# Educational Employees' Supplementary Retirement System of Fairfax County

Information Required Under Governmental Accounting Standards Board Statements Nos. 67 and 68 as of June 30, 2026

September 2026



Gallagher

Insurance | Risk Management | Consulting

September 29, 2026

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Board of Trustees
Educational Employees' Supplementary Retirement System of Fairfax County
(ERFC)

We have prepared selected required accounting information for Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 (GASB 67, GASB 68) for the Educational Employees' Supplementary Retirement System of Fairfax County ("ERFC"). Information contained in this report is based on data from the December 31, 2025 Actuarial Valuation Report for ERFC and a Measurement Date of June 30, 2026. The actuarial assumptions and methods used in this report are the same as those used in the December 31, 2025 actuarial valuation of the System, except as noted herein. Please refer to the December 31, 2025 valuation report dated September 26, 2026 for detailed information regarding data, assumptions and methods used to prepare this report.

This report may be used for the review of the operation of the System as well as in preparation of audited financial statements of the System. Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Gallagher to review any statement you wish to make on the results contained in this report. Gallagher will not accept any liability for any such statement made without prior review.

In preparing results shown in this report, we have relied upon information provided by ERFC's administrative staff regarding plan provisions, plan participants, and plan assets. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. The accuracy of the results presented herein is dependent on the accuracy of the data.

We certify that the information contained in this report has been prepared in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information fairly presents the actuarial position of the System in accordance with the requirements of GASB 67 and GASB 68 as of June 30, 2026.

Future actuarial measurements may differ significantly from current measurements due to plan experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this report.

Funded status measurements shown in this report are determined based on various measures of plan assets and liabilities. For entity and plan disclosure and reporting purposes, funded status is determined using plan assets measured at market value.

These funded status measurements may not be appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligations, and funded status measurements for ERFC and plan disclosure and reporting purposes may not be appropriate for assessing the need for or the amount of future contributions.

The plan sponsor selected the assumptions used for the accounting results in this report. We believe that these assumptions are reasonable and comply with the Actuarial Standard of Practice ("ASOP") 27 and the requirements of GASB Statement No. 67. We prepared this report in accordance with the requirements of this standard.

ASOP 27 asks the actuary to disclose the information and analysis used to support the actuary's determination that the assumptions selected by the plan sponsor do not significantly conflict with what, in the actuary's professional judgment, are reasonable for the purpose of the measurement. In the case of the Board's selection

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of the investment return assumption, we used the GEMS® Economic Scenario Generator from Conning & Company to assess reasonableness of the investment return rate. GEMS® uses a multifactor model to create internally consistent, realistic economic scenarios (paths) that reflect the current economic environment as a starting point. Asset class correlations may vary from year to year (just as in the real world), as well as from path to path. The model generates results that are not normally distributed, with fatter tails, and should therefore estimate the probabilities of rare events more realistically than a pure mean-variance model. Based on the actuaries' analysis, including consistency with other assumptions used in the valuation, the percentiles generated by the GEMS® Economic Scenario Generator and review of actuarial gain/loss experience, the actuaries believe the assumptions, in the actuaries' professional judgment, are reasonable for the purpose of the measurement. In addition, in our professional judgment, the combined effect of the assumptions is expected to have no significant bias.

ASOP 56 provides guidance to actuaries performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. Gallagher uses third-party software to perform annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the System's provisions using data and assumptions as of the measurement date under the funding methods specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding methods and policies to the derived liabilities and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report.

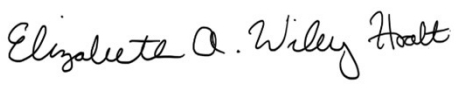
Gallagher maintains an extensive review process in which the results of the liability calculations are checked using detailed sample life output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other funding outputs and the internal model are similarly reviewed in detail and at a higher level for accuracy, reasonability, and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software. This review is performed by experts within Gallagher who are familiar with applicable funding methods, as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed.

This report was prepared under the supervision of Kevin Spanier and Elizabeth Hoalt, who are members of the American Academy of Actuaries and have met the Academy's Qualification Standards to render the actuarial opinion contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice.

Gallagher Benefit Services, Inc.



Kevin Spanier, ASA, EA, MAAA, FCA
Senior Vice President, Public Sector Retirement Operations Leader



Elizabeth A. Wiley Hoalt, FSA, EA, MAAA, FCA
Vice President, Retirement Actuary

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# Development of GASB 68 Net Pension Expense

## Table 1: Net Pension Liability

The following table illustrates the Net Pension Liability under GASB 68.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Total Pension Liability | $ 4,637,806,410 | $ 4,918,959,958 |
| (2) Plan Fiduciary Net Position | 3,439,140,398 | 3,874,300,013 |
| (3) Net Pension Liability (Asset) | $ 1,198,666,012 | $ 1,044,659,945 |
| (4) Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 74.15% | 78.76% |
| (5) Deferred Outflow of Resources for Contributions Made After Measurement Date | $ 0 | $ 0 |

## Table 2: Expense

The following table illustrates the pension expense under GASB 68.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Service Cost | $ 107,817,361 | $ 112,582,393 |
| (2) Interest Cost | 306,314,247 | 324,352,688 |
| (3) Expected Investment Return | (223,437,143) | (239,305,197) |
| (4) Employee Contributions | (59,011,733) | (61,359,539) |
| (5) Administrative Expense | 6,542,969 | 7,327,181 |
| (6) Changes of Benefit Terms | 0 | 0 |
| (7) Amortization of Unrecognized | | |
| (a) Liability (Gain) / Loss | (6,484,000) | 6,824,970 |
| (b) Asset (Gain) / Loss | 1,912,559 | 61,391,755 |
| (c) Assumption Change (Gain) / Loss | 19,811,983 | 19,156,188 |
| (8) Total Expense | $ 153,466,243 | $ 230,970,439 |


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## Table 3: Expense Calculation

The following table provides details regarding the calculation of Service and Interest Cost components of the Expense.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Development of Service Cost | | |
| (a) Normal Cost at Beginning of Measurement Period | $ 107,817,361 | $ 112,582,393 |
| (2) Development of Interest Cost | | |
| (a) Total Pension Liability at Beginning of Measurement Period | $ 4,380,439,604 | $ 4,637,806,410 |
| (b) Normal Cost at Beginning of Measurement Period | 107,817,361 | 112,582,393 |
| (c) Actual Benefit Payments | (224,678,293) | (233,557,935) |
| (d) Discount Rate, Beginning of Measurement Period | 7.00% | 7.00% |
| (e) Interest Cost [(a) + (b) + {(c) / 2}] x (d) | $ 306,314,247 | $ 324,352,688 |
| (3) Development of Expected Investment Return | | |
| (a) Plan Fiduciary Net Position at Beginning of Measurement Period | $ 3,213,424,628 | $ 3,439,140,398 |
| (b) Prior Period Adjustment | 0 | 0 |
| (c) Actual Contributions - Employer | 129,278,658 | 138,536,133 |
| (d) Actual Contributions - Employee | 59,011,733 | 61,359,539 |
| (e) Actual Benefit Payments | (224,678,293) | (233,557,935) |
| (f) Administrative Expenses | (6,542,969) | (7,327,181) |
| (g) Other | 0 | 0 |
| (h) Expected Return on Assets, Beginning of Measurement Period | 7.00% | 7.00% |
| (i) Expected Return [(a) + (b) + {[(c) + (d) + (e) + (f)] / 2} x (h) | $ 223,437,143 | $ 239,305,197 |


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# Reconciliation of Net Pension Liability

## Table 4: Reconciliation of Net Pension Liability

Shown below are details regarding the Total Pension Liability, Plan Fiduciary Net Position, and Net Pension Liability for the Measurement Period from June 30, 2025 to June 30, 2026.

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (c) = (a) - (b) |
| Balance Recognized at 06/30/2025 (Based on 06/30/2025 Measurement Date) | $ 4,637,806,410 | $ 3,439,140,398 | $ 1,198,666,012 |
| Changes Recognized for the Fiscal Year | | | |
| Service Cost | $ 112,582,393 | $ 0 | $ 112,582,393 |
| Interest on the Total Pension Liability | 324,352,688 | 0 | 324,352,688 |
| Changes of Benefit Terms | 0 | 0 | 0 |
| Differences Between Expected and Actual Experience | 81,707,894 | 0 | 81,707,894 |
| Changes of Assumptions | (3,931,492) | 0 | (3,931,492) |
| Benefit Payments | (233,557,935) | (233,557,935) | 0 |
| Contributions from the Employer | 0 | 138,536,133 | (138,536,133) |
| Contributions from the Employee | 0 | 61,359,539 | (61,359,539) |
| Net Investment Income | 0 | 476,149,059 | (476,149,059) |
| Administrative Expense | 0 | (7,327,181) | 7,327,181 |
| **Net Changes** | **$ 281,153,548** | **$ 435,159,615** | **$ (154,006,067)** |
| Balance Recognized at 06/30/2026 (Based on 06/30/2026 Measurement Date) | $ 4,918,959,958 | $ 3,874,300,013 | $ 1,044,659,945 |



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# Liability (Gain) / Loss

## Table 5: Liability (Gain) / Loss

The following table illustrates the liability gain / loss under GASB 68.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Pension Liability at Beginning of Measurement Period | $ 4,380,439,604 | $ 4,637,806,410 |
| (2) Service Cost | 107,817,361 | 112,582,393 |
| (3) Interest on the Total Pension Liability | 306,314,247 | 324,352,688 |
| (4) Changes of Benefit Terms | 0 | 0 |
| (5) Changes of Assumptions | 0 | (3,931,492) |
| (6) Benefit Payments | (224,678,293) | (233,557,935) |
| (7) Expected Pension Liability at End of Measurement Period | $ 4,569,892,919 | $ 4,837,252,064 |
| (8) Actual Pension Liability at End of Measurement Period | 4,637,806,410 | 4,918,959,958 |
| (9) Pension Liability (Gain) / Loss | $ 67,913,491 | $ 81,707,894 |
| (10) Average Future Working Life Expectancy | 5.1994 | 5.0798 |
| (11) Total Pension Liability (Gain) / Loss Amortization [(9) / (10)] | $ 13,061,794 | $ 16,084,864 |
| (12) Pension Assumption Change (Gain) / Loss Amortization [(5) / (10)] | 0 | (773,946) |
| (13) Pension Overall Liability (Gain) / Loss Amortization [(11) + (12)] | $ 13,061,794 | $ 15,310,918 |

## Table 6: Liability (Gain) / Loss Impact on Expense

The following table details the allocation of the FY2026 liability gain / loss in the expense calculation under GASB 68.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Total Liability (Gain) / Loss | $ 67,913,491 | $ 81,707,894 |
| (2) Recognized in Current Year Expense | 13,061,794 | 16,084,864 |
| (3) Amount Recognized in Future Years as Deferred Outflows [(1) - (2)] | $ 54,851,697 | $ 65,623,030 |

## Table 7: Assumption Change (Gain) / Loss Impact on Expense

The following table details the allocation of the FY2026 assumption change gain / loss in the expense calculation under GASB 68.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Total Liability Assumption Change (Gain) / Loss | $ - | $ (3,931,492) |
| (2) Recognized in Current Year Expense | - | (773,946) |
| (3) Amount Recognized in Future Years as Deferred Outflows [(1) - (2)] | $ - | $ (3,157,546) |



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# Asset (Gain) / Loss

## Table 8: Asset (Gain) / Loss

The following table illustrates the asset gain / loss under GASB 68.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Pension Asset at Beginning of Measurement Period | $ 3,213,424,628 | $ 3,439,140,398 |
| (2) Prior Period Adjustment | 0 | 0 |
| (3) Contributions - Employer | 129,278,658 | 138,536,133 |
| (4) Contributions - Employee | 59,011,733 | 61,359,539 |
| (5) Expected Investment Income | 223,437,143 | 239,305,197 |
| (6) Benefit Payments | (224,678,293) | (233,557,935) |
| (7) Administrative Expense | (6,542,969) | (7,327,181) |
| (8) Other | 0 | 0 |
| (9) Expected Pension Asset at End of Measurement Period | $ 3,393,930,900 | $ 3,637,456,151 |
| (10) Actual Pension Asset at End of Measurement Period | 3,439,140,398 | 3,874,300,013 |
| (11) Pension Asset (Gain) / Loss | $ (45,209,498) | $ (236,843,862) |
| (12) Amortization Factor | 5.0000 | 5.0000 |
| (13) Pension Asset (Gain) / Loss Amortization | $ (9,041,900) | $ (47,368,772) |

## Table 9: Asset (Gain) / Loss Impact on Expense

The following table details the allocation of the FY2026 asset gain / loss under GASB 68.

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| (1) Total Asset (Gain) / Loss | $ (45,209,498) | $ (236,843,862) |
| (2) Recognized in Current Year Expense | (9,041,900) | (47,368,772) |
| (3) Amount Recognized in Future Years as Deferred Outflows [(1) - (2)] | $ (36,167,598) | (189,475,090) |



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## Deferred Outflows / Inflows

### Table 10: Deferred Outflows / Inflows

The following table illustrates the deferred outflows and inflows of resources as of June 30, 2026 under GASB 68.

| | Deferred Outflows | Deferred Inflows |
|---|---|---|
| (1) Difference Between Actual and Expected Experience | $ 117,721,232 | $ (74,362,840) |
| (2) Net Difference Between Expected and Actual Earnings on Pension Plan Investments | 30,908,687 | (216,600,788) |
| (3) Assumption Changes | 19,431,924 | (3,157,546) |
| (4) Sub Total | $ 168,061,843 | $ (294,121,174) |
| (5) Contributions Made in Fiscal Year Ending 2025 After Measurement Date | 0 | 0 |
| (6) Total | $ 168,061,843 | $ (294,121,174) |



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## Table 11: Schedule of Differences Between Expected and Actual Experience

The following schedule illustrates the recognition in pension expense of differences between expected and actual experience as of June 30, 2026 under GASB 68.

| Schedule of Differences Between Expected and Actual Experience | | | | | | | |
|---|---|---|---|---|---|---|---|
| Measurement Year | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
| Amount Established | $ 81,707,894 | $ 67,913,491 | $ (165,399,993) | $ 33,027,559 | $ (5,133,211) | $ 29,758,913 | $ (12,696,483) |
| Recognition Period | 5.0798 | 5.1994 | 5.4060 | 5.8149 | 5.8552 | 5.9594 | 6.6962 |
| Annual Recognition | $ 16,084,864 | $ 13,061,794 | $ (30,595,633) | $ 5,679,815 | $ (876,693) | $ 4,993,609 | $ (1,896,073) |
| Amount Recognized Fiscal Year End | | | | | | | |
| 2026 | $ 16,084,864 | $ 13,061,794 | $ (30,595,633) | $ 5,679,815 | $ (876,693) | $ 4,790,868 | $ (1,320,045) |
| 2027 | 16,084,864 | 13,061,794 | (30,595,633) | 5,679,815 | (749,746) | 0 | 0 |
| 2028 | 16,084,864 | 13,061,794 | (30,595,633) | 4,628,484 | 0 | 0 | 0 |
| 2029 | 16,084,864 | 13,061,794 | (12,421,828) | 0 | 0 | 0 | 0 |
| 2030 | 16,084,864 | 2,604,521 | 0 | 0 | 0 | 0 | 0 |
| 2031 | 1,283,574 | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Balance Fiscal Year End | | | | | | | |
| 2026 | $ 65,623,030 | $ 41,789,903 | $ (73,613,094) | $ 10,308,299 | $ (749,746) | $ 0 | $ 0 |
| 2027 | 49,538,166 | 28,728,109 | (43,017,461) | 4,628,484 | 0 | 0 | 0 |
| 2028 | 33,453,302 | 15,666,315 | (12,421,828) | 0 | 0 | 0 | 0 |
| 2029 | 17,368,438 | 2,604,521 | 0 | 0 | 0 | 0 | 0 |
| 2030 | 1,283,574 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2031 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |


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## Table 12: Schedule of Changes in Assumptions

The following schedule illustrates the recognition in pension expense of changes in assumptions as of June 30, 2026 under GASB 68.

| Schedule of Changes in Assumptions | | | | | | | |
|---|---|---|---|---|---|---|---|
| Measurement Year | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
| Amount Established | $ (3,931,492) | $ 0 | $ 0 | $ 0 | $ 133,042,334 | $ (17,342,443) | $ 0 |
| Recognition Period | 5.0798 | 5.1994 | 5.4060 | 5.8149 | 5.8552 | 5.9594 | 6.6962 |
| Annual Recognition | $ (773,946) | $ 0 | $ 0 | $ 0 | $ 22,722,082 | $ (2,910,099) | $ 0 |
| | | | | | | | |
| Amount Recognized | | | | | | | |
| Fiscal Year End | | | | | | | |
| 2026 | $ (773,946) | $ 0 | $ 0 | $ 0 | $ 22,722,082 | $ (2,791,948) | $ 0 |
| 2027 | (773,946) | 0 | 0 | 0 | 19,431,924 | 0 | 0 |
| 2028 | (773,946) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | (773,946) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2030 | (773,946) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2031 | (61,762) | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| Deferred Balance | | | | | | | |
| Fiscal Year End | | | | | | | |
| 2026 | $ (3,157,546) | $ 0 | $ 0 | $ 0 | $ 19,431,924 | $ 0 | $ 0 |
| 2027 | (2,383,600) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2028 | (1,609,654) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2029 | (835,708) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2030 | (61,762) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2031 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |


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## Table 13: Schedule of Differences Between Projected and Actual Earnings

The following schedule illustrates the recognition in pension expense of differences between projected and actual earnings on pension plan investments as of June 30, 2026 under GASB 68.

| Schedule of Differences Between Projected and Actual Earnings | | | | | | | |
|---|---|---|---|---|---|---|---|
| Measurement Year | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 |
| Amount Established | $ (236,843,862) | $ (45,209,498) | $ 33,477,082 | $ 87,589,257 | $ 467,945,800 | $ (534,239,840) | $ 73,007,730 |
| Recognition Period | 5.0000 | 5.0000 | 5.0000 | 5.0000 | 5.0000 | 5.0000 | 5.0000 |
| Annual Recognition | $ (47,368,772) | $ (9,041,900) | $ 6,695,416 | $ 17,517,851 | $ 93,589,160 | $ (106,847,968) | $ 14,601,546 |
| | | | | | | | |
| Amount Recognized | | | | | | | |
| Fiscal Year End | | | | | | | |
| 2026 | $ (47,368,772) | $ (9,041,900) | $ 6,695,416 | $ 17,517,851 | $ 93,589,160 | $ 0 | $ 0 |
| 2027 | (47,368,772) | (9,041,900) | 6,695,416 | 17,517,853 | 0 | 0 | 0 |
| 2028 | (47,368,772) | (9,041,900) | 6,695,418 | 0 | 0 | 0 | 0 |
| 2029 | (47,368,772) | (9,041,898) | 0 | 0 | 0 | 0 | 0 |
| 2030 | (47,368,774) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2031 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | | | | | |
| Deferred Balance | | | | | | | |
| Fiscal Year End | | | | | | | |
| 2026 | $ (189,475,090) | $ (27,125,698) | $ 13,390,834 | $ 17,517,853 | $ 0 | $ 0 | $ 0 |
| 2027 | (142,106,318) | (18,083,798) | 6,695,418 | 0 | 0 | 0 | 0 |
| 2028 | (94,737,546) | (9,041,898) | 0 | 0 | 0 | 0 | 0 |
| 2029 | (47,368,774) | 0 | 0 | 0 | 0 | 0 | 0 |
| 2030 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 2031 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |


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## Table 14: Schedule of Deferred Inflows / Outflows

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

| Reporting Year Fiscal Year End | Amount Recognized |
|---|---|
| 2027 | $ (10,058,331) |
| 2028 | (47,309,691) |
| 2029 | (40,459,786) |
| 2030 | (29,453,335) |
| 2031 | 1,221,812 |
| Total therafter | 0 |

## Table 15: Interest Rate Sensitivity

The following table illustrates the impact of interest rate sensitivity on the net pension liability for fiscal year ending June 30, 2026.

| Sensitivity of the Net Pension Liability to Changes in the Discount Rate | 1% Decrease | Current | 1% Increase |
|---|---|---|---|
| Discount Rate | 6.00% | 7.00% | 8.00% |
| Total Pension Liability | $ 5,628,119,623 | $ 4,918,959,958 | $ 4,342,673,233 |
| Plan Fiduciary Net Position | 3,874,300,013 | 3,874,300,013 | 3,874,300,013 |
| Net Pension Liability | $ 1,753,819,610 | $ 1,044,659,945 | $ 468,373,220 |

## Table 16: Participant Data

The actuarial valuation was based on personnel information from ERFC records as of December 31, 2025. Following are some of the pertinent characteristics from the personnel data as of that date. Prior year characteristics are also provided for comparison purposes. Both age and service have been determined using years and months as of the valuation date.

| | December 31, 2024 | December 31, 2025 |
|---|---|---|
| Active Participants | 23,381 | 23,180 |
| Active Participants in the DROP Program | 235 | 401 |
| Inactives with Deferred Benefits | 8,819 | 9,835 |
| Inactives Receiving Payment | 14,427 | 14,711 |
| **Total Participants** | 46,862 | 48,127 |



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# Statement of Fiduciary Net Position

## Table 17: Statement of Fiduciary Net Position

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **Assets** | | |
| Cash Equivalents | $ 204,921,601 | $ 167,897,140 |
| Receivables | | |
| Contributions | $ 0 | $ 0 |
| Investment Income | 2,336,901 | 2,227,759 |
| Accounts Receivable - Sale of Investments | 18,642,817 | 5,713,809 |
| Other Receivables | 13,518 | 12,003 |
| Total Receivables | $ 20,993,236 | $ 7,953,571 |
| Investments | | |
| Equities | $ 191,503,176 | $ 257,298,436 |
| Bonds and Mortgage Backed Securities | 650,320,055 | 723,191,831 |
| U.S. Government Obligations | 260,967,495 | 303,864,275 |
| Preferred Securities | 0 | 0 |
| Real Estate | 291,587,674 | 311,720,221 |
| Global Asset Allocation | 0 | 0 |
| Better Beta | 0 | 0 |
| Multi Asset Class Solutions (MACS) | 69,848,848 | 0 |
| Hedge Funds | 285,582,462 | 300,279,645 |
| Private Equity | 347,488,368 | 357,849,909 |
| Private Debt | 106,358,603 | 133,994,165 |
| Infrastructure | 78,724,684 | 89,014,030 |
| Natural Resources | 58,921,801 | 99,940,699 |
| Commingled Fixed Income Funds | 73,972,062 | 104,519,819 |
| Commingled Equity Funds | 941,457,139 | 1,147,877,135 |
| Total Investments | $ 3,356,732,367 | $ 3,829,550,165 |
| Prepaid Expenses | 0 | 0 |
| Other | 2,141,753 | 1,939,203 |
| Total Assets | $ 3,584,788,957 | $ 4,007,340,079 |
| **Liabilities** | | |
| Payables | | |
| Accounts Payable & Securities Purchased | $ 23,751,267 | $ 25,089,693 |
| Securities Lending Collateral | 119,201,065 | 105,445,134 |
| Other | 2,696,227 | 2,505,239 |
| Total Liabilities | $ 145,648,559 | $ 133,040,066 |
| **Net Position Restricted for Pensions** | **$ 3,439,140,398** | **$ 3,874,300,013** |



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## Table 18: Statement of Changes in Fiduciary Net Position

| Fiscal Year Ending | June 30, 2025 | June 30, 2026 |
|---|---|---|
| **Additions** | | |
| Contributions | | |
| Employer | $ 129,278,658 | $ 138,536,133 |
| Employee | 59,011,733 | 61,359,539 |
| Total Contributions | $ 188,290,391 | $ 199,895,672 |
| Investment Income | | |
| Net Increase in Fair Value of Investments | $ 228,319,435 | $ 431,983,113 |
| Interest and Dividends | 47,152,402 | 51,059,210 |
| Real Estate | 0 | 0 |
| Less Investment Expense | (7,275,103) | (7,325,574) |
| Net Investment Income | $ 268,196,734 | $ 475,716,749 |
| Other | 449,907 | 432,310 |
| Total Additions | $ 456,937,032 | $ 676,044,731 |
| **Deductions** | | |
| Benefit Payments / Refunds | $ 224,678,293 | $ 233,557,935 |
| Administrative Expenses | 6,326,994 | 7,106,324 |
| Depreciation Expense | 215,975 | 220,857 |
| Other | 0 | 0 |
| Total Deductions | $ 231,221,262 | $ 240,885,116 |
| Net Increase in Net Position | $ 225,715,770 | $ 435,159,615 |
| **Net Position Restricted for Pensions** | | |
| Beginning of Year | $ 3,213,424,628 | $ 3,439,140,398 |
| End of Year | **$ 3,439,140,398** | **$ 3,874,300,013** |



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# Plan Fiduciary Net Position Projection

## Table 19: Projection of Contributions[1]

| Fiscal Year | Payroll for Current Employees | Contributions from Current Employees[2] | Service Cost | Administrative Expense | Service Cost and Expense Contributions | UAL Contributions | Total Contributions |
|---|---|---|---|---|---|---|---|
| 2027 | $ 2,096,536,649 | $ 60,080,820 | $ 53,252,031 | $ 5,660,649 | $ 58,912,680 | $ 83,022,851 | $ 202,016,351 |
| 2028 | 1,988,531,327 | 56,877,990 | 48,321,311 | 6,562,153 | 54,883,465 | 90,064,155 | 201,825,610 |
| 2029 | 1,899,312,066 | 54,225,516 | 46,153,283 | 6,267,730 | 52,421,013 | 92,540,919 | 199,187,448 |
| 2030 | 1,820,502,057 | 51,877,626 | 44,238,200 | 6,007,657 | 50,245,857 | 95,085,795 | 197,209,278 |
| 2031 | 1,750,960,343 | 49,800,819 | 42,548,336 | 5,778,169 | 48,326,505 | 97,700,654 | 195,827,979 |
| 2032 | 1,689,971,830 | 47,973,971 | 41,066,315 | 5,576,907 | 46,643,223 | 100,387,422 | 195,004,616 |
| 2033 | 1,633,069,393 | 46,266,029 | 39,683,586 | 5,389,129 | 45,072,715 | 103,148,076 | 194,486,820 |
| 2034 | 1,577,938,263 | 44,609,420 | 38,343,900 | 5,207,196 | 43,551,096 | 105,984,648 | 194,145,164 |
| 2035 | 1,525,706,113 | 43,037,496 | 37,074,659 | 5,034,830 | 42,109,489 | 108,899,226 | 194,046,210 |
| 2036 | 1,475,405,729 | 41,521,994 | 35,852,359 | 4,868,839 | 40,721,198 | 111,893,955 | 194,137,146 |
| 2037 | 1,424,869,428 | 39,999,548 | 34,624,327 | 4,702,069 | 39,326,396 | 114,971,038 | 194,296,983 |
| 2038 | 1,373,958,485 | 38,466,293 | 33,387,191 | 4,534,063 | 37,921,254 | 118,132,742 | 194,520,289 |
| 2039 | 1,323,149,867 | 36,936,479 | 32,152,542 | 4,366,395 | 36,518,936 | 121,381,392 | 194,836,808 |
| 2040 | 1,274,813,017 | 35,479,949 | 30,977,956 | 4,206,883 | 35,184,839 | 124,719,381 | 195,384,169 |
| 2041 | 1,230,375,045 | 34,138,677 | 29,898,114 | 4,060,238 | 33,958,351 | 128,149,164 | 196,246,192 |
| 2042 | 1,188,081,248 | 32,861,744 | 28,870,374 | 3,920,668 | 32,791,042 | 131,673,266 | 197,326,052 |
| 2043 | 1,147,022,875 | 31,623,388 | 27,872,656 | 3,785,175 | 31,657,831 | 135,294,280 | 198,575,500 |
| 2044 | 1,105,415,521 | 30,371,783 | 26,861,597 | 3,647,871 | 30,509,468 | 139,014,873 | 199,896,124 |
| 2045 | 1,061,087,782 | 29,043,971 | 25,784,433 | 3,501,590 | 29,286,023 | 142,837,782 | 201,167,776 |
| 2046 | 1,014,319,256 | 27,648,986 | 24,647,958 | 3,347,254 | 27,995,211 | 0 | 55,644,198 |
| 2047 | 964,756,580 | 26,177,401 | 23,443,585 | 3,183,697 | 26,627,282 | 0 | 52,804,682 |
| 2048 | 911,202,219 | 24,595,352 | 22,142,214 | 3,006,967 | 25,149,181 | 0 | 49,744,533 |
| 2049 | 855,373,365 | 22,954,343 | 20,785,573 | 2,822,732 | 23,608,305 | 0 | 46,562,648 |
| 2050 | 798,488,872 | 21,291,526 | 19,403,280 | 2,635,013 | 22,038,293 | 0 | 43,329,819 |
| 2051 | 740,803,923 | 19,616,340 | 18,001,535 | 2,444,653 | 20,446,188 | 0 | 40,062,528 |
| 2052 | 683,124,956 | 17,954,348 | 16,599,936 | 2,254,312 | 18,854,249 | 0 | 36,808,596 |
| 2053 | 626,922,054 | 16,349,053 | 15,234,206 | 2,068,843 | 17,303,049 | 0 | 33,652,102 |
| 2054 | 572,769,373 | 14,816,397 | 13,918,296 | 1,890,139 | 15,808,435 | 0 | 30,624,831 |
| 2055 | 520,321,080 | 13,345,496 | 12,643,802 | 1,717,060 | 14,360,862 | 0 | 27,706,357 |
| 2056 | 469,359,284 | 11,930,955 | 11,405,431 | 1,548,886 | 12,954,316 | 0 | 24,885,271 |
| 2057 | 419,578,672 | 10,562,445 | 10,195,762 | 1,384,610 | 11,580,371 | 0 | 22,142,816 |
| 2058 | 371,172,083 | 9,244,670 | 9,019,482 | 1,224,868 | 10,244,349 | 0 | 19,489,019 |
| 2059 | 324,897,444 | 7,999,487 | 7,895,008 | 1,072,162 | 8,967,169 | 0 | 16,966,657 |
| 2060 | 281,363,802 | 6,840,819 | 6,837,140 | 928,501 | 7,765,641 | 0 | 14,606,460 |
| 2061 | 240,964,430 | 5,783,630 | 5,855,436 | 795,183 | 6,650,618 | 0 | 12,434,249 |
| 2062 | 203,902,750 | 4,832,488 | 4,954,837 | 672,879 | 5,627,716 | 0 | 10,460,204 |
| 2063 | 170,472,196 | 3,987,249 | 4,142,474 | 562,558 | 4,705,033 | 0 | 8,692,282 |
| 2064 | 140,450,990 | 3,243,243 | 3,412,959 | 463,488 | 3,876,447 | 0 | 7,119,690 |
| 2065 | 113,579,638 | 2,589,571 | 2,759,985 | 374,813 | 3,134,798 | 0 | 5,724,369 |
| 2066 | 89,839,147 | 2,021,765 | 2,183,091 | 296,469 | 2,479,560 | 0 | 4,501,325 |
| 2067 | 68,940,134 | 1,531,291 | 1,675,245 | 227,502 | 1,902,748 | 0 | 3,434,039 |
| 2068 | 51,036,912 | 1,118,470 | 1,240,197 | 168,422 | 1,408,619 | 0 | 2,527,089 |
| 2069 | 36,110,582 | 781,333 | 877,487 | 119,165 | 996,652 | 0 | 1,777,985 |
| 2070 | 23,956,586 | 516,698 | 582,145 | 79,057 | 661,202 | 0 | 1,177,900 |
| 2071 | 14,140,711 | 323,575 | 343,619 | 46,664 | 390,284 | 0 | 713,859 |
| 2072 | 7,002,733 | 184,932 | 170,166 | 23,109 | 193,275 | 0 | 378,207 |
| 2073 | 2,935,944 | 86,125 | 71,343 | 9,689 | 81,032 | 0 | 167,157 |
| 2074 | 1,040,761 | 30,530 | 25,290 | 3,435 | 28,725 | 0 | 59,255 |
| 2075 | 304,446 | 8,931 | 7,398 | 1,005 | 8,403 | 0 | 17,334 |
| 2076 | 106,666 | 3,129 | 2,592 | 352 | 2,944 | 0 | 6,073 |
| 2077 | 36,368 | 1,067 | 884 | 120 | 1,004 | 0 | 2,071 |
| 2078 | 7,172 | 210 | 174 | 24 | 198 | 0 | 408 |
| 2079 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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

[2] Members who have entered the DROP program do not continue their employee contributions while part of the DROP program, which is reflected in the calculations shown above.



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## Table 20: Projection of Plan Fiduciary Net Position Ending June 30, 2026[1]

| Fiscal Year | Beginning Plan Net Position | Total Contributions | Benefit Payments | Administrative Expenses | Investment Return 7.00% | Ending Plan Net Position |
|---|---|---|---|---|---|---|
| 2027 | $ 3,874,300,013 | $ 202,016,351 | $ 257,282,896 | $ 5,660,649 | $ 269,104,615 | $ 4,082,477,435 |
| 2028 | 4,082,477,435 | 201,825,610 | 254,111,902 | 6,562,153 | 283,748,560 | 4,307,377,550 |
| 2029 | 4,307,377,550 | 199,187,448 | 269,291,113 | 6,267,730 | 298,888,638 | 4,529,894,794 |
| 2030 | 4,529,894,794 | 197,209,278 | 307,140,946 | 6,007,657 | 313,103,390 | 4,727,058,859 |
| 2031 | 4,727,058,859 | 195,827,979 | 337,410,111 | 5,778,169 | 325,823,740 | 4,905,522,298 |
| 2032 | 4,905,522,298 | 195,004,616 | 339,043,246 | 5,576,907 | 338,238,583 | 5,094,145,343 |
| 2033 | 5,094,145,343 | 194,486,820 | 339,696,582 | 5,389,129 | 351,408,360 | 5,294,954,813 |
| 2034 | 5,294,954,813 | 194,145,164 | 348,632,944 | 5,207,196 | 365,152,045 | 5,500,411,882 |
| 2035 | 5,500,411,882 | 194,046,210 | 358,644,675 | 5,034,830 | 379,192,082 | 5,709,970,670 |
| 2036 | 5,709,970,670 | 194,137,146 | 369,272,995 | 4,868,839 | 393,504,338 | 5,923,470,320 |
| 2037 | 5,923,470,320 | 194,296,983 | 378,884,011 | 4,702,069 | 408,129,855 | 6,142,311,078 |
| 2038 | 6,142,311,078 | 194,520,289 | 386,663,485 | 4,534,063 | 423,194,496 | 6,368,828,315 |
| 2039 | 6,368,828,315 | 194,836,808 | 393,111,606 | 4,366,395 | 438,845,495 | 6,605,032,617 |
| 2040 | 6,605,032,617 | 195,384,169 | 398,516,206 | 4,206,883 | 455,218,157 | 6,852,911,854 |
| 2041 | 6,852,911,854 | 196,246,192 | 405,078,164 | 4,060,238 | 472,378,625 | 7,112,398,269 |
| 2042 | 7,112,398,269 | 197,326,052 | 413,136,443 | 3,920,668 | 490,307,363 | 7,382,974,573 |
| 2043 | 7,382,974,573 | 198,575,500 | 421,951,997 | 3,785,175 | 508,992,031 | 7,664,804,931 |
| 2044 | 7,664,804,931 | 199,896,124 | 432,650,800 | 3,647,871 | 528,402,196 | 7,956,804,580 |
| 2045 | 7,956,804,580 | 201,167,776 | 445,388,786 | 3,501,590 | 548,452,671 | 8,257,534,651 |
| 2046 | 8,257,534,651 | 55,644,198 | 460,001,077 | 3,347,254 | 563,999,124 | 8,413,829,642 |
| 2047 | 8,413,829,642 | 52,804,682 | 477,297,115 | 3,183,697 | 574,252,576 | 8,560,406,088 |
| 2048 | 8,560,406,088 | 49,744,533 | 496,030,930 | 3,006,967 | 583,769,121 | 8,694,881,845 |
| 2049 | 8,694,881,845 | 46,562,648 | 515,082,754 | 2,822,732 | 592,423,744 | 8,815,962,751 |
| 2050 | 8,815,962,751 | 43,329,819 | 534,301,094 | 2,635,013 | 600,133,366 | 8,922,489,829 |
| 2051 | 8,922,489,829 | 40,062,528 | 553,377,654 | 2,444,653 | 606,828,003 | 9,013,558,053 |
| 2052 | 9,013,558,053 | 36,808,596 | 571,911,922 | 2,254,312 | 612,459,639 | 9,088,660,054 |
| 2053 | 9,088,660,054 | 33,652,102 | 589,669,231 | 2,068,843 | 617,003,557 | 9,147,577,640 |
| 2054 | 9,147,577,640 | 30,624,831 | 606,481,840 | 1,890,139 | 620,451,286 | 9,190,281,779 |
| 2055 | 9,190,281,779 | 27,706,357 | 622,113,322 | 1,717,060 | 622,808,264 | 9,216,966,018 |
| 2056 | 9,216,966,018 | 24,885,271 | 636,556,766 | 1,548,886 | 624,087,908 | 9,227,833,545 |
| 2057 | 9,227,833,545 | 22,142,816 | 649,777,115 | 1,384,610 | 624,305,038 | 9,223,119,675 |
| 2058 | 9,223,119,675 | 19,489,019 | 661,505,756 | 1,224,868 | 623,485,692 | 9,203,363,763 |
| 2059 | 9,203,363,763 | 16,966,657 | 671,513,737 | 1,072,162 | 621,676,889 | 9,169,421,410 |
| 2060 | 9,169,421,410 | 14,606,460 | 679,581,779 | 928,501 | 618,947,051 | 9,122,464,642 |
| 2061 | 9,122,464,642 | 12,434,249 | 685,465,059 | 795,183 | 615,387,491 | 9,064,026,140 |
| 2062 | 9,064,026,140 | 10,460,204 | 689,032,347 | 672,879 | 611,110,338 | 8,995,891,456 |
| 2063 | 8,995,891,456 | 8,692,282 | 690,249,419 | 562,558 | 606,241,998 | 8,920,013,758 |
| 2064 | 8,920,013,758 | 7,119,690 | 689,122,733 | 463,488 | 600,918,625 | 8,838,465,852 |
| 2065 | 8,838,465,852 | 5,724,369 | 685,665,705 | 374,813 | 595,284,262 | 8,753,433,965 |
| 2066 | 8,753,433,965 | 4,501,325 | 679,921,175 | 296,469 | 589,490,301 | 8,667,207,947 |
| 2067 | 8,667,207,947 | 3,434,039 | 671,785,985 | 227,502 | 583,700,046 | 8,582,328,544 |
| 2068 | 8,582,328,544 | 2,527,089 | 661,259,407 | 168,422 | 578,091,513 | 8,501,519,317 |
| 2069 | 8,501,519,317 | 1,777,985 | 648,356,783 | 119,165 | 572,854,740 | 8,427,676,094 |
| 2070 | 8,427,676,094 | 1,177,900 | 633,007,675 | 79,057 | 568,194,580 | 8,363,961,842 |
| 2071 | 8,363,961,842 | 713,859 | 615,395,195 | 46,664 | 564,325,742 | 8,313,559,583 |
| 2072 | 8,313,559,583 | 378,207 | 595,735,513 | 23,109 | 561,463,296 | 8,279,642,464 |
| 2073 | 8,279,642,464 | 167,157 | 574,043,270 | 9,689 | 559,828,685 | 8,265,585,347 |
| 2074 | 8,265,585,347 | 59,255 | 550,516,133 | 3,435 | 559,650,712 | 8,274,775,747 |
| 2075 | 8,274,775,747 | 17,334 | 525,503,613 | 1,005 | 561,153,313 | 8,310,441,776 |
| 2076 | 8,310,441,776 | 6,073 | 499,311,953 | 352 | 564,550,773 | 8,375,686,317 |

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



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## Table 20: Projection of Plan Fiduciary Net Position Ending June 30, 2026[1] (continued)

| Fiscal Year | Beginning Plan Net Position | Total Contributions | Benefit Payments | Administrative Expenses | Investment Return 7.00% | Ending Plan Net Position |
|---|---|---|---|---|---|---|
| 2077 | $ 8,375,686,317 | $ 2,071 | $ 472,154,142 | $ 120 | $ 570,052,209 | $ 8,473,586,334 |
| 2078 | 8,473,586,334 | 408 | 444,245,108 | 24 | 577,865,452 | 8,607,207,063 |
| 2079 | 8,607,207,063 | 0 | 415,820,061 | 0 | 588,196,939 | 8,779,583,941 |
| 2080 | 8,779,583,941 | 0 | 387,123,985 | 0 | 601,250,697 | 8,993,710,653 |
| 2081 | 8,993,710,653 | 0 | 358,404,292 | 0 | 617,227,755 | 9,252,534,116 |
| 2082 | 9,252,534,116 | 0 | 329,906,288 | 0 | 636,325,958 | 9,558,953,786 |
| 2083 | 9,558,953,786 | 0 | 301,867,345 | 0 | 658,740,100 | 9,915,826,541 |
| 2084 | 9,915,826,541 | 0 | 274,513,616 | 0 | 684,662,382 | 10,325,975,307 |
| 2085 | 10,325,975,307 | 0 | 248,055,660 | 0 | 714,283,162 | 10,792,202,809 |
| 2086 | 10,792,202,809 | 0 | 222,684,022 | 0 | 747,792,075 | 11,317,310,862 |
| 2087 | 11,317,310,862 | 0 | 198,564,614 | 0 | 785,379,541 | 11,904,125,789 |
| 2088 | 11,904,125,789 | 0 | 175,832,949 | 0 | 827,238,737 | 12,555,531,577 |
| 2089 | 12,555,531,577 | 0 | 154,590,366 | 0 | 873,568,059 | 13,274,509,270 |
| 2090 | 13,274,509,270 | 0 | 134,903,435 | 0 | 924,573,885 | 14,064,179,720 |
| 2091 | 14,064,179,720 | 0 | 116,804,810 | 0 | 980,473,555 | 14,927,848,465 |
| 2092 | 14,927,848,465 | 0 | 100,296,929 | 0 | 1,041,498,371 | 15,869,049,907 |
| 2093 | 15,869,049,907 | 0 | 85,358,714 | 0 | 1,107,896,467 | 16,891,587,660 |
| 2094 | 16,891,587,660 | 0 | 71,950,948 | 0 | 1,179,935,445 | 17,999,572,157 |
| 2095 | 17,999,572,157 | 0 | 60,021,192 | 0 | 1,257,904,839 | 19,197,455,804 |
| 2096 | 19,197,455,804 | 0 | 49,507,548 | 0 | 1,342,118,448 | 20,490,066,704 |
| 2097 | 20,490,066,704 | 0 | 40,339,750 | 0 | 1,432,916,657 | 21,882,643,611 |
| 2098 | 21,882,643,611 | 0 | 32,439,713 | 0 | 1,530,668,866 | 23,380,872,764 |
| 2099 | 23,380,872,764 | 0 | 25,721,098 | 0 | 1,635,776,081 | 24,990,927,747 |
| 2100 | 24,990,927,747 | 0 | 20,088,409 | 0 | 1,748,673,739 | 26,719,513,077 |
| 2101 | 26,719,513,077 | 0 | 15,438,275 | 0 | 1,869,834,714 | 28,573,909,516 |
| 2102 | 28,573,909,516 | 0 | 11,662,379 | 0 | 1,999,772,386 | 30,562,019,523 |
| 2103 | 30,562,019,523 | 0 | 8,650,504 | 0 | 2,139,043,719 | 32,692,412,738 |
| 2104 | 32,692,412,738 | 0 | 6,293,399 | 0 | 2,288,252,348 | 34,974,371,687 |
| 2105 | 34,974,371,687 | 0 | 4,485,798 | 0 | 2,448,051,670 | 37,417,937,559 |
| 2106 | 37,417,937,559 | 0 | 3,129,189 | 0 | 2,619,147,959 | 40,033,956,329 |
| 2107 | 40,033,956,329 | 0 | 2,134,042 | 0 | 2,802,303,515 | 42,834,125,802 |
| 2108 | 42,834,125,802 | 0 | 1,421,417 | 0 | 2,998,339,898 | 45,831,044,283 |
| 2109 | 45,831,044,283 | 0 | 923,849 | 0 | 3,208,141,312 | 49,038,261,746 |
| 2110 | 49,038,261,746 | 0 | 585,491 | 0 | 3,432,658,177 | 52,470,334,432 |
| 2111 | 52,470,334,432 | 0 | 361,630 | 0 | 3,672,910,967 | 56,142,883,769 |
| 2112 | 56,142,883,769 | 0 | 217,658 | 0 | 3,929,994,375 | 60,072,660,486 |
| 2113 | 60,072,660,486 | 0 | 127,697 | 0 | 4,205,081,840 | 64,277,614,629 |
| 2114 | 64,277,614,629 | 0 | 73,110 | 0 | 4,499,430,508 | 68,776,972,027 |
| 2115 | 68,776,972,027 | 0 | 40,939 | 0 | 4,814,386,633 | 73,591,317,721 |
| 2116 | 73,591,317,721 | 0 | 22,480 | 0 | 5,151,391,467 | 78,742,686,708 |
| 2117 | 78,742,686,708 | 0 | 12,123 | 0 | 5,511,987,653 | 84,254,662,238 |
| 2118 | 84,254,662,238 | 0 | 6,418 | 0 | 5,897,826,136 | 90,152,481,956 |
| 2119 | 90,152,481,956 | 0 | 3,327 | 0 | 6,310,673,623 | 96,463,152,252 |
| 2120 | 96,463,152,252 | 0 | 1,680 | 0 | 6,752,420,600 | 103,215,571,172 |
| 2121 | 103,215,571,172 | 0 | 816 | 0 | 7,225,089,954 | 110,440,660,310 |
| 2122 | 110,440,660,310 | 0 | 369 | 0 | 7,730,846,209 | 118,171,506,150 |
| 2123 | 118,171,506,150 | 0 | 148 | 0 | 8,272,005,425 | 126,443,511,427 |
| 2124 | 126,443,511,427 | 0 | 52 | 0 | 8,851,045,798 | 135,294,557,173 |
| 2125 | 135,294,557,173 | 0 | 17 | 0 | 9,470,619,002 | 144,765,176,158 |
| 2126 | 144,765,176,158 | 0 | 5 | 0 | 10,133,562,330 | 154,898,738,483 |

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



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## Table 21: Present Value of Projected Benefits Ending June 30, 2026[1]

| Fiscal Year | Beginning Plan Net Position | Projected Benefit Payments | Funded Portion of Benefit Payments | Unfunded Portion of Benefit Payments | Present Value of Funded Benefits Using EROA 7.00% | Present Value of Unfunded Benefits Using Municipal Rate 4.67% | Present Value of Benefits Using Single Rate at 7.00% |
|---|---|---|---|---|---|---|---|
| 2027 | $ 3,874,300,013 | $ 257,282,896 | $ 257,282,896 | $ 0 | $ 248,724,764 | $ 0 | $ 248,724,764 |
| 2028 | 4,082,477,435 | 254,111,902 | 254,111,902 | 0 | 229,588,082 | 0 | 229,588,082 |
| 2029 | 4,307,377,550 | 269,291,113 | 269,291,113 | 0 | 227,385,400 | 0 | 227,385,400 |
| 2030 | 4,529,894,794 | 307,140,946 | 307,140,946 | 0 | 242,378,725 | 0 | 242,378,725 |
| 2031 | 4,727,058,859 | 337,410,111 | 337,410,111 | 0 | 248,846,246 | 0 | 248,846,246 |
| 2032 | 4,905,522,298 | 339,043,246 | 339,043,246 | 0 | 233,692,255 | 0 | 233,692,255 |
| 2033 | 5,094,145,343 | 339,696,582 | 339,696,582 | 0 | 218,824,841 | 0 | 218,824,841 |
| 2034 | 5,294,954,813 | 348,632,944 | 348,632,944 | 0 | 209,889,199 | 0 | 209,889,199 |
| 2035 | 5,500,411,882 | 358,644,675 | 358,644,675 | 0 | 201,791,225 | 0 | 201,791,225 |
| 2036 | 5,709,970,670 | 369,272,995 | 369,272,995 | 0 | 194,178,732 | 0 | 194,178,732 |
| 2037 | 5,923,470,320 | 378,884,011 | 378,884,011 | 0 | 186,198,686 | 0 | 186,198,686 |
| 2038 | 6,142,311,078 | 386,663,485 | 386,663,485 | 0 | 177,590,495 | 0 | 177,590,495 |
| 2039 | 6,368,828,315 | 393,111,606 | 393,111,606 | 0 | 168,740,233 | 0 | 168,740,233 |
| 2040 | 6,605,032,617 | 398,516,206 | 398,516,206 | 0 | 159,869,269 | 0 | 159,869,269 |
| 2041 | 6,852,911,854 | 405,078,164 | 405,078,164 | 0 | 151,870,722 | 0 | 151,870,722 |
| 2042 | 7,112,398,269 | 413,136,443 | 413,136,443 | 0 | 144,758,793 | 0 | 144,758,793 |
| 2043 | 7,382,974,573 | 421,951,997 | 421,951,997 | 0 | 138,175,395 | 0 | 138,175,395 |
| 2044 | 7,664,804,931 | 432,650,800 | 432,650,800 | 0 | 132,410,188 | 0 | 132,410,188 |
| 2045 | 7,956,804,580 | 445,388,786 | 445,388,786 | 0 | 127,391,189 | 0 | 127,391,189 |
| 2046 | 8,257,534,651 | 460,001,077 | 460,001,077 | 0 | 122,963,208 | 0 | 122,963,208 |
| 2047 | 8,413,829,642 | 477,297,115 | 477,297,115 | 0 | 119,239,835 | 0 | 119,239,835 |
| 2048 | 8,560,406,088 | 496,030,930 | 496,030,930 | 0 | 115,813,060 | 0 | 115,813,060 |
| 2049 | 8,694,881,845 | 515,082,754 | 515,082,754 | 0 | 112,393,711 | 0 | 112,393,711 |
| 2050 | 8,815,962,751 | 534,301,094 | 534,301,094 | 0 | 108,960,048 | 0 | 108,960,048 |
| 2051 | 8,922,489,829 | 553,377,654 | 553,377,654 | 0 | 105,467,600 | 0 | 105,467,600 |
| 2052 | 9,013,558,053 | 571,911,922 | 571,911,922 | 0 | 101,869,182 | 0 | 101,869,182 |
| 2053 | 9,088,660,054 | 589,669,231 | 589,669,231 | 0 | 98,160,861 | 0 | 98,160,861 |
| 2054 | 9,147,577,640 | 606,481,840 | 606,481,840 | 0 | 94,354,782 | 0 | 94,354,782 |
| 2055 | 9,190,281,779 | 622,113,322 | 622,113,322 | 0 | 90,454,846 | 0 | 90,454,846 |
| 2056 | 9,216,966,018 | 636,556,766 | 636,556,766 | 0 | 86,499,918 | 0 | 86,499,918 |
| 2057 | 9,227,833,545 | 649,777,115 | 649,777,115 | 0 | 82,519,995 | 0 | 82,519,995 |
| 2058 | 9,223,119,675 | 661,505,756 | 661,505,756 | 0 | 78,513,553 | 0 | 78,513,553 |
| 2059 | 9,203,363,763 | 671,513,737 | 671,513,737 | 0 | 74,487,282 | 0 | 74,487,282 |
| 2060 | 9,169,421,410 | 679,581,779 | 679,581,779 | 0 | 70,450,677 | 0 | 70,450,677 |
| 2061 | 9,122,464,642 | 685,465,059 | 685,465,059 | 0 | 66,411,760 | 0 | 66,411,760 |
| 2062 | 9,064,026,140 | 689,032,347 | 689,032,347 | 0 | 62,390,074 | 0 | 62,390,074 |
| 2063 | 8,995,891,456 | 690,249,419 | 690,249,419 | 0 | 58,411,474 | 0 | 58,411,474 |
| 2064 | 8,920,013,758 | 689,122,733 | 689,122,733 | 0 | 54,501,056 | 0 | 54,501,056 |
| 2065 | 8,838,465,852 | 685,665,705 | 685,665,705 | 0 | 50,680,044 | 0 | 50,680,044 |
| 2066 | 8,753,433,965 | 679,921,175 | 679,921,175 | 0 | 46,967,706 | 0 | 46,967,706 |
| 2067 | 8,667,207,947 | 671,785,985 | 671,785,985 | 0 | 43,369,852 | 0 | 43,369,852 |
| 2068 | 8,582,328,544 | 661,259,407 | 661,259,407 | 0 | 39,897,445 | 0 | 39,897,445 |
| 2069 | 8,501,519,317 | 648,356,783 | 648,356,783 | 0 | 36,559,774 | 0 | 36,559,774 |
| 2070 | 8,427,676,094 | 633,007,675 | 633,007,675 | 0 | 33,359,125 | 0 | 33,359,125 |
| 2071 | 8,363,961,842 | 615,395,195 | 615,395,195 | 0 | 30,309,306 | 0 | 30,309,306 |
| 2072 | 8,313,559,583 | 595,735,513 | 595,735,513 | 0 | 27,421,525 | 0 | 27,421,525 |
| 2073 | 8,279,642,464 | 574,043,270 | 574,043,270 | 0 | 24,694,428 | 0 | 24,694,428 |
| 2074 | 8,265,585,347 | 550,516,133 | 550,516,133 | 0 | 22,133,017 | 0 | 22,133,017 |
| 2075 | 8,274,775,747 | 525,503,613 | 525,503,613 | 0 | 19,745,243 | 0 | 19,745,243 |
| 2076 | 8,310,441,776 | 499,311,953 | 499,311,953 | 0 | 17,533,756 | 0 | 17,533,756 |

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



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## Table 21: Present Value of Projected Benefits Ending June 30, 2026[1] (continued)

| Fiscal Year | Beginning Plan Net Position | Projected Benefit Payments | Funded Portion of Benefit Payments | Unfunded Portion of Benefit Payments | Present Value of Funded Benefits Using EROA 7.00% | Present Value of Unfunded Benefits Using Municipal Rate 4.67% | Present Value of Benefits Using Single Rate at 7.00% |
|---|---|---|---|---|---|---|---|
| 2077 | $ 8,375,686,317 | $ 472,154,142 | $ 472,154,142 | $ 0 | $ 15,495,409 | $ 0 | $ 15,495,409 |
| 2078 | 8,473,586,334 | 444,245,108 | 444,245,108 | 0 | 13,625,677 | 0 | 13,625,677 |
| 2079 | 8,607,207,063 | 415,820,061 | 415,820,061 | 0 | 11,919,475 | 0 | 11,919,475 |
| 2080 | 8,779,583,941 | 387,123,985 | 387,123,985 | 0 | 10,370,936 | 0 | 10,370,936 |
| 2081 | 8,993,710,653 | 358,404,292 | 358,404,292 | 0 | 8,973,406 | 0 | 8,973,406 |
| 2082 | 9,252,534,116 | 329,906,288 | 329,906,288 | 0 | 7,719,531 | 0 | 7,719,531 |
| 2083 | 9,558,953,786 | 301,867,345 | 301,867,345 | 0 | 6,601,349 | 0 | 6,601,349 |
| 2084 | 9,915,826,541 | 274,513,616 | 274,513,616 | 0 | 5,610,437 | 0 | 5,610,437 |
| 2085 | 10,325,975,307 | 248,055,660 | 248,055,660 | 0 | 4,738,034 | 0 | 4,738,034 |
| 2086 | 10,792,202,809 | 222,684,022 | 222,684,022 | 0 | 3,975,157 | 0 | 3,975,157 |
| 2087 | 11,317,310,862 | 198,564,614 | 198,564,614 | 0 | 3,312,709 | 0 | 3,312,709 |
| 2088 | 11,904,125,789 | 175,832,949 | 175,832,949 | 0 | 2,741,561 | 0 | 2,741,561 |
| 2089 | 12,555,531,577 | 154,590,366 | 154,590,366 | 0 | 2,252,663 | 0 | 2,252,663 |
| 2090 | 13,274,509,270 | 134,903,435 | 134,903,435 | 0 | 1,837,186 | 0 | 1,837,186 |
| 2091 | 14,064,179,720 | 116,804,810 | 116,804,810 | 0 | 1,486,644 | 0 | 1,486,644 |
| 2092 | 14,927,848,465 | 100,296,929 | 100,296,929 | 0 | 1,193,027 | 0 | 1,193,027 |
| 2093 | 15,869,049,907 | 85,358,714 | 85,358,714 | 0 | 948,914 | 0 | 948,914 |
| 2094 | 16,891,587,660 | 71,950,948 | 71,950,948 | 0 | 747,535 | 0 | 747,535 |
| 2095 | 17,999,572,157 | 60,021,192 | 60,021,192 | 0 | 582,795 | 0 | 582,795 |
| 2096 | 19,197,455,804 | 49,507,548 | 49,507,548 | 0 | 449,261 | 0 | 449,261 |
| 2097 | 20,490,066,704 | 40,339,750 | 40,339,750 | 0 | 342,119 | 0 | 342,119 |
| 2098 | 21,882,643,611 | 32,439,713 | 32,439,713 | 0 | 257,121 | 0 | 257,121 |
| 2099 | 23,380,872,764 | 25,721,098 | 25,721,098 | 0 | 190,531 | 0 | 190,531 |
| 2100 | 24,990,927,747 | 20,088,409 | 20,088,409 | 0 | 139,071 | 0 | 139,071 |
| 2101 | 26,719,513,077 | 15,438,275 | 15,438,275 | 0 | 99,887 | 0 | 99,887 |
| 2102 | 28,573,909,516 | 11,662,379 | 11,662,379 | 0 | 70,520 | 0 | 70,520 |
| 2103 | 30,562,019,523 | 8,650,504 | 8,650,504 | 0 | 48,886 | 0 | 48,886 |
| 2104 | 32,692,412,738 | 6,293,399 | 6,293,399 | 0 | 33,239 | 0 | 33,239 |
| 2105 | 34,974,371,687 | 4,485,798 | 4,485,798 | 0 | 22,142 | 0 | 22,142 |
| 2106 | 37,417,937,559 | 3,129,189 | 3,129,189 | 0 | 14,435 | 0 | 14,435 |
| 2107 | 40,033,956,329 | 2,134,042 | 2,134,042 | 0 | 9,200 | 0 | 9,200 |
| 2108 | 42,834,125,802 | 1,421,417 | 1,421,417 | 0 | 5,727 | 0 | 5,727 |
| 2109 | 45,831,044,283 | 923,849 | 923,849 | 0 | 3,479 | 0 | 3,479 |
| 2110 | 49,038,261,746 | 585,491 | 585,491 | 0 | 2,061 | 0 | 2,061 |
| 2111 | 52,470,334,432 | 361,630 | 361,630 | 0 | 1,189 | 0 | 1,189 |
| 2112 | 56,142,883,769 | 217,658 | 217,658 | 0 | 669 | 0 | 669 |
| 2113 | 60,072,660,486 | 127,697 | 127,697 | 0 | 367 | 0 | 367 |
| 2114 | 64,277,614,629 | 73,110 | 73,110 | 0 | 196 | 0 | 196 |
| 2115 | 68,776,972,027 | 40,939 | 40,939 | 0 | 103 | 0 | 103 |
| 2116 | 73,591,317,721 | 22,480 | 22,480 | 0 | 53 | 0 | 53 |
| 2117 | 78,742,686,708 | 12,123 | 12,123 | 0 | 27 | 0 | 27 |
| 2118 | 84,254,662,238 | 6,418 | 6,418 | 0 | 13 | 0 | 13 |
| 2119 | 90,152,481,956 | 3,327 | 3,327 | 0 | 6 | 0 | 6 |
| 2120 | 96,463,152,252 | 1,680 | 1,680 | 0 | 3 | 0 | 3 |
| 2121 | 103,215,571,172 | 816 | 816 | 0 | 1 | 0 | 1 |
| 2122 | 110,440,660,310 | 369 | 369 | 0 | 1 | 0 | 1 |
| 2123 | 118,171,506,150 | 148 | 148 | 0 | 0 | 0 | 0 |
| 2124 | 126,443,511,427 | 52 | 52 | 0 | 0 | 0 | 0 |
| 2125 | 135,294,557,173 | 17 | 17 | 0 | 0 | 0 | 0 |
| 2126 | 144,765,176,158 | 5 | 5 | 0 | 0 | 0 | 0 |

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



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## Table 22: Disclosure – Changes in the Net Pension Liability and Related Ratios[1]

| Fiscal Year Ending | 2024 | 2025 | 2026 |
|---|---|---|---|
| **Total Pension Liability** | | | |
| Service Cost | $ 102,289,996 | $ 107,817,361 | $ 112,582,393 |
| Interest Cost | 293,865,503 | 306,314,247 | 324,352,688 |
| Changes of Benefit Terms | 161,937,951 | 0 | 0 |
| Differences Between Expected and Actual Experiences | (165,399,993) | 67,913,491 | 81,707,894 |
| Changes of Assumptions | 0 | 0 | (3,931,492) |
| Benefit Payments | (216,084,948) | (224,678,293) | (233,557,935) |
| **Net Change in Total Pension Liability** | $ 176,608,509 | $ 257,366,806 | $ 281,153,548 |
| **Total Pension Liability (Beginning)** | 4,203,831,095 | 4,380,439,604 | 4,637,806,410 |
| **Total Pension Liability (Ending)** | $ 4,380,439,604 | $ 4,637,806,410 | $ 4,918,959,958 |
| **Plan Fiduciary Net Position** | | | |
| Contributions - Employer | $ 121,645,811 | $ 129,278,658 | $ 138,536,133 |
| Contributions - Member | 56,450,447 | 59,011,733 | 61,359,539 |
| Net Investment Income | 180,365,641 | 268,646,641 | 476,149,059 |
| Benefit Payments | (216,084,948) | (224,678,293) | (233,557,935) |
| Administrative Expense | (5,685,425) | (6,542,969) | (7,327,181) |
| Other | 0 | 0 | 0 |
| **Net Change in Plan Fiduciary Net Position** | $ 136,691,526 | $ 225,715,770 | $ 435,159,615 |
| **Plan Fiduciary Net Position (Beginning)** | 3,076,733,102 | 3,213,424,628 | 3,439,140,398 |
| Prior Period Adjustment | 0 | 0 | 0 |
| **Plan Fiduciary Net Position (Ending)** | $ 3,213,424,628 | $ 3,439,140,398 | $ 3,874,300,013 |
| **Net Pension Liability (Ending)** | **$ 1,167,014,976** | **$ 1,198,666,012** | **$ 1,044,659,945** |
| **Net Position as a Percentage of Total Pension Liability** | **73.36%** | **74.15%** | **78.76%** |
| **Covered Payroll [2]** | **$ 1,877,250,170** | **$ 1,995,041,019** | **$ 2,095,856,778** |
| **Net Pension Liability as a Percentage of Payroll** | **62.17%** | **60.08%** | **49.84%** |

[1] GASB 68 was effective the year beginning in 2014 and requires plan sponsors to report changes in Net Pension Liability for a rolling 10-year period.

[2] Covered payroll for FYE June 30, 2026 has been set equal to the amount implied by the employer contributions. According to GASB Statement Nos. 67 and 68, as amended by GASB Statement No. 82, this should be payroll on which contributions are based for the measurement period. Therefore, this number may need to be updated for inclusion in financial statements.



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### Table 23: Disclosure – Contribution Schedule

| Fiscal Year Ending | 2024 | 2025 | 2026 |
|---|---|---|---|
| Actuarially Determined Contribution (ADC) | $ 121,645,811 | $ 129,278,658 | $ 138,536,133 |
| Contributions Made in Relation to the ADC | 121,645,811 | 129,278,658 | 138,536,133 |
| Contribution Deficiency (Excess) | $ 0 | $ 0 | $ 0 |
| Covered Payroll | $ 1,877,250,170 | $ 1,995,041,019 | $ 2,095,856,778 |
| Contributions as a a Percentage of Payroll | 6.48% | 6.48% | 6.61% |

## Notes to Schedule

Valuation Date: Actuarial valuations performed as of odd numbered years typically determine the contribution rate for the two-year period beginning 18 months after the valuation date. The December 31, 2023 valuation was used to determine the funding policy contribution rates for fiscal year ending 2026. Each actuarial valuation determines an ADEC for the period beginning 18 months after the valuation date.

Methods and assumptions used to determine contribution rates:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Contribution Method | Layered 20-year amortization method |
| Asset Valuation Method | 5-Year smoothed market; 25% corridor |
| IRS Limit Increases | 2.50% |
| Salary Increases | 2.75% to 7.25% including inflation |
| Investment Rate of Return | 7.00% |
| Retirement Age | Experience-based table of rates that are specific to the type of eligibility condition |
| Mortality | Non-disabled (Healthy)<br>The mortality table used to measure retired life mortality was 102% of the male rates and 99% of the female rates of the PUB-2010 Teachers' Amount-Weighted mortality table projected generationally using Scale MP-2020.<br>Disabled and Pre-retirement<br>The corresponding Disabled and Employee tables were used for disability and pre-retirement mortality, respectively. |



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## Asset Allocation

The long-term expected rate of return on pension plan investments was determined using the GEMS® Economic Scenario Generator. This is a multifactor model that is based on historic returns, but forecasts *future* asset class returns based on multiple factors such as simulated GDP growth, employment levels, interest rates, etc. Gallagher generates projected asset returns based on scenarios created with GEMS. The model simulates approximately 1,000 paths and results, which are collected and percentiles computed. Returns on various asset classes are computed in a manner consistent with forecast economic environments. By weighting the expected future nominal rates of return by the target asset allocation percentage, the long-term expected rate of return on pension plan investments can be determined.

Expected nominal arithmetic rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table.

### Table 24: Asset Allocation

| Asset Class | Gallagher 20-Year Expected Nominal Arithmetic Rate of Return | Allocation |
|---|---|---|
| US Large Cap Equity | 8.45% | 13.00% |
| US Small Cap Equity | 9.67% | 6.00% |
| MSCI EAFE Equity | 7.89% | 10.00% |
| MSCI Emerging Markets Equity | 10.85% | 3.00% |
| Global Equity | 8.32% | 3.00% |
| Aggregate Bonds | 4.51% | 37.00% |
| Hedge Funds | 5.51% | 2.00% |
| Commodities | 6.06% | 5.00% |
| Infrastructure | 9.78% | 3.00% |
| Private Debt | 8.78% | 4.00% |
| Private Equity | 11.68% | 7.00% |
| REITs | 8.64% | 7.00% |
| Total | | 100.00% |



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