



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations and
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2024

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
ALASKA RETIREE HEALTHCARE TRUST**

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Independent Auditors' Report

The Division of Retirement and Benefits and
Members of the Alaska Retirement Management Board
State of Alaska Teachers' Retirement System

Opinions

We have audited the schedule of employer and nonemployer allocations of the State of Alaska Teachers' Retirement System Alaska Retiree Healthcare Trust (the Plan) as of and for the year ended June 30, 2024, and the related notes. We have also audited the total for all entities of the columns titled net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) (specified column totals) included in the accompanying schedule of OPEB amounts by employer and nonemployer of the Plan as of and for the year ended June 30, 2024, and the related notes.

In our opinion, the accompanying schedules referred to above present fairly, in all material respects, the employer and nonemployer allocations and net OPEB asset, total deferred outflows of resources, total deferred inflows of resources, and total OPEB expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2024, in accordance with U.S. generally accepted accounting principles.

Basis for Opinions

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

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of these schedules in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Schedules

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



In performing an audit in accordance with GAAS, we:

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

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

Other Matter

We have audited, in accordance with GAAS, the financial statements of the State of Alaska Teachers' Retirement System as of and for the year ended June 30, 2024, and our report thereon, dated October 15, 2024, expressed an unmodified opinion on those financial statements.

Supplementary Information

The supplemental schedule of employer allocations of special funding amounts, supplemental schedule of special funding amounts by employer, and supplemental schedule of employer and nonemployer contributions have not been subject to the auditing procedures applied in the audit of the schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer and accordingly, we do not express an opinion or provide any assurance on them.

Restriction on Use

Our report is intended solely for the information and use of the State of Alaska Teachers' Retirement System management, Alaska Management Retirement Board, State of Alaska Teachers' Retirement System employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

KPMG LLP

Anchorage, Alaska
March 26, 2025

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2024

<u>Employer/nonemployer</u>	<u>Employer/ nonemployer number</u>	<u>Present value of projected future contributions</u>	<u>Allocation percentage</u>
Employer:			
Anchorage School District	701	\$ 77,076,000	13.52892 %
Cordova City School District	704	639,000	0.11216
Craig City School District	705	658,000	0.11550
Fairbanks North Star Borough School District	706	18,050,000	3.16827
Haines Borough School District	707	409,000	0.07179
Hoonah City School District	708	140,000	0.02457
Hydaburg City School District	709	115,000	0.02019
Juneau Borough School District	710	7,321,000	1.28504
Kake City School District	712	293,000	0.05143
Ketchikan Gateway Borough School District	714	4,870,000	0.85482
Klawock City School District	717	392,000	0.06881
Kodiak Island Borough School District	718	4,643,000	0.81497
Nenana City School District	719	761,000	0.13358
Nome City School District	720	1,092,000	0.19168
Matanuska-Susitna Borough School District	722	30,444,000	5.34375
Pelican City School District	723	35,000	0.00614
Petersburg City School District	724	895,000	0.15710
Sitka Borough School District	727	2,635,000	0.46251
Skagway City School District	728	437,000	0.07671
Unalaska City School District	729	555,000	0.09742
Valdez City School District	730	1,291,000	0.22661
Wrangell Public School District	731	507,000	0.08899
Yakutat School District	732	176,000	0.03089
University of Alaska	733	8,585,000	1.50690
Galena City School District	735	2,056,000	0.36088
North Slope Borough School District	736	3,850,000	0.67578
State of Alaska	737	4,093,000	0.71843
Bristol Bay Borough School District	742	275,000	0.04827
Southeast Regional Resource Center	743	135,000	0.02370
Dillingham City School District	744	778,000	0.13656
Kenai Peninsula Borough School District	746	13,866,000	2.43386
Saint Mary's School District	748	294,000	0.05161
Northwest Arctic Borough School District	751	3,406,000	0.59785
Bering Strait School District	752	4,868,000	0.85447
Lower Yukon School District	753	3,621,000	0.63558
Lower Kuskokwim School District	754	7,022,000	1.23255

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
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Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2024

<u>Employer/nonemployer</u>	<u>Employer/ nonemployer number</u>	<u>Present value of projected future contributions</u>	<u>Allocation percentage</u>
Kuspuk School District	755	\$ 940,000	0.16500 %
Southwest Region School District	756	1,052,000	0.18465
Lake And Peninsula Borough School District	757	966,000	0.16956
Aleutian Region School District	758	43,000	0.00755
Pribilof School District	759	111,000	0.01948
Iditarod Area School District	761	357,000	0.06266
Yukon/Koyukuk School District	762	1,928,000	0.33842
Yukon Flats School District	763	731,000	0.12831
Denali Borough School District	764	754,000	0.13235
Delta/Greely School District	765	1,164,000	0.20431
Alaska Gateway School District	766	606,000	0.10637
Copper River School District	767	500,000	0.08776
Chatham School District	768	276,000	0.04845
Southeast Island School District	769	462,000	0.08109
Annette Island School District	770	927,000	0.16271
Chugach School District	771	473,000	0.08302
Tanana School District	775	50,000	0.00878
Kashunamiut School District	777	446,000	0.07829
Yupit School District	778	1,002,000	0.17588
Special Education Service Agency	779	342,000	0.06003
Aleutians East Borough School District	780	533,000	0.09356
Total present value of projected future employer contributions		219,946,000	38.60652
Nonemployer:			
State of Alaska	999	349,766,000	61.39348
Total of all participating entities		\$ 569,712,000	100.00000 %

See accompanying notes to schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer.

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**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
ALASKA RETIREE HEALTHCARE TRUST**

Schedule of OPEB Amounts by Employer and Nonemployer

As of and for the year ended June 30, 2024

Employer/nonemployer	Employer/ nonemployer number	Net OPEB asset	Changes in assumptions	Deferred outflows of resources	
				Net difference between projected and actual investment earnings on OPEB plan investments	Change in proportion and difference between employer contributions and proportionate share of contributions
Employer:					
Anchorage School District	701	\$ 134,975,536	1,593,788	1,710,089	551,992
Cordova City School District	704	1,119,017	13,213	14,177	—
Craig City School District	705	1,152,290	13,606	14,599	2,317
Fairbanks North Star Borough School District	706	31,609,171	373,239	400,475	324,026
Haines Borough School District	707	716,241	8,457	9,074	9,894
Hoonah City School District	708	245,168	2,895	3,106	5,080
Hydaburg City School District	709	201,388	2,378	2,552	31,274
Juneau Borough School District	710	12,820,540	151,384	162,431	121,018
Kake City School District	712	513,102	6,059	6,501	823
Ketchikan Gateway Borough School District	714	8,528,347	100,702	108,051	—
Klawock City School District	717	686,471	8,106	8,697	—
Kodiak Island Borough School District	718	8,130,824	96,008	103,014	—
Nenana City School District	719	1,332,664	15,736	16,884	10,303
Nome City School District	720	1,912,311	22,580	24,228	6,517
Matanuska-Susitna Borough School District	722	53,313,551	629,523	675,461	22,919
Pelican City School District	723	61,292	724	777	—
Petersburg City School District	724	1,567,325	18,507	19,857	10,743
Sitka Borough School District	727	4,614,414	54,487	58,463	28,756
Skagway City School District	728	765,275	9,036	9,696	—
Unalaska City School District	729	971,916	11,476	12,314	26,106
Valdez City School District	730	2,260,800	26,695	28,643	14,599
Wrangell Public School District	731	887,859	10,484	11,249	—
Yakutat School District	732	308,211	3,639	3,905	—
University of Alaska	733	15,034,057	177,521	190,475	—
Galena City School District	735	3,600,468	42,514	45,616	—
North Slope Borough School District	736	6,742,122	79,611	85,420	51,892
State of Alaska	737	7,167,664	84,635	90,811	—
Bristol Bay Borough School District	742	481,580	5,686	6,101	7,404
Southeast Regional Resource Center	743	236,412	2,792	2,995	12,232
Dillingham City School District	744	1,362,434	16,088	17,261	131
Kenai Peninsula Borough School District	746	24,282,148	286,722	307,645	92,265
Saint Mary's School District	748	514,853	6,079	6,523	657
Northwest Arctic Borough School District	751	5,964,589	70,430	75,569	—
Bering Strait School District	752	8,524,845	100,661	108,006	60,634
Lower Yukon School District	753	6,341,097	74,875	80,339	166,160
Lower Kuskokwim School District	754	12,296,931	145,201	155,797	209,098
Kuspuk School District	755	1,646,129	19,437	20,856	28,893
Southwest Region School District	756	1,842,263	21,753	23,341	64,930
Lake And Peninsula Borough School District	757	1,691,660	19,975	21,433	68,809
Aleutian Region School District	758	75,302	889	954	2,759
Pribilof School District	759	194,383	2,295	2,463	—
Iditarod Area School District	761	625,179	7,382	7,921	17,686
Yukon/Koyukuk School District	762	3,376,315	39,867	42,777	—
Yukon Flats School District	763	1,280,128	15,116	16,219	—
Denali Borough School District	764	1,320,405	15,591	16,729	2,242
Delta/Greely School District	765	2,038,398	24,069	25,826	1,207
Alaska Gateway School District	766	1,061,228	12,531	13,445	44,788
Copper River School District	767	875,600	10,339	11,093	2,792
Chatham School District	768	483,331	5,707	6,124	7,238
Southeast Island School District	769	809,055	9,553	10,250	911
Annette Island School District	770	1,623,363	19,169	20,567	—
Chugach School District	771	828,318	9,781	10,494	4,378
Tanana School District	775	87,560	1,034	1,109	5,524
Kashunamiut School District	777	781,035	9,222	9,895	—
Yupit School District	778	1,754,703	20,719	22,231	—
Special Education Service Agency	779	598,911	7,072	7,588	—
Aleutians East Borough School District	780	933,390	11,021	11,826	—
Total attributable to employer contributions		385,169,569	4,548,059	4,879,942	2,018,997
Nonemployer:					
State of Alaska	999	612,510,431	7,232,486	7,760,258	—
Total of all participating entities		\$ 997,680,000	11,780,545	12,640,200	2,018,997

See accompanying notes to schedule of employer and nonemployer allocations and schedule of OPEB amounts by employer and nonemployer.

Total deferred outflows of resources	Deferred inflows of resources			OPEB expense (benefit)		
	Difference between expected and actual experience	Change in proportion and difference between employer contributions and proportionate share of contributions	Total deferred inflows of resources	Proportionate share of allocable plan OPEB expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	Total OPEB expense (benefit)
3,855,869	33,083	—	33,083	2,726,553	7,026,675	9,753,228
27,390	274	7,507	7,781	22,605	(30,024)	(7,419)
30,522	282	—	282	23,277	75,447	98,724
1,097,740	7,748	—	7,748	638,516	4,316,473	4,954,989
27,425	176	—	176	14,468	105,471	119,939
11,081	60	—	60	4,952	71,925	76,877
36,204	49	—	49	4,068	298,723	302,791
434,833	3,142	—	3,142	258,979	1,460,336	1,719,315
13,383	126	—	126	10,365	8,765	19,130
208,753	2,090	17,092	19,182	172,275	(93,426)	78,849
16,803	168	10,171	10,339	13,867	(87,725)	(73,858)
199,022	1,993	65,784	67,777	164,245	(457,848)	(293,603)
42,923	327	—	327	26,920	101,799	128,719
53,325	469	—	469	38,629	131,225	169,854
1,327,903	13,068	—	13,068	1,076,951	1,258,085	2,335,036
1,501	15	11	26	1,238	871	2,109
49,107	384	—	384	31,660	159,370	191,030
141,706	1,131	—	1,131	93,213	294,557	387,770
18,732	188	19,532	19,720	15,459	(189,148)	(173,689)
49,896	238	—	238	19,633	253,019	272,652
69,937	554	—	554	45,669	203,682	249,351
21,733	218	3,497	3,715	17,935	(1,683)	16,252
7,544	76	6,885	6,961	6,226	(45,689)	(39,463)
367,996	3,685	73,777	77,462	303,693	(525,535)	(221,842)
88,130	883	18,642	19,525	72,731	(123,428)	(50,697)
216,923	1,653	—	1,653	136,193	686,992	823,185
175,446	1,757	60,591	62,348	144,789	(615,525)	(470,736)
19,191	118	—	118	9,728	77,494	87,222
18,019	58	—	58	4,776	122,996	127,772
33,480	334	—	334	27,522	73,045	100,567
686,632	5,952	—	5,952	490,507	1,282,076	1,772,583
13,259	126	—	126	10,400	18,376	28,776
145,999	1,462	8,216	9,678	120,487	155,062	275,549
269,301	2,090	—	2,090	172,205	617,581	789,786
321,374	1,554	—	1,554	128,092	1,590,284	1,718,376
510,096	3,014	—	3,014	248,402	1,977,025	2,225,427
69,186	403	—	403	33,252	243,499	276,751
110,024	452	—	452	37,214	731,190	768,404
110,217	415	—	415	34,172	704,765	738,937
4,602	18	—	18	1,521	46,006	47,527
4,758	48	8,548	8,596	3,927	(62,661)	(58,734)
32,989	153	—	153	12,629	164,651	177,280
82,644	828	19,055	19,883	68,203	(209,251)	(141,048)
31,335	314	32,542	32,856	25,859	(320,066)	(294,207)
34,562	324	—	324	26,673	57,809	84,482
51,102	500	—	500	41,176	18,775	59,951
70,764	260	—	260	21,437	493,719	515,156
24,224	215	—	215	17,687	46,491	64,178
19,069	118	—	118	9,763	56,689	66,452
20,714	198	—	198	16,343	10,408	26,751
39,736	398	27,548	27,946	32,792	(225,273)	(192,481)
24,653	203	—	203	16,732	77,506	94,238
7,667	21	—	21	1,769	52,592	54,361
19,117	191	31,450	31,641	15,777	(278,835)	(263,058)
42,950	430	23,106	23,536	35,446	(243,296)	(207,850)
14,660	147	149	296	12,098	18,486	30,584
22,847	229	14,995	15,224	18,855	(80,563)	(61,708)
11,446,998	94,410	449,098	543,508	7,780,553	21,499,964	29,280,517
14,992,744	150,135	1,569,899	1,720,034	12,372,914	(21,499,964)	(9,127,050)
26,439,742	244,545	2,018,997	2,263,542	20,153,467	—	20,153,467

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
ALASKA RETIREE HEALTHCARE TRUST**

Notes to Schedule of Employer and Nonemployer Allocations and
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2024

(1) Plan Description

The State of Alaska Teachers' Retirement System (the System) Alaska Retiree Healthcare Trust (the Plan) is a cost-sharing, multiple-employer defined benefit other postemployment benefit (OPEB) plan that provides health benefits for teachers and other eligible members.

The Plan is established under Alaska Statute 14.25, which defines the benefit and contribution provisions, and may be amended only by the State of Alaska (State) legislature. The Plan, a healthcare trust fund of the State, provides major medical coverage to retirees of the System's Defined Benefit Pension Plan (DB Plan). The Plan is self-funded and self-insured. The 24th Alaska State Legislature enacted into law Senate Bill 141, which closed the Plan to new members effective July 1, 2006.

There are two tiers within the Plan:

- Employees hired between July 1, 1955 and June 30, 1990
- Employees hired between July 1, 1990 and June 30, 2006

When pension benefits begin, major medical benefits are provided without cost to (1) all members first hired before July 1, 1990; (2) members hired after July 1, 1990, with 25 years of membership service; and (3) members who are disabled or age 60 or older, regardless of their initial hire dates. Members first hired after June 30, 1990, may receive major medical benefits prior to age 60 by paying premiums.

(2) Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of OPEB amounts by employer and nonemployer (collectively, the Schedules) present amounts that are considered elements of the financial statements of the Plan, its participating employers, or the State as a nonemployer entity. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan, its participating employers, or the State. The amounts presented in the Schedules are prepared in accordance with U.S. generally accepted accounting principles. Such preparation requires management of the Plan to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

(3) Allocation Methodology

Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net OPEB asset, collective deferred outflows of resources, collective deferred inflows of resources, and collective OPEB expense (benefit). The employer and nonemployer allocation percentages presented in the schedule of employer and nonemployer allocations and applied to amounts presented in the schedule of OPEB amounts by employer and nonemployer are based on the ratio of the present value of projected future contributions for each employer to the total present value of projected future contributions to the Plan for the fiscal years 2025 to 2039. Employer and nonemployer allocation percentages have been rounded for presentation purposes;

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
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Notes to Schedule of Employer and Nonemployer Allocations and
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2024

therefore, amounts presented in the schedule of OPEB amounts by employer and nonemployer may result in immaterial differences.

(4) Contributions

Employer contributions are actuarially determined and adopted by the Alaska Retirement Management Board (Board). There were no actuarially determined contributions for the year ended June 30, 2024.

Alaska Statute 14.25.085 requires the State, as a nonemployer contributing entity, to contribute each July 1, or as soon after July 1 for the ensuing fiscal year, an amount that when combined with the total employer contributions is sufficient to pay the Plan's past service liability at the actuarially determined contribution rate adopted by the Board for that fiscal year.

(5) Collective Net OPEB Asset

(a) Components of the Collective Net OPEB Asset

The components of the collective net OPEB asset of the Plan as of June 30, 2024 are as follows:

Total OPEB liability	\$	2,667,509,000
Plan fiduciary net position		<u>(3,665,189,000)</u>
Net OPEB asset	\$	<u><u>(997,680,000)</u></u>

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2024.

Inflation	2.50% per year
Salary increases	Range from 7.25% to 2.85% based on service.
Investment rate of return	7.25%, net of post-retirement healthcare plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Trend rates	Pre-65 medical: 6.4% grading down to 4.5% Post-65 medical: 5.4% grading down to 4.5% Rx / EGWP: 6.9% grading down to 4.5% Initial trend rates are for FY 2025 Ultimate trend rates reached in FY 2050

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
ALASKA RETIREE HEALTHCARE TRUST**

Notes to Schedule of Employer and Nonemployer Allocations and
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2024

Mortality

Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, headcount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.

Post-commencement mortality rates for healthy retirees were based on 98% of male and 100% of female rates of the Pub-2010 Teachers Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, headcount-weighted, and projected with MP-2021 generational improvement.

Post-commencement mortality rates for beneficiaries were based on 100% of male and 94% of female rates of the Pub-2010 Contingent Survivor table, headcount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.

The actuarial assumptions used in the June 30, 2023 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021. The assumptions used in the June 30, 2023 actuarial valuation are the same as those used in the June 30, 2022 valuation with the following exceptions:

1. Per capita claims costs were updated to reflect recent experience.
2. The amount included in the Normal Cost for administrative expenses was updated to reflect the most recent two years of actual administrative expenses paid from plan assets.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
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Notes to Schedule of Employer and Nonemployer Allocations and
Schedule of OPEB Amounts by Employer and Nonemployer

June 30, 2024

(b) Long-term Expected Rate of Return

The long-term expected rate of return on Plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2024 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.39%).

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	26.00%	5.48%
Global equity (ex-U.S.)	17.00	7.14
Global equity	3.60	5.79
Aggregate bonds	24.25	2.10
Real assets	14.00	4.63
Private equity	14.00	8.84
Cash equivalents	1.15	0.77

(c) Discount Rate

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that Employer and Nonemployer contributions will continue to follow the current funding policy which meets State statutes. Based on those assumptions, the postretirement healthcare 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 postretirement healthcare plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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June 30, 2024

(d) Sensitivity of the Collective Net OPEB Asset to Changes in the Discount Rate

The following presents the collective net OPEB asset as of June 30, 2024, calculated using the discount rate of 7.25%, as well as what the Plan's collective net OPEB asset would be if it were calculated using a discount rate that is one-percentage-point lower (6.25%) or one-percentage-point higher (8.25%) than the current rate:

1% decrease (6.25%)	Current discount rate (7.25%)	1% increase (8.25%)
\$ 687,601,000	997,680,000	1,257,163,000

(e) Sensitivity of the Collective Net OPEB Asset to Changes in the Healthcare Cost Trend Rates

The following presents the collective net OPEB asset as of June 30, 2024, calculated using the current healthcare cost trend rates, as well as what the Plan's collective net OPEB asset would be if it were calculated using trend rates that are one-percentage-point lower or one-percentage-point higher than the current healthcare cost trend rates:

1% decrease	Current healthcare cost trend rate	1% increase
\$ 1,285,493,000	997,680,000	653,820,000

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Notes to Schedule of Employer and Nonemployer Allocations and
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June 30, 2024

(6) Collective Deferred Outflows of Resources and Deferred Inflows of Resources

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer and nonemployer specific amounts) for the year ending June 30, 2024:

	<u>Year of deferral</u>	<u>Amortization period</u>	<u>Beginning of year balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of year balance</u>
Deferred outflows of resources:						
Difference between expected and actual experience	2023	1.2 years	\$ 2,784,500	—	2,784,500	—
Change in assumptions	2024	1.1 years	—	129,586,000	117,805,455	11,780,545
Difference between projected and actual earnings on OPEB plan investments	2020	5 years	18,525,000	—	18,525,000	—
	2021	5 years	(261,958,800)	—	(130,979,400)	(130,979,400)
	2022	5 years	295,140,000	—	98,380,000	196,760,000
	2023	5 years	(10,011,200)	—	(2,502,800)	(7,508,400)
	2024	5 years	—	(57,040,000)	(11,408,000)	(45,632,000)
			<u>41,695,000</u>	<u>(57,040,000)</u>	<u>(27,985,200)</u>	<u>12,640,200</u>
Total deferred outflows of resources			<u>\$ 44,479,500</u>	<u>72,546,000</u>	<u>92,604,755</u>	<u>24,420,745</u>
Deferred inflows of resources:						
Difference between expected and actual experience	2024	1.1 years	\$ —	2,690,000	2,445,455	244,545
Change in assumptions	2023	1.2 years	15,981,833	—	15,981,833	—
Total deferred inflows of resources			<u>\$ 15,981,833</u>	<u>2,690,000</u>	<u>18,427,288</u>	<u>244,545</u>

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The previous amounts do not include employer and nonemployer specific deferred outflows of resources and deferred inflows of resources related to changes in proportion. These amounts should be recognized (amortized) by each employer and nonemployer over the average of the expected remaining service lives of all plan members, which is 1.1 years for the 2024 amount.

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer and nonemployer specific amounts) related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30:	
2025	\$ (34,974,200)
2026	84,469,200
2027	(13,910,800)
2028	<u>(11,408,000)</u>
Total	<u>\$ 24,176,200</u>

(7) Collective OPEB Expense

The components of the collective OPEB expense (excluding employer and nonemployer specific amounts) for the year ending June 30, 2024 are as follows:

Service cost	\$ 16,604,000
Interest on total OPEB liability	176,861,000
Expected return on assets	(248,967,000)
Administrative expense	1,779,000
Other	(301,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	339,045
Change in assumptions	101,823,622
Difference between projected and actual investment earnings on OPEB plan investments	<u>(27,985,200)</u>
Total OPEB expense	<u>\$ 20,153,467</u>

(8) Plan Transfer Allocation Methodology

In April 2022, the Alaska Supreme Court found that a former Plan member's ability to reinstate in the defined benefit plan status is an accrued benefit protected by Article XII, Section 7 of the Alaska Constitution. The Division of Retirement and Benefits is working with impacted former members who meet the requirements to re-establish their position in the defined benefits plans, and to transfer related assets into the Plan. These transfers were allocated between participating employers using allocation percentages from the June 30, 2023 schedule of employer and nonemployer allocations and were reported as net amortization of deferred amounts from changes in proportion and differences between employer contributions and proportionate share of contributions on the schedule of OPEB amounts by employer and nonemployer. During fiscal year 2024, the total amount of transfers allocated was \$2,618,000.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
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Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2024

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Anchorage School District	701	\$ 124,892,000	35.70733 %
Cordova City School District	704	1,035,000	0.29591
Craig City School District	705	1,066,000	0.30478
Fairbanks North Star Borough School District	706	29,247,000	8.36188
Haines Borough School District	707	660,000	0.18870
Hoonah City School District	708	229,000	0.06547
Hydaburg City School District	709	185,000	0.05289
Juneau Borough School District	710	11,864,000	3.39198
Kake City School District	712	471,000	0.13466
Ketchikan Gateway Borough School District	714	7,893,000	2.25665
Klawock City School District	717	632,000	0.18069
Kodiak Island Borough School District	718	7,526,000	2.15172
Nenana City School District	719	1,231,000	0.35195
Nome City School District	720	1,769,000	0.50577
Matanuska-Susitna Borough School District	722	49,332,000	14.10429
Pelican City School District	723	58,000	0.01658
Petersburg City School District	724	1,452,000	0.41513
Sitka Borough School District	727	4,268,000	1.22024
Skagway City School District	728	706,000	0.20185
Unalaska City School District	729	900,000	0.25731
Valdez City School District	730	2,095,000	0.59897
Wrangell Public School District	731	822,000	0.23501
Yakutat School District	732	284,000	0.08120
University of Alaska	733	13,908,000	3.97637
Galena City School District	735	3,336,000	0.95378
North Slope Borough School District	736	6,238,000	1.78348
Bristol Bay Borough School District	742	442,000	0.12637
Southeast Regional Resource Center	743	217,000	0.06204
Dillingham City School District	744	1,262,000	0.36081
Kenai Peninsula Borough School District	746	22,466,000	6.42315
Saint Mary's School District	748	474,000	0.13552
Northwest Arctic Borough School District	751	5,521,000	1.57848
Bering Strait School District	752	7,890,000	2.25579
Lower Yukon School District	753	5,865,000	1.67684
Lower Kuskokwim School District	754	11,380,000	3.25360
Kuspuk School District	755	1,523,000	0.43543
Southwest Region School District	756	1,707,000	0.48804
Lake And Peninsula Borough School District	757	1,568,000	0.44830
Aleutian Region School District	758	67,000	0.01916

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Supplemental Schedule of Employer Allocations of Special Funding Amounts (Unaudited)

As of and for the year ended June 30, 2024

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Pribilof School District	759	\$ 181,000	0.05175 %
Iditarod Area School District	761	578,000	0.16525
Yukon/Koyukuk School District	762	3,130,000	0.89488
Yukon Flats School District	763	1,188,000	0.33966
Denali Borough School District	764	1,223,000	0.34966
Delta/Greely School District	765	1,885,000	0.53893
Alaska Gateway School District	766	983,000	0.28105
Copper River School District	767	806,000	0.23044
Chatham School District	768	450,000	0.12866
Southeast Island School District	769	748,000	0.21386
Annette Island School District	770	1,499,000	0.42857
Chugach School District	771	765,000	0.21872
Tanana School District	775	82,000	0.02344
Kashunamiut School District	777	726,000	0.20757
Yupit School District	778	1,624,000	0.46431
Special Education Service Agency	779	553,000	0.15811
Aleutians East Borough School District	780	864,000	0.24702
Total for all employers		<u>\$ 349,766,000</u>	<u>100.00000 %</u>

See accompanying independent auditors' report.

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ALASKA RETIREE HEALTHCARE TRUST**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2024

Employer	Employer number	State proportionate share of net OPEB asset attributable to employer	Employer OPEB benefit and related revenue attributable to special funding situation
Anchorage School District	701	\$ 218,710,946	4,418,035
Cordova City School District	704	1,812,493	36,613
Craig City School District	705	1,866,780	37,710
Fairbanks North Star Borough School District	706	51,217,364	1,034,608
Haines Borough School District	707	1,155,792	23,347
Hoonah City School District	708	401,025	8,101
Hydaburg City School District	709	323,972	6,544
Juneau Borough School District	710	20,776,244	419,687
Kake City School District	712	824,815	16,662
Ketchikan Gateway Borough School District	714	13,822,226	279,214
Klawock City School District	717	1,106,759	22,357
Kodiak Island Borough School District	718	13,179,536	266,231
Nenana City School District	719	2,155,728	43,546
Nome City School District	720	3,097,874	62,578
Matanuska-Susitna Borough School District	722	86,390,228	1,745,111
Pelican City School District	723	101,570	2,052
Petersburg City School District	724	2,542,743	51,364
Sitka Borough School District	727	7,474,124	150,980
Skagway City School District	728	1,236,348	24,975
Unalaska City School District	729	1,576,081	31,837
Valdez City School District	730	3,668,765	74,110
Wrangell Public School District	731	1,439,487	29,078
Yakutat School District	732	497,341	10,046
University of Alaska	733	24,355,698	491,993
Galena City School District	735	5,842,005	118,010
North Slope Borough School District	736	10,923,989	220,668
Bristol Bay Borough School District	742	774,031	15,636
Southeast Regional Resource Center	743	380,011	7,676
Dillingham City School District	744	2,210,015	44,643
Kenai Peninsula Borough School District	746	39,342,473	794,731
Saint Mary's School District	748	830,069	16,768
Northwest Arctic Borough School District	751	9,668,379	195,304
Bering Strait School District	752	13,816,973	279,107

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Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2024

Employer	Employer number	State proportionate share of net OPEB asset attributable to employer	Employer OPEB benefit and related revenue attributable to special funding situation
Lower Yukon School District	753	\$ 10,270,792	207,473
Lower Kuskokwim School District	754	19,928,663	402,566
Kuspuk School District	755	2,667,079	53,876
Southwest Region School District	756	2,989,299	60,385
Lake And Peninsula Borough School District	757	2,745,883	55,468
Aleutian Region School District	758	117,330	2,370
Pribilof School District	759	316,967	6,403
Iditarod Area School District	761	1,012,194	20,447
Yukon/Koyukuk School District	762	5,481,258	110,723
Yukon Flats School District	763	2,080,426	42,025
Denali Borough School District	764	2,141,718	43,263
Delta/Greely School District	765	3,301,013	66,682
Alaska Gateway School District	766	1,721,430	34,773
Copper River School District	767	1,411,468	28,512
Chatham School District	768	788,040	15,919
Southeast Island School District	769	1,309,898	26,460
Annette Island School District	770	2,625,050	53,027
Chugach School District	771	1,339,668	27,062
Tanana School District	775	143,598	2,901
Kashunamiut School District	777	1,271,372	25,682
Yupit School District	778	2,843,950	57,449
Special Education Service Agency	779	968,414	19,562
Aleutians East Borough School District	780	1,513,037	30,564
Total for all employers		\$ <u>612,510,431</u>	<u>12,372,914</u>

See accompanying independent auditors' report.

STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
ALASKA RETIREE HEALTHCARE TRUST

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2024

Employer/nonemployer	Employer number	Employer contributions		
		Actual	RDS	Total
Employer:				
Anchorage SD	701	\$ —	—	—
Cordova City SD	704	—	—	—
Craig City SD	705	—	—	—
Fairbanks North Star Borough SD	706	(5)	(39)	(44)
Haines Borough SD	707	—	—	—
Hoonah City SD	708	—	—	—
Hydaburg City SD	709	—	—	—
Juneau Borough SD	710	—	—	—
Kake City SD	712	—	—	—
Ketchikan Gateway Borough SD	714	(7)	(53)	(60)
Klawock City SD	717	—	—	—
Kodiak Island Borough SD	718	—	—	—
Nenana City SD	719	—	—	—
Nome City SD	720	—	—	—
Matanuska-Susitna Borough SD	722	816	5,952	6,768
Pelican City SD	723	—	—	—
Petersburg City SD	724	—	—	—
Sitka Borough SD	727	—	—	—
Skagway City SD	728	—	—	—
Unalaska City SD	729	—	—	—
Valdez City SD	730	—	—	—
Wrangell Public SD	731	—	—	—
Yakutat SD	732	—	—	—
University of Alaska	733	—	—	—
Galena City SD	735	—	—	—
North Slope Borough SD	736	—	—	—
State of Alaska	737	—	—	—
Bristol Bay Borough SD	742	—	—	—
Southeast Regional Resource Center	743	—	—	—
Dillingham City SD	744	—	—	—
Kenai Peninsula Borough SD	746	—	—	—
Saint Mary's SD	748	—	—	—
Northwest Arctic Borough SD	751	—	—	—
Bering Strait SD	752	—	—	—
Lower Yukon SD	753	—	—	—
Lower Kuskokwim SD	754	129	942	1,071
Kuspuk SD	755	29,923	218,198	248,121
Southwest Region SD	756	—	—	—
Lake and Peninsula Borough SD	757	—	—	—
Aleutian Region SD	758	—	—	—
Pribilof SD	759	—	—	—
Iditarod Area SD	761	—	—	—
Yukon / Koyukuk SD	762	—	—	—
Yukon Flats SD	763	—	—	—
Denali Borough SD	764	—	—	—
Delta/greely SD	765	—	—	—
Alaska Gateway SD	766	—	—	—
Copper River SD	767	—	—	—
Chatham SD	768	—	—	—
Southeast Island SD	769	—	—	—
Annette Island SD	770	—	—	—
Chugach SD	771	\$ —	—	—

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Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2024

Employer/nonemployer	Employer number	Employer contributions		
		Actual	RDS	Total
Tanana SD	775	—	—	—
Kashunamiut SD	777	—	—	—
Yupiit SD	778	—	—	—
Special Education Service Agency	779	—	—	—
Aleutians East Borough SD	780	—	—	—
Total employer contributions		30,856	225,000	255,856
Nonemployer:				
State of Alaska	999	—	—	—
Total of all participating entities		\$ 30,856	225,000	255,856

See accompanying independent auditors' report.