Interest on the Total Pension Liability	135,799
3.	Current-Period Benefit Changes	6,763
4.	Employee Contributions (made negative for addition here)	(30,566)
5.	Projected Earnings on Plan Investments (made negative for addition here)	(99,193)
6.	Pension Plan Administrative Expense	1,158
7.	Other Changes in Plan Fiduciary Net Position	-
8.	Recognition of Outflow (Inflow) of Resources due to Liabilities	9,004
9.	Recognition of Outflow (Inflow) of Resources due to Assets	(18,948)
10.	**Total Pension Expense / (Income)**	**$ 37,876**

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 42,247 years. Additionally, the total plan membership (active employees and inactive employees) was 13,695. 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, 2026 (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	$	1,632
2. Assumption Changes (gains) or losses	$	-
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	$	544
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	$	-
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	$	544
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	$	1,088
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	$	-
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	$	1,088
B. Outflows (Inflows) of Resources due to Assets		
1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	$	(141,926)
2. Recognition period for Assets {in years}		5
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	$	(28,385)
4. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	$	(113,541)

Statement of Outflows and Inflows Arising from Current and Prior Reporting Periods
Fiscal Year Ended June 30, 2026 (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	$ 9,004	$ -	$ 9,004
2. Due to Assets	38,288	57,236	(18,948)
3. Total	$ 47,292	$ 57,236	$ (9,944)

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	$ 5,418	$ -	$ 5,418
2. Assumption Changes	3,586	-	3,586
3. Net Difference between projected and actual earnings on pension plan investments	38,288	57,236	(18,948)
4. Total	$ 47,292	$ 57,236	$ (9,944)

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	$ 2,759	$ -	$ 2,759
2. Assumption Changes	3,587	-	3,587
3. Net Difference between projected and actual earnings on pension plan investments	-	174,992	(174,992)
4. Total	$ 6,346	$ 174,992	$ (168,646)

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
2027	$ (51,436)
2028	(50,459)
2029	(38,365)
2030	(28,386)
2031	-
Thereafter	-
Total	$ (168,646)

Recognition of Deferred Outflows and Inflows of Resources
Fiscal Year Ended June 30, 2026 (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					
2024	$ 9,607	3.0000	$ 3,203	$ -	0.0000
2025	5,013	3.0000	1,671	1,671	1.0000
2026	1,632	3.0000	544	1,088	2.0000
Total			**$ 5,418**	**$ 2,759**	
Deferred Outflow (Inflow) due to Assumption Changes					
2025	10,759	3.0000	3,586	3,587	1.0000
Total			**$ 3,586**	**$ 3,587**	
Deferred Outflow (Inflow) due to Differences between Projected and Actual Earnings on Plan Investments					
2022	$ 191,443	5.0000	$ 38,288	$ -	0.0000
2023	(31,166)	5.0000	(6,233)	(6,234)	1.0000
2024	(63,187)	5.0000	(12,637)	(25,276)	2.0000
2025	(49,903)	5.0000	(9,981)	(29,941)	3.0000
2026	(141,926)	5.0000	(28,385)	(113,541)	4.0000
Total			**$ (18,948)**	**$ (174,992)**	
Deferred Outflow (Inflow) due to All Sources					
Total			**$ (9,944)**	**$ (168,646)**	

Statement of Fiduciary Net Position
as of June 30, 2026 (Dollars in Thousands)

	2026
Assets	
Cash and Deposits	$ 11,114
Receivables*	$ 61,968
Investments	
Fixed Income	$ 440,903
Equity	882,542
Real Assets	99,687
Cash and Cash Equivalents	54,630
Other	166,259
Total Investments	$ 1,644,021
Total Assets	$ 1,717,103
Liabilities	
Payables	
Accounts Payable - Purchase of Investments	$ 75,839
Accrued Expenses	-
Accounts Payable - Other	-
Total Liabilities	$ 75,839
Net Position Restricted for Pensions	$ 1,641,264

* Accounts Receivable	
Employer Contribution	$ 532
Employee Contribution	291
Service Purchases Receivable	-
Pensions Receivable	574
State Contributions	838
Real Estate Income Receivable	-
Commission Recapture Receivable	-
Interest Receivable	74
Dividend Receivable	2,088
Misc. Receivable	9
Sales Of Securities	57,562
Total Accounts Receivable	$ 61,968

(Numbers may not add due to rounding.)

Statement of Changes in Fiduciary Net Position for Year Ended June 30, 2026 (Dollars in Thousands)

Additions		
Contributions		
Employer	$	46,633
Employer (for Re-employed Annuitants)		396
Employee		30,566
Other		16,465
Total Contributions	$	94,060
Investment Income		
Net Appreciation in Fair Value of Investments	$	220,234
Interest and Dividends		24,353
Less Investment Expense		(3,468)
Net Investment Income	$	241,119
Other		-
Total Additions	$	335,179
Deductions		
Benefit payments, including refunds of employee contributions	$	126,693
Pension Plan Administrative Expense		1,158
Other		-
Total Deductions	$	127,851
Net Increase in Net Position	$	207,328
Net Position Restricted for Pensions		
Beginning of Year	$	1,433,936
End of Year	$	1,641,264

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, 2026 (Dollars in Thousands)

A. Total Pension Liability		
1. Service Cost	$	33,859
2. Interest on the Total Pension Liability		135,799
3. Changes of benefit terms		6,763
4. Difference between expected and actual experience of the Total Pension Liability		1,632
5. Changes of assumptions		-
6. Benefit payments, including refunds of employee contributions		(126,693)
7. Net change in Total Pension Liability	$	51,360
8. Total Pension Liability – Beginning		1,986,406
9. Total Pension Liability – Ending	**$**	**2,037,766**
B. Plan Fiduciary Net Position		
1. Contributions – Employer^	$	63,494
2. Contributions – Employee		30,566
3. Net investment income		241,119
4. Benefit payments, including refunds of employee contributions		(126,693)
5. Pension Plan Administrative Expense		(1,158)
6. Other		-
7. Net change in Plan Fiduciary Net Position	$	207,328
8. Plan Fiduciary Net Position – Beginning		1,433,936
9. Plan Fiduciary Net Position – Ending	**$**	**1,641,264**
C. Net Pension Liability	**$**	**396,502**
D. Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		**80.54%**
E. Covered-Employee payroll	**$**	**340,463**
F. Net pension liability as a percentage of Covered-Employee payroll		**116.46%**

^ *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,	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total Pension Liability										
Service Cost	$ 33,859	$ 32,231	$ 30,174	$ 28,846	$ 24,863	$ 23,777	$ 23,120	$ 23,279	$ 25,087	$ 24,098
Interest on the Total Pension Liability	135,799	132,011	129,014	126,124	126,096	123,262	123,300	122,197	125,256	123,820
Benefit Changes	6,763	-	-	50,908	-	-	-	-	(74,376)	-
Difference between Expected and Actual Experience	1,632	5,013	9,607	(16,123)	(11,734)	20,339	(22,742)	(9,831)	(13,445)	7,106
Assumption Changes	-	10,759	-	(23,547)	102,005	(9,741)	(5,601)	(3,037)	118,561	(22,643)
Benefit Payments	(125,446)	(125,476)	(126,178)	(122,347)	(120,672)	(118,665)	(117,306)	(116,379)	(115,298)	(112,771)
Refunds	(1,247)	(1,239)	(1,127)	(1,539)	(884)	(587)	(1,256)	(701)	(800)	(972)
Net Change in Total Pension Liability	51,360	53,299	41,490	42,322	119,674	38,385	(485)	15,528	64,985	18,638
Total Pension Liability - Beginning	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
Total Pension Liability - Ending (a)	$ 2,037,766	$ 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
Plan Fiduciary Net Position										
Employer Contributions*	$ 63,494	$ 60,183	$ 73,792	$ 54,688	$ 54,735	$ 50,916	$ 49,804	$ 46,981	$ 39,209	$ 38,350
Employee Contributions	30,566	24,597	25,265	22,420	23,099	21,334	20,889	20,626	20,112	20,146
Pension Plan Net Investment Income	241,119	141,852	147,343	110,297	(95,988)	305,232	5,726	60,209	95,886	128,719
Benefit Payments	(125,446)	(125,476)	(126,178)	(122,347)	(120,672)	(118,665)	(117,306)	(116,379)	(115,298)	(112,771)
Refunds	(1,247)	(1,239)	(1,127)	(1,539)	(884)	(587)	(1,256)	(701)	(800)	(972)
Pension Plan Administrative Expense	(1,158)	(1,018)	(811)	(1,193)	(927)	(779)	(788)	(764)	(786)	(889)
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	207,328	98,899	118,284	62,326	(140,637)	257,451	(42,931)	9,972	38,323	72,583
Plan Fiduciary Net Position - Beginning	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
Plan Fiduciary Net Position - Ending (b)	$ 1,641,264	$ 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
Net Pension Liability - Ending (a) - (b)	396,502	552,470	598,070	674,864	694,868	434,557	653,623	611,177	605,621	578,959
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	80.54 %	72.19 %	69.06 %	64.32 %	62.43 %	74.88 %	61.35 %	63.87 %	63.87 %	64.07 %
Covered-Employee Payroll	$ 340,463	$ 321,336	$ 319,667	$ 296,674	$ 304,227	$ 279,916	$ 274,667	$ 268,614	$ 263,122	$ 264,342
Net Pension Liability as a Percentage of Covered-Employee Payroll	116.46 %	171.93 %	187.09 %	227.48 %	228.40 %	155.25 %	237.97 %	227.53 %	230.17 %	219.02 %

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
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%
2026	2,037,766	1,641,264	396,502	80.54%	340,463	116.46%

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
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
2026	45,970	63,494	(17,524)	340,463	18.65

* *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, 2026 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, 2025
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years for legacy unfunded accrued liabliity; 20 years for changes due to assumption and/or method changes, 15 years for changes due to experience (liability, asset and contribution sufficiency) and benefit changes.
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, 2025 for additional detail.

Schedule of Investment Returns Multiyear

Last 10 Fiscal Years

FY Ending June 30,	Annual Return[1]
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 %
2026	16.90 %

[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, 2026 was 16.90% (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, 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 to GRS in 2024 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	$2,296,398	$2,037,766	$1,823,856
Net Position Restricted for Pensions	1,641,264	1,641,264	1,641,264
Net Pension Liability	**$ 655,134**	**$ 396,502**	**$ 182,592**

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, 2026

	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, 2025	3,342	140	2,664	3,138	3,932	22	397	60	13,695
B. Additions	240	49	101	52	142	2	47	1	634
C. Deletions									
1. Retirements	(55)	(2)	(85)	-					(142)
2. Disability	-	-	-	-					-
3. Died with Beneficiary	-	(1)	(1)		(45)				(47)
4. Died without Beneficiary	(1)	-	(3)	-	(77)		(29)	(5)	(115)
5. Terminated - Deferred	(91)	(10)	-						(101)
6. Terminated - Not Vested	(50)	(2)							(52)
7. Refunds	(9)	(1)	(33)	(79)					(122)
8. Rehired as Active	120	(60)	(23)	(37)					-
9. Leave of Absence	(44)								(44)
10. Repayment of Refund									-
11. Expired Benefits									-
12. Disability to Retirement									-
D. Data Adjustments[1]			29	55	8	1	1		94
E. Total on June 30, 2026	3,452	113	2,649	3,129	3,960	25	416	56	13,800

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

2 Includes alternate payees of retired participants (47), disabled participants (1), and survivors (8).

GASB Reconciliation (Dollars in Thousands)
Fiscal Year Ended June 30, 2026

	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	**$ 1,986,406**	**$ 1,433,936**	**$ 552,470**				
Changes for the Year:							
Service Cost	$ 33,859		$ 33,859				$ 33,859
Interest on Total Pension Liability	135,799		135,799				135,799
Interest on Fiduciary Net Position [1]		$ 99,193	(99,193)				(99,193)
Changes in Benefit Terms	6,763		6,763				6,763
Liability Experience Gains and Losses	1,632		1,632	$ 2,759	$ -	$ 6,545	5,418
Changes in Assumptions	-		-	3,587	-	7,173	3,586
Contributions - Employer		63,494	(63,494)				
Contributions - Employees		30,566	(30,566)				(30,566)
Asset Gain/(Loss) [1]		141,926	(141,926)	-	174,992	(52,014)	(18,948)
Benefit Payouts	(126,693)	(126,693)	-				
Administrative Expenses		(1,158)	1,158				1,158
Other changes		-	-				-
Net Changes	**$ 51,360**	**$ 207,328**	**$ (155,968)**				**$ 37,876**
Balance End of Year	**$ 2,037,766**	**$ 1,641,264**	**$ 396,502**	**$ 6,346**	**$ 174,992**	**$ (38,296)**	

[1] *The sum of these items equals the net investment income of $241,119.*

SECTION E

SUMMARY OF BENEFITS

Summary of Benefit Provisions for Basic Members as of July 1, 2026

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, 2026

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, 2026

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, 2026

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, 2026

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, 2026

STATUTORY CONTRIBUTIONS

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

Contribution after June 30,	Member	Employer Regular	Employer Additional
2023	7.75%	9.00%	3.84%
2024	7.50%	9.00%	3.84%
2025	8.75%	9.75%	3.84%
2026	8.00%	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.

Additional state aid in the amount of $3,400,000 will be paid annually by the State of Minnesota. 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, 2026

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, 2026

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.

	Reduction Factor	
	Under Age 62 or Less than 30 Years of Service	
Normal Retirement Age:	65	66
Age at Retirement		
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, 2026

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, 2026

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

Member contributions were scheduled to increase to 9.00% on July 1, 2026; legislation decreased the 9.0% contribution rate to 8.0% effective July 1, 2026.

Additional state aid in the amount of $3.4 million annually will be paid by the State of Minnesota until the earlier of full funding for three consecutive years and July 1, 2048.

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 2026	Post-Retirement Mortality	
	Male	Female
55	21	19
56	24	21
57	27	23
58	30	25
59	33	27
60	37	30
61	40	32
62	45	34
63	49	37
64	54	40
65	60	43
66	66	46
67	73	50
68	81	55
69	90	61
70	100	68
71	112	76
72	126	86
73	142	98
74	160	112
75	181	128
76	206	147
77	234	168
78	265	194
79	302	223
80	344	256
81	392	294
82	447	338
83	510	388
84	583	444
85	665	509
86	759	581
87	863	663
88	980	756
89	1,110	859
90	1,254	975
91	1,411	1,105
92	1,578	1,248
93	1,755	1,405
94	1,939	1,572

Actuarial Cost Method and Actuarial Assumptions

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

Age in 2026	Pre-Retirement Mortality	
	Male	Female
25	2	1
26	2	1
27	2	1
28	2	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	6	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	11	7
51	11	7
52	12	8
53	13	8
54	15	9
55	16	10
56	18	11
57	19	12
58	21	13
59	24	15
60	26	16
61	29	18
62	32	19
63	35	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.

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

Year	Ultimate Rate of Annual Salary Increases	Year	Ultimate Rate of Annual Salary Increases
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 $18,227,000 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, 2026 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 $59,756; the Projected Annual Payroll for the fiscal year ending June 30, 2027 includes this replacement salary amount.
Changes in Actuarial Assumptions Since the Prior Valuation:	There were no changes in actuarial assumptions since the prior valuation.

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 4.67%; 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)

	Payroll			Projected Contributions				
Year	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
0	$ 340,463	$ -	$ 340,463					
1	356,482	-	356,482	$ 28,519	$ 48,446	$ -	$ 19,065	$ 96,030
2	340,513	24,881	365,394	27,241	46,276	2,839	19,065	95,421
3	329,368	45,161	374,529	26,349	44,761	5,153	19,065	95,328
4	319,258	64,634	383,892	25,541	43,387	7,375	19,065	95,368
5	309,013	84,476	393,489	24,721	41,995	9,639	19,065	95,420
6	298,968	104,358	403,326	23,917	40,630	11,907	19,065	95,519
7	288,824	124,586	413,410	23,106	39,251	14,215	19,065	95,637
8	278,426	145,319	423,745	22,274	37,838	16,581	19,065	95,758
9	268,063	166,275	434,338	21,445	36,430	18,972	-	76,847
10	257,303	187,894	445,197	20,584	34,967	21,439	-	76,990
11	246,654	209,673	456,327	19,732	33,520	23,924	-	77,176
12	235,678	232,057	467,735	18,854	32,029	26,478	-	77,361
13	224,987	254,441	479,428	17,999	30,576	29,032	-	77,607
14	214,357	277,057	491,414	17,149	29,131	31,612	-	77,892
15	203,254	300,445	503,699	16,260	27,622	34,281	-	78,163
16	192,291	324,001	516,292	15,383	26,132	36,968	-	78,483
17	181,064	348,135	529,199	14,485	24,607	39,722	-	78,814
18	169,286	373,143	542,429	13,543	23,006	42,576	-	79,125
19	157,343	398,647	555,990	12,587	21,383	45,486	-	79,456
20	145,614	424,276	569,890	11,649	19,789	48,410	-	79,848
21	133,994	450,143	584,137	10,720	18,210	51,361	-	80,291
22	122,336	476,404	598,740	9,787	16,626	54,358	-	80,771
23	111,025	502,684	613,709	8,882	15,088	57,356	-	81,326
24	100,330	528,721	629,051	8,026	13,635	60,327	-	81,988
25	90,285	554,493	644,778	7,223	12,270	63,268	-	82,761
26	80,070	580,827	660,897	6,406	10,882	66,272	-	83,560
27	70,217	607,203	677,420	5,617	9,542	69,282	-	84,441
28	60,946	633,409	694,355	4,876	8,283	72,272	-	85,431
29	52,414	659,300	711,714	4,193	7,123	75,226	-	86,542
30	44,479	685,028	729,507	3,558	6,045	78,162	-	87,765
31	37,595	710,150	747,745	3,008	5,109	81,028	-	89,145
32	31,129	735,309	766,438	2,490	4,230	83,899	-	90,619
33	25,570	760,029	785,599	2,046	3,475	86,719	-	92,240
34	20,032	785,207	805,239	1,603	2,722	89,592	-	93,917
35	15,362	810,008	825,370	1,229	2,088	92,422	-	95,739
36	11,551	834,453	846,004	924	1,570	95,211	-	97,705
37	8,231	858,923	867,154	658	1,119	98,003	-	99,780
38	5,539	883,294	888,833	443	753	100,784	-	101,980
39	3,632	907,422	911,054	291	494	103,537	-	104,322
40	2,317	931,513	933,830	185	315	106,286	-	106,786
41	1,421	955,755	957,176	114	193	109,052	-	109,359
42	769	980,337	981,106	61	104	111,856	-	112,021
43	404	1,005,229	1,005,633	32	55	114,697	-	114,784
44	213	1,030,561	1,030,774	17	29	117,587	-	117,633
45	103	1,056,440	1,056,543	8	14	120,540	-	120,562
46	34	1,082,923	1,082,957	3	5	123,561	-	123,569
47	7	1,110,024	1,110,031	1	1	126,654	-	126,656
48	-	1,137,782	1,137,782	-	-	129,821	-	129,821
49	-	1,166,226	1,166,226	-	-	133,066	-	133,066
50	-	1,195,382	1,195,382	-	-	136,393	-	136,393

* *Contributions related to future employees in excess of normal cost and expenses of 10.18% of pay.*

** *Supplemental contributions are equal to $19,065,000 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 nine 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)

	Payroll			Projected Contributions				
Year	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	$ -	$ 1,225,266	$ 1,225,266	$ -	$ -	$ 139,803	$ -	$ 139,803
52	-	1,255,898	1,255,898	-	-	143,298	-	143,298
53	-	1,287,296	1,287,296	-	-	146,880	-	146,880
54	-	1,319,478	1,319,478	-	-	150,552	-	150,552
55	-	1,352,465	1,352,465	-	-	154,316	-	154,316
56	-	1,386,277	1,386,277	-	-	158,174	-	158,174
57	-	1,420,933	1,420,933	-	-	162,129	-	162,129
58	-	1,456,457	1,456,457	-	-	166,182	-	166,182
59	-	1,492,868	1,492,868	-	-	170,336	-	170,336
60	-	1,530,190	1,530,190	-	-	174,595	-	174,595
61	-	1,568,445	1,568,445	-	-	178,960	-	178,960
62	-	1,607,656	1,607,656	-	-	183,434	-	183,434
63	-	1,647,847	1,647,847	-	-	188,019	-	188,019
64	-	1,689,043	1,689,043	-	-	192,720	-	192,720
65	-	1,731,269	1,731,269	-	-	197,538	-	197,538
66	-	1,774,551	1,774,551	-	-	202,476	-	202,476
67	-	1,818,915	1,818,915	-	-	207,538	-	207,538
68	-	1,864,388	1,864,388	-	-	212,727	-	212,727
69	-	1,910,998	1,910,998	-	-	218,045	-	218,045
70	-	1,958,772	1,958,772	-	-	223,496	-	223,496
71	-	2,007,742	2,007,742	-	-	229,083	-	229,083
72	-	2,057,935	2,057,935	-	-	234,810	-	234,810
73	-	2,109,384	2,109,384	-	-	240,681	-	240,681
74	-	2,162,118	2,162,118	-	-	246,698	-	246,698
75	-	2,216,171	2,216,171	-	-	252,865	-	252,865
76	-	2,271,576	2,271,576	-	-	259,187	-	259,187
77	-	2,328,365	2,328,365	-	-	265,666	-	265,666
78	-	2,386,574	2,386,574	-	-	272,308	-	272,308
79	-	2,446,238	2,446,238	-	-	279,116	-	279,116
80	-	2,507,394	2,507,394	-	-	286,094	-	286,094
81	-	2,570,079	2,570,079	-	-	293,246	-	293,246
82	-	2,634,331	2,634,331	-	-	300,577	-	300,577
83	-	2,700,190	2,700,190	-	-	308,092	-	308,092
84	-	2,767,694	2,767,694	-	-	315,794	-	315,794
85	-	2,836,887	2,836,887	-	-	323,689	-	323,689
86	-	2,907,809	2,907,809	-	-	331,781	-	331,781
87	-	2,980,504	2,980,504	-	-	340,076	-	340,076
88	-	3,055,017	3,055,017	-	-	348,577	-	348,577
89	-	3,131,392	3,131,392	-	-	357,292	-	357,292
90	-	3,209,677	3,209,677	-	-	366,224	-	366,224
91	-	3,289,919	3,289,919	-	-	375,380	-	375,380
92	-	3,372,167	3,372,167	-	-	384,764	-	384,764
93	-	3,456,471	3,456,471	-	-	394,383	-	394,383
94	-	3,542,883	3,542,883	-	-	404,243	-	404,243
95	-	3,631,455	3,631,455	-	-	414,349	-	414,349
96	-	3,722,241	3,722,241	-	-	424,708	-	424,708
97	-	3,815,297	3,815,297	-	-	435,325	-	435,325
98	-	3,910,680	3,910,680	-	-	446,209	-	446,209
99	-	4,008,447	4,008,447	-	-	457,364	-	457,364
100	-	4,108,658	4,108,658	-	-	468,798	-	468,798

* *Contributions related to future employees in excess of normal cost and expenses of 10.18% of pay.*

** *Supplemental contributions are equal to $19,065,000 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 nine 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	$ 1,641,264	$ 96,030	$ 128,482	$ 1,212	$ 113,730	$ 1,721,330
2	1,721,330	95,421	132,169	1,158	119,189	1,802,613
3	1,802,613	95,328	134,543	1,120	124,795	1,887,073
4	1,887,073	95,368	137,282	1,085	130,616	1,974,690
5	1,974,690	95,420	140,492	1,051	136,641	2,065,208
6	2,065,208	95,519	143,666	1,016	142,873	2,158,918
7	2,158,918	95,637	146,997	982	149,323	2,255,899
8	2,255,899	95,758	150,325	947	156,003	2,356,388
9	2,356,388	76,847	153,549	911	162,277	2,441,052
10	2,441,052	76,990	156,748	875	168,099	2,528,518
11	2,528,518	77,176	159,713	839	174,127	2,619,269
12	2,619,269	77,361	162,964	801	180,376	2,713,241
13	2,713,241	77,607	165,893	765	186,863	2,811,053
14	2,811,053	77,892	168,782	729	193,621	2,913,055
15	2,913,055	78,163	171,673	691	200,673	3,019,527
16	3,019,527	78,483	174,519	654	208,040	3,130,877
17	3,130,877	78,814	177,302	616	215,752	3,247,525
18	3,247,525	79,125	180,523	576	223,818	3,369,369
19	3,369,369	79,456	184,032	535	232,239	3,496,497
20	3,496,497	79,848	187,219	495	241,043	3,629,674
21	3,629,674	80,291	190,452	456	250,271	3,769,328
22	3,769,328	80,771	193,871	416	259,947	3,915,759
23	3,915,759	81,326	197,150	377	270,105	4,069,663
24	4,069,663	81,988	200,215	341	280,797	4,231,892
25	4,231,892	82,761	202,848	307	292,090	4,403,588
26	4,403,588	83,560	205,611	272	304,042	4,585,307
27	4,585,307	84,441	208,443	239	316,697	4,777,763
28	4,777,763	85,431	210,911	207	330,119	4,982,195
29	4,982,195	86,542	212,809	178	344,403	5,200,153
30	5,200,153	87,765	214,367	151	359,649	5,433,049
31	5,433,049	89,145	214,942	128	375,981	5,683,105
32	5,683,105	90,619	215,035	106	393,533	5,952,116
33	5,952,116	92,240	214,551	87	412,437	6,242,155
34	6,242,155	93,917	213,856	68	432,822	6,554,970
35	6,554,970	95,739	212,917	52	454,814	6,892,554
36	6,892,554	97,705	210,837	39	478,585	7,257,968
37	7,257,968	99,780	208,101	28	504,330	7,653,949
38	7,653,949	101,980	204,729	19	532,241	8,083,422
39	8,083,422	104,322	200,594	12	562,527	8,549,665
40	8,549,665	106,786	195,558	8	595,422	9,056,307
41	9,056,307	109,359	189,852	5	631,172	9,606,981
42	9,606,981	112,021	183,732	3	670,021	10,205,288
43	10,205,288	114,784	177,246	1	712,221	10,855,046
44	10,855,046	117,633	170,493	1	758,034	11,560,219
45	11,560,219	120,562	163,561	-	807,736	12,324,956
46	12,324,956	123,569	156,495	-	861,614	13,153,644
47	13,153,644	126,656	149,310	-	919,976	14,050,966
48	14,050,966	129,821	142,042	-	983,147	15,021,892
49	15,021,892	133,066	134,715	-	1,051,476	16,071,719
50	16,071,719	136,393	127,357	-	1,125,331	17,206,086

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	$ 17,206,086	$ 139,803	$ 119,988	$ -	$ 1,205,108	$ 18,431,009
52	18,431,009	143,298	112,633	-	1,291,226	19,752,900
53	19,752,900	146,880	105,318	-	1,384,133	21,178,595
54	21,178,595	150,552	98,071	-	1,484,308	22,715,384
55	22,715,384	154,316	90,920	-	1,592,258	24,371,038
56	24,371,038	158,174	83,895	-	1,708,529	26,153,846
57	26,153,846	162,129	77,024	-	1,833,698	28,072,649
58	28,072,649	166,182	70,336	-	1,968,383	30,136,878
59	30,136,878	170,336	63,860	-	2,113,245	32,356,599
60	32,356,599	174,595	57,624	-	2,268,987	34,742,557
61	34,742,557	178,960	51,655	-	2,436,359	37,306,221
62	37,306,221	183,434	45,976	-	2,616,165	40,059,844
63	40,059,844	188,019	40,610	-	2,809,261	43,016,514
64	43,016,514	192,720	35,575	-	3,016,563	46,190,222
65	46,190,222	197,538	30,886	-	3,239,050	49,595,924
66	49,595,924	202,476	26,555	-	3,477,768	53,249,613
67	53,249,613	207,538	22,590	-	3,733,837	57,168,398
68	57,168,398	212,727	18,997	-	4,008,454	61,370,582
69	61,370,582	218,045	15,778	-	4,302,900	65,875,749
70	65,875,749	223,496	12,932	-	4,618,548	70,704,861
71	70,704,861	229,083	10,448	-	4,956,863	75,880,359
72	75,880,359	234,810	8,313	-	5,319,419	81,426,275
73	81,426,275	240,681	6,507	-	5,707,897	87,368,346
74	87,368,346	246,698	5,006	-	6,124,100	93,734,138
75	93,734,138	252,865	3,781	-	6,569,960	100,553,182
76	100,553,182	259,187	2,801	-	7,047,544	107,857,112
77	107,857,112	265,666	2,032	-	7,559,069	115,679,815
78	115,679,815	272,308	1,442	-	8,106,907	124,057,588
79	124,057,588	279,116	1,000	-	8,693,601	133,029,305
80	133,029,305	286,094	676	-	9,321,872	142,636,595
81	142,636,595	293,246	446	-	9,994,636	152,924,031
82	152,924,031	300,577	286	-	10,715,015	163,939,337
83	163,939,337	308,092	179	-	11,486,348	175,733,598
84	175,733,598	315,794	108	-	12,312,214	188,361,498
85	188,361,498	323,689	64	-	13,196,440	201,881,563
86	201,881,563	331,781	36	-	14,143,124	216,356,432
87	216,356,432	340,076	20	-	15,156,651	231,853,139
88	231,853,139	348,577	11	-	16,241,713	248,443,418
89	248,443,418	357,292	6	-	17,403,333	266,204,037
90	266,204,037	366,224	3	-	18,646,884	285,217,142
91	285,217,142	375,380	1	-	19,978,116	305,570,637
92	305,570,637	384,764	1	-	21,403,184	327,358,584
93	327,358,584	394,383	-	-	22,928,671	350,681,638
94	350,681,638	404,243	-	-	24,561,624	375,647,505
95	375,647,505	414,349	-	-	26,309,582	402,371,436
96	402,371,436	424,708	-	-	28,180,614	430,976,758
97	430,976,758	435,325	-	-	30,183,352	461,595,435
98	461,595,435	446,209	-	-	32,327,034	494,368,678
99	494,368,678	457,364	-	-	34,621,544	529,447,586
100	529,447,586	468,798	-	-	37,077,461	566,993,845

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)-.5)	(g)=(e)*vf ^((a)-.5)	(h)=(c)/(1+sdr)^(a-.5)
1	$ 1,641,264	$ 128,482	$ 128,482	$ -	$ 124,209	$ -	$ 124,209
2	1,721,329	132,169	132,169	-	119,413	-	119,413
3	1,802,612	134,543	134,543	-	113,606	-	113,606
4	1,887,073	137,282	137,282	-	108,335	-	108,335
5	1,974,689	140,492	140,492	-	103,615	-	103,615
6	2,065,207	143,666	143,666	-	99,025	-	99,025
7	2,158,916	146,997	146,997	-	94,692	-	94,692
8	2,255,897	150,325	150,325	-	90,501	-	90,501
9	2,356,387	153,549	153,549	-	86,394	-	86,394
10	2,441,050	156,748	156,748	-	82,424	-	82,424
11	2,528,517	159,713	159,713	-	78,489	-	78,489
12	2,619,269	162,964	162,964	-	74,847	-	74,847
13	2,713,241	165,893	165,893	-	71,208	-	71,208
14	2,811,052	168,782	168,782	-	67,709	-	67,709
15	2,913,055	171,673	171,673	-	64,363	-	64,363
16	3,019,527	174,519	174,519	-	61,150	-	61,150
17	3,130,878	177,302	177,302	-	58,060	-	58,060
18	3,247,527	180,523	180,523	-	55,248	-	55,248
19	3,369,371	184,032	184,032	-	52,637	-	52,637
20	3,496,500	187,219	187,219	-	50,046	-	50,046
21	3,629,677	190,452	190,452	-	47,579	-	47,579
22	3,769,331	193,871	193,871	-	45,265	-	45,265
23	3,915,762	197,150	197,150	-	43,019	-	43,019
24	4,069,666	200,215	200,215	-	40,830	-	40,830
25	4,231,895	202,848	202,848	-	38,661	-	38,661
26	4,403,591	205,611	205,611	-	36,623	-	36,623
27	4,585,310	208,443	208,443	-	34,699	-	34,699
28	4,777,766	210,911	210,911	-	32,813	-	32,813
29	4,982,197	212,809	212,809	-	30,942	-	30,942
30	5,200,155	214,367	214,367	-	29,130	-	29,130
31	5,433,050	214,942	214,942	-	27,297	-	27,297
32	5,683,106	215,035	215,035	-	25,522	-	25,522
33	5,952,118	214,551	214,551	-	23,799	-	23,799
34	6,242,157	213,856	213,856	-	22,170	-	22,170
35	6,554,972	212,917	212,917	-	20,629	-	20,629
36	6,892,556	210,837	210,837	-	19,091	-	19,091
37	7,257,970	208,101	208,101	-	17,610	-	17,610
38	7,653,951	204,729	204,729	-	16,192	-	16,192
39	8,083,423	200,594	200,594	-	14,827	-	14,827
40	8,549,665	195,558	195,558	-	13,509	-	13,509
41	9,056,307	189,852	189,852	-	12,257	-	12,257
42	9,606,981	183,732	183,732	-	11,086	-	11,086
43	10,205,289	177,246	177,246	-	9,995	-	9,995
44	10,855,047	170,493	170,493	-	8,985	-	8,985
45	11,560,221	163,561	163,561	-	8,056	-	8,056
46	12,324,958	156,495	156,495	-	7,203	-	7,203
47	13,153,645	149,310	149,310	-	6,423	-	6,423
48	14,050,966	142,042	142,042	-	5,711	-	5,711
49	15,021,892	134,715	134,715	-	5,062	-	5,062
50	16,071,719	127,357	127,357	-	4,472	-	4,472

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	$ 17,206,086	$ 119,988	$ 119,988	$ -	$ 3,938	$ -	$ 3,938
52	18,431,009	112,633	112,633	-	3,455	-	3,455
53	19,752,901	105,318	105,318	-	3,019	-	3,019
54	21,178,596	98,071	98,071	-	2,627	-	2,627
55	22,715,385	90,920	90,920	-	2,276	-	2,276
56	24,371,040	83,895	83,895	-	1,963	-	1,963
57	26,153,848	77,024	77,024	-	1,684	-	1,684
58	28,072,650	70,336	70,336	-	1,438	-	1,438
59	30,136,879	63,860	63,860	-	1,220	-	1,220
60	32,356,600	57,624	57,624	-	1,029	-	1,029
61	34,742,558	51,655	51,655	-	862	-	862
62	37,306,222	45,976	45,976	-	717	-	717
63	40,059,845	40,610	40,610	-	592	-	592
64	43,016,516	35,575	35,575	-	484	-	484
65	46,190,223	30,886	30,886	-	393	-	393
66	49,595,924	26,555	26,555	-	316	-	316
67	53,249,614	22,590	22,590	-	251	-	251
68	57,168,399	18,997	18,997	-	197	-	197
69	61,370,583	15,778	15,778	-	153	-	153
70	65,875,750	12,932	12,932	-	117	-	117
71	70,704,862	10,448	10,448	-	89	-	89
72	75,880,360	8,313	8,313	-	66	-	66
73	81,426,276	6,507	6,507	-	48	-	48
74	87,368,347	5,006	5,006	-	35	-	35
75	93,734,138	3,781	3,781	-	24	-	24
76	100,553,182	2,801	2,801	-	17	-	17
77	107,857,112	2,032	2,032	-	11	-	11
78	115,679,816	1,442	1,442	-	8	-	8
79	124,057,589	1,000	1,000	-	5	-	5
80	133,029,306	676	676	-	3	-	3
81	142,636,596	446	446	-	2	-	2
82	152,924,032	286	286	-	1	-	1
83	163,939,338	179	179	-	1	-	1
84	175,733,599	108	108	-	-	-	-
85	188,361,499	64	64	-	-	-	-
86	201,881,565	36	36	-	-	-	-
87	216,356,434	20	20	-	-	-	-
88	231,853,140	11	11	-	-	-	-
89	248,443,420	6	6	-	-	-	-
90	266,204,039	3	3	-	-	-	-
91	285,217,144	1	1	-	-	-	-
92	305,570,638	1	1	-	-	-	-
93	327,358,585	-	-	-	-	-	-
94	350,681,639	-	-	-	-	-	-
95	375,647,506	-	-	-	-	-	-
96	402,371,437	-	-	-	-	-	-
97	430,976,759	-	-	-	-	-	-
98	461,595,436	-	-	-	-	-	-
99	494,368,678	-	-	-	-	-	-
100	529,447,586	-	-	-	-	-	-
				Totals	$ 2,342,469	$ -	$ 2,342,469

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

Accrued Service	Service credited under the system which was rendered before the date of the actuarial valuation.
Actuarial Accrued Liability (AAL)	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."
Actuarial Assumptions	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.
Actuarial Cost Method	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.
Actuarial Equivalent	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.
Actuarial Gain (Loss)	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.
Actuarial Present Value (APV)	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.
Actuarial Valuation	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.
Actuarial Valuation Date	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)	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

Amortization Payment	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
Amortization Method	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).
Cost-of-Living Adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)	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.
Covered-Employee Payroll	The payroll of employees that are provided with pensions through the pension plan.
Deferred Inflows and Outflows	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.
Deferred Retirement Option Program (DROP)	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.
Discount Rate	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.