



**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

June 30, 2025

(With Independent Auditors' Report Thereon)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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KPMG LLP
Suite 200
3800 Centerpoint Drive
Anchorage, AK 99503

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 Defined Benefit Pension Plan (the Plan) as of and for the year ended June 30, 2025, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (benefit) (specified column totals) included in the accompanying schedule of pension amounts by employer and nonemployer of the Plan as of and for the year ended June 30, 2025, 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 pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2025, 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 pension 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 pension 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 pension 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 pension 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 pension 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, 2025, and our report thereon, dated October 22, 2025, expressed an unmodified opinion on those financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the schedule of employer and nonemployer allocations, the specified column totals included in the schedule of pension amounts by employer and nonemployer, and the related notes. The supplemental schedule of employer allocations of special funding amounts, the supplemental schedule of special funding amounts by employer and the supplemental schedule of employer and nonemployer contributions are presented for purposes of additional analysis and are not a required part of the schedules. Such information has not been subjected to the auditing procedures applied in the audit of the schedules, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

Our report is intended solely for the information and use of the State of Alaska Teachers' Retirement System management, Alaska Retirement Management 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
April 3, 2026

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2025

<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	\$ 208,827,000	13.47549 %
Cordova City School District	704	1,710,000	0.11035
Craig City School District	705	1,545,000	0.09970
Fairbanks North Star Borough School District	706	48,565,000	3.13387
Haines Borough School District	707	1,291,000	0.08331
Hoonah City School District	708	503,000	0.03246
Hydaburg City School District	709	464,000	0.02994
Juneau Borough School District	710	19,319,000	1.24664
Kake City School District	712	877,000	0.05659
Ketchikan Gateway Borough School District	714	12,218,000	0.78842
Klawock City School District	717	1,075,000	0.06937
Kodiak Island Borough School District	718	12,215,000	0.78823
Nenana City School District	719	2,084,000	0.13448
Nome City School District	720	3,454,000	0.22288
Matanuska-Susitna Borough School District	722	89,147,000	5.75260
Pelican City School District	723	103,000	0.00665
Petersburg City School District	724	2,593,000	0.16732
Sitka Borough School District	727	7,877,000	0.50830
Skagway City School District	728	1,136,000	0.07331
Unalaska City School District	729	1,662,000	0.10725
Valdez City School District	730	3,741,000	0.24140
Wrangell Public School District	731	1,276,000	0.08234
Yakutat School District	732	530,000	0.03420
University of Alaska	733	25,844,000	1.66770
Galena City School District	735	7,113,000	0.45900
North Slope Borough School District	736	11,621,000	0.74990
State of Alaska	737	11,965,000	0.77209
Bristol Bay Borough School District	742	610,000	0.03936
Southeast Regional Resource Center	743	505,000	0.03259
Dillingham City School District	744	2,428,000	0.15668
Kenai Peninsula Borough School District	746	37,416,000	2.41443
Saint Mary's School District	748	936,000	0.06040
Northwest Arctic Borough School District	751	10,534,000	0.67975
Bering Strait School District	752	14,304,000	0.92303
Lower Yukon School District	753	11,433,000	0.73776
Lower Kuskokwim School District	754	20,436,000	1.31872

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Schedule of Employer and Nonemployer Allocations

For the year ended June 30, 2025

<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	\$ 2,095,000	0.13519 %
Southwest Region School District	756	2,977,000	0.19210
Lake And Peninsula Borough School District	757	2,741,000	0.17688
Aleutian Region School District	758	49,000	0.00316
Pribilof School District	759	355,000	0.02291
Iditarod Area School District	761	1,329,000	0.08576
Yukon / Koyukuk School District	762	7,505,000	0.48429
Yukon Flats School District	763	1,755,000	0.11325
Denali Borough School District	764	2,239,000	0.14448
Delta/Greely School District	765	3,024,000	0.19514
Alaska Gateway School District	766	2,380,000	0.15358
Copper River School District	767	1,446,000	0.09331
Chatham School District	768	1,474,000	0.09512
Southeast Island School District	769	1,301,000	0.08395
Annette Island School District	770	2,201,000	0.14203
Chugach School District	771	1,588,000	0.10247
Tanana School District	775	—	0.00852
Kashunamiut School District	777	1,239,000	0.07995
Yupit School District	778	2,942,000	0.18985
Special Education Service Agency	779	888,000	0.05730
Aleutians East Borough School District	780	1,223,000	0.07892
Total present value of projected future employer contributions		618,108,000	39.89467
Nonemployer:			
State of Alaska	999	931,441,000	60.10533
Total of all participating entities		<u>\$ 1,549,549,000</u>	<u>100.00000 %</u>

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

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**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

Schedule of Pension Amounts by Employer and Nonemployer

For the year ended June 30, 2025

Employer/nonemployer	Employer/ nonemployer number	Net pension liability	Deferred inflows of resources		Pension expense (benefit)			
			Total deferred outflows of resources	Net difference between projected and actual investment earnings on pension plan investments	Total deferred inflows of resources	Proportionate share of allocable plan pension expense (benefit)	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	Total pension expense (benefit)
Employer:								
Anchorage School District	701	\$ 209,471,932	—	7,528,943	7,528,943	(5,161,431)	2,316,247	(2,845,184)
Cordova City School District	704	1,715,281	—	61,651	61,651	(42,265)	9,267	(32,998)
Craig City School District	705	1,549,771	—	55,703	55,703	(38,187)	(259,761)	(297,948)
Fairbanks North Star Borough School District	706	48,714,985	—	1,750,937	1,750,937	(1,200,348)	(300,733)	(1,501,081)
Haines Borough School District	707	1,294,987	—	46,545	46,545	(31,909)	211,338	179,429
Hoonah City School District	708	504,553	—	18,135	18,135	(12,432)	127,161	114,729
Hydaburg City School District	709	465,433	—	16,729	16,729	(11,468)	194,352	182,884
Juneau Borough School District	710	19,378,663	—	696,517	696,517	(477,494)	(435,511)	(913,005)
Juneau Borough School District	712	879,708	—	31,619	31,619	(21,676)	111,139	89,463
Ketchikan Gateway Borough School District	714	12,255,733	—	440,501	440,501	(301,984)	(1,086,378)	(1,388,362)
Klawock City School District	717	1,078,320	—	38,757	38,757	(26,570)	44,736	18,166
Kodiak Island Borough School District	718	12,252,724	—	440,393	440,393	(301,910)	(489,984)	(791,894)
Nenana City School District	719	2,090,436	—	75,135	75,135	(51,509)	108,556	57,047
Nome City School District	720	3,664,667	—	124,529	124,529	(85,370)	572,029	486,659
Matanuska-Susitna Borough School District	722	89,422,315	—	3,214,060	3,214,060	(2,203,385)	8,096,687	5,893,302
Pelican City School District	723	103,318	—	3,714	3,714	(2,546)	545	(2,001)
Petersburg City School District	724	2,601,008	—	93,487	93,487	(64,089)	217,890	153,801
Sitka Borough School District	727	7,901,327	—	283,993	283,993	(194,690)	959,397	764,707
Skagway City School District	728	1,139,508	—	40,957	40,957	(28,078)	(16,539)	(44,617)
Unalaska City School District	729	1,667,133	—	59,921	59,921	(41,079)	156,332	115,253
Valdez City School District	730	3,752,553	—	134,876	134,876	(92,464)	321,653	229,219
Wrangell Public School District	731	1,279,941	—	46,004	46,004	(31,538)	(85,282)	(116,820)
Yakutat School District	732	531,637	—	19,108	19,108	(13,100)	44,857	31,757
University of Alaska	733	25,923,815	—	931,766	931,766	(638,768)	3,066,140	2,427,372
Galena City School District	735	7,134,967	—	256,448	256,448	(175,807)	1,797,419	1,621,612
North Slope Borough School District	736	11,656,889	—	418,978	418,978	(287,228)	1,383,504	1,096,276
State of Alaska	737	12,001,952	—	431,380	431,380	(295,731)	956,825	661,094
Bristol Bay Borough School District	742	611,884	—	21,993	21,993	(15,077)	(138,296)	(153,373)
Southeast Regional Resource Center	743	506,560	—	18,207	18,207	(12,482)	144,794	132,312
Dillingham City School District	744	2,435,498	—	87,538	87,538	(60,011)	347,057	287,046
Kenai Peninsula Borough School District	746	37,531,553	—	1,348,977	1,348,977	(924,786)	(43,277)	(968,063)
Saint Mary's School District	748	938,891	—	33,746	33,746	(23,134)	158,481	135,347
Northwest Arctic Borough School District	751	10,566,532	—	379,787	379,787	(260,362)	1,434,631	1,174,269
Bering Strait School District	752	14,348,175	—	515,709	515,709	(353,542)	989,797	636,255
Lower Yukon School District	753	11,468,309	—	412,199	412,199	(282,582)	1,766,860	1,484,278
Lower Kuskokwim School District	754	20,499,113	—	736,789	736,789	(505,103)	1,499,214	994,111
Kuspuk School District	755	2,101,470	—	75,532	75,532	(51,781)	(490,238)	(542,019)
Southwest Region School District	756	2,986,194	—	107,331	107,331	(73,580)	92,203	18,823
Lake and Peninsula Borough School District	757	2,749,465	—	98,823	98,823	(67,747)	108,907	41,160
Aleutian Region School District	758	49,151	—	1,767	1,767	(1,211)	(69,997)	(71,208)
Pribilof School District	759	356,096	—	12,799	12,799	(8,774)	56,498	47,724
Iditarod Area School District	761	1,333,104	—	47,915	47,915	(32,848)	413,150	380,302
Yukon / Koyukuk School District	762	7,528,178	—	270,581	270,581	(185,496)	2,634,426	2,448,930
Yukon Flats School District	763	1,760,420	—	63,274	63,274	(43,377)	(260,139)	(303,516)
Denali Borough School District	764	2,245,915	—	80,724	80,724	(55,340)	251,363	196,023
Delta/Greely School District	765	3,033,339	—	109,026	109,026	(74,742)	(116,461)	(191,203)
Alaska Gateway School District	766	2,387,350	—	85,807	85,807	(58,825)	813,495	754,670
Copper River School District	767	1,450,466	—	52,133	52,133	(35,740)	114,674	78,934
Chatham School District	768	1,478,552	—	53,143	53,143	(36,432)	752,158	715,726
Southeast Island School District	769	1,305,018	—	46,906	46,906	(32,156)	45,552	13,396
Annette Island School District	770	2,207,797	—	79,354	79,354	(54,401)	(393,259)	(447,660)
Chugach School District	771	1,592,904	—	57,253	57,253	(39,250)	368,828	329,578
Tanana School District	775	132,483	—	4,762	4,762	(3,264)	(14,491)	(17,755)
Kashunamiut School District	777	1,242,826	—	44,670	44,670	(30,624)	(6,578)	(39,202)
Yupik School District	778	2,951,086	—	106,069	106,069	(72,715)	161,541	88,825
Special Education Service Agency	779	890,742	—	32,015	32,015	(21,948)	(47,469)	(69,417)
Aleutians East Borough School District	780	1,226,777	—	44,093	44,093	(30,228)	(234,237)	(264,465)
Total attributable to employer contributions		620,149,404	—	22,289,708	22,289,708	(15,280,614)	28,359,103	13,078,489
Nonemployer:								
State of Alaska	999	934,317,596	—	33,581,692	33,581,692	(23,021,786)	(28,359,103)	(51,380,889)
Total of all participating entities		\$ 1,554,467,000	—	55,871,400	55,871,400	(38,302,400)	—	(38,302,400)

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

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

June 30, 2025

(1) Plan Description

The State of Alaska Teachers' Retirement System (System) Defined Benefit Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan that provides pension benefits for teachers and other eligible members.

Benefit and contribution provisions are established by Chapter 25 of Alaska Statute Title 14 and may be amended only by the State of Alaska (State) legislature. 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

Vested members hired prior to July 1, 1990 are entitled to pension benefits beginning at normal retirement age, 55, or early retirement age, 50. For members hired after June 30, 1990, the normal and early retirement ages are 60 and 55, respectively. Members may also retire at any age and receive a normal benefit when they accumulate the required credited service.

The normal annual pension benefit is based on years of service and average base salary. The average base salary is based upon the members' three highest contract years' salaries.

The benefit related to all years of credited service prior to July 1, 1990 and for years of service through a total of 20 years is equal to 2% of the employee's average base salary. The benefit for each year over 20 years of service subsequent to June 30, 1990 is equal to 2.5% of the employee's base salary.

Minimum benefits for members eligible for retirement are \$25 per month for each year of credited service.

Married members must receive their benefits in the form of a joint and survivor annuity unless their spouse consents to another form of benefit or benefits are payable under the 1% supplemental contributions provision.

The Plan has two types of postretirement pension adjustments (PRPA). The automatic PRPA is issued annually to all eligible benefit recipients when the cost of living increases in the previous calendar year. The automatic PRPA increase is paid beginning July 1 of each year. The discretionary PRPA may be granted to eligible recipients by the Plan's Administrator if the cost of living in the previous calendar year rises and the financial condition of the Plan permits. If both an automatic and discretionary PRPA are granted, and a retiree is eligible for both adjustments, the one that provides the retiree the greater increase will be paid.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

June 30, 2025

(2) Basis of Presentation

The schedule of employer and nonemployer allocations and the schedule of pension 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 of Alaska (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. 68, *Accounting and Financial Reporting for Pensions*, requires participating employers in the Plan to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources, and collective pension 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 pension 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 2027 to 2039. Employer and nonemployer allocation percentages have been rounded for presentation purposes; therefore, amounts presented in the schedule of pension 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 (the Board). Employer contributions were 12.56% of annual payroll for the year ended June 30, 2025.

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 Pension Liability

(a) Components of Collective Net Pension Liability

The components of the collective net pension liability of the Plan as of June 30, 2025, are as follows:

Total pension liability	\$	8,032,515,000
Plan fiduciary net position		<u>(6,478,048,000)</u>
Net pension liability	\$	<u>1,554,467,000</u>

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DEFINED BENEFIT PENSION PLAN**

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

June 30, 2025

The total pension liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement, and rolled forward to the measurement date of June 30, 2025.

Inflation	2.50% per year
Salary increases	Range from 7.00% to 2.85% based on service.
Investment rate of return	7.25%, net of pension plan investment expenses. This is based on an average inflation rate of 2.50% and a real rate of return of 4.75%.
Mortality	<p>Pre-commencement mortality rates were based on the Pub-2010 Teachers Employee table, amount-weighted, and projected with MP-2021 generational improvement. Deaths are assumed to result from occupational causes 15% of the time.</p> <p>Post-commencement mortality rates for healthy retirees were based on 97% of the Pub-2010 Teachers Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree table, amount-weighted, and projected with MP-2021 generational improvement.</p> <p>Post-commencement mortality rates for beneficiaries were based on 100% of male and 95% of female rates of the Pub-2010 Contingent Survivor table, amount-weighted, and projected with MP-2021 generational improvement. These rates are applied only after the death of the original member.</p>

The assumptions used in the June 30, 2024 actuarial valuation were based on the results of an actuarial experience study for the period from July 1, 2017 to June 30, 2021.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

June 30, 2025

(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 rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025 are summarized in the following table:

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Domestic equity	25.00%	5.74%
Global equity (ex-U.S.)	17.00	6.37
Global equity	3.60	5.88
Aggregate bonds	25.20	2.30
Real assets	14.00	4.54
Private equity	14.00	9.28
Cash equivalents	1.20	0.60

(c) Discount Rate

The discount rate used to measure the total pension 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

(d) Sensitivity of the Collective Net Pension Liability to Changes in the Discount Rate

The following presents the collective net pension liability as of June 30, 2025, calculated using the discount rate of 7.25%, as well as what the Plan's collective net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$	2,374,044,000	1,554,467,000	859,886,000

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

June 30, 2025

(6) Collective Deferred Inflows of Resources

The following presents a summary of changes in the collective deferred inflows of resources (excluding employer and nonemployer specific amounts) for the year ended June 30, 2025:

	<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 inflows of resources:						
Difference between expected and actual experience	2025	1.0 years	\$ —	51,094,000	(51,094,000)	—
Difference between projected and actual earnings on pension plan investments						
	2021	5 years	240,070,400	—	(240,070,400)	—
	2022	5 years	(352,390,400)	—	176,195,200	(176,195,200)
	2023	5 years	9,534,600	—	(3,178,200)	6,356,400
	2024	5 years	71,943,200	—	(17,985,800)	53,957,400
	2025	5 years	—	214,691,000	(42,938,200)	171,752,800
			<u>(30,842,200)</u>	<u>214,691,000</u>	<u>(127,977,400)</u>	<u>55,871,400</u>
Total deferred inflows of resources			\$ <u>(30,842,200)</u>	<u>265,785,000</u>	<u>(179,071,400)</u>	<u>55,871,400</u>

The previous amounts do not include employer and nonemployer specific deferred outflows 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 1.0 year for the 2025 amount.

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

Year ending June 30:	
2026	\$ 112,093,000
2027	(64,102,200)
2028	(60,924,000)
2029	<u>(42,938,200)</u>
Total	<u>\$ (55,871,400)</u>

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

June 30, 2025

(7) Collective Pension Expense (Benefit)

The components of the collective pension expense (benefit) (excluding employer and nonemployer specific amounts) for the year ended June 30, 2025 are as follows:

Service cost	\$	37,224,000
Interest on total pension liability		564,910,000
Member contributions		(25,225,000)
Administrative expense		3,393,000
Other additions less other deductions		
Expected investment return net of investment expenses		(439,493,000)
Other		(40,000)
Recognition (amortization) of deferred inflows of resources:		
Difference between expected and actual experience		(51,094,000)
Difference between projected and actual investment earnings on pension plan investments		<u>(127,977,400)</u>
Total pension expense (benefit)	\$	<u><u>(38,302,400)</u></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 pension amounts by employer and nonemployer. During fiscal year 2025, the total amount of transfers allocated was \$1,000.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

For the year ended June 30, 2025

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Anchorage School District	701	\$ 320,896,000	34.45160 %
Cordova City School District	704	2,629,000	0.28225
Craig City School District	705	2,376,000	0.25509
Fairbanks North Star Borough School District	706	74,628,000	8.01210
Haines Borough School District	707	1,989,000	0.21354
Hoonah City School District	708	776,000	0.08331
Hydaburg City School District	709	715,000	0.07676
Juneau Borough School District	710	29,689,000	3.18743
Kake City School District	712	1,345,000	0.14440
Ketchikan Gateway Borough School District	714	18,777,000	2.01591
Klawock City School District	717	1,652,000	0.17736
Kodiak Island Borough School District	718	18,766,000	2.01473
Nenana City School District	719	3,202,000	0.34377
Nome City School District	720	5,306,000	0.56965
Matanuska-Susitna Borough School District	722	136,988,000	14.70710
Pelican City School District	723	154,000	0.01653
Petersburg City School District	724	3,982,000	0.42751
Sitka Borough School District	727	12,103,000	1.29938
Skagway City School District	728	1,748,000	0.18767
Unalaska City School District	729	2,555,000	0.27431
Valdez City School District	730	5,746,000	0.61689
Wrangell Public School District	731	1,965,000	0.21096
Yakutat School District	732	812,000	0.08718
University of Alaska	733	39,711,000	4.26339
Galena City School District	735	10,933,000	1.17377
North Slope Borough School District	736	17,859,000	1.91735
Bristol Bay Borough School District	742	939,000	0.10081
Southeast Regional Resource Center	743	778,000	0.08353
Dillingham City School District	744	3,730,000	0.40045
Kenai Peninsula Borough School District	746	57,500,000	6.17323
Saint Mary's School District	748	1,438,000	0.15438
Northwest Arctic Borough School District	751	16,185,000	1.73763
Bering Strait School District	752	21,979,000	2.35968
Lower Yukon School District	753	17,570,000	1.88632
Lower Kuskokwim School District	754	31,406,000	3.37176
Kuspuk School District	755	3,217,000	0.34538
Southwest Region School District	756	4,575,000	0.49117
Lake And Peninsula Borough School District	757	4,213,000	0.45231
Aleutian Region School District	758	75,000	0.00805

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

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

For the year ended June 30, 2025

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Pribilof School District	759	\$ 546,000	0.05862 %
Iditarod Area School District	761	2,046,000	0.21966
Yukon / Koyukuk School District	762	11,534,000	1.23830
Yukon Flats School District	763	2,695,000	0.28934
Denali Borough School District	764	3,438,000	0.36911
Delta/Greely School District	765	4,648,000	0.49901
Alaska Gateway School District	766	3,662,000	0.39315
Copper River School District	767	2,223,000	0.23866
Chatham School District	768	2,263,000	0.24296
Southeast Island School District	769	1,999,000	0.21461
Annette Island School District	770	3,382,000	0.36309
Chugach School District	771	2,436,000	0.26153
Tanana School District	775	—	—
Kashunamiut School District	777	1,902,000	0.20420
Yupit School District	778	4,520,000	0.48527
Special Education Service Agency	779	1,361,000	0.14612
Aleutians East Borough School District	780	1,879,000	0.20173
		\$ 931,441,000	100.00000 %

See accompanying independent auditors' report.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

For the year ended June 30, 2025

Employer	Employer number	State proportionate share of net pension liability attributable to employer	Employer pension expense and related revenue attributable to special funding situation
Anchorage School District	701	\$ 321,887,028	(7,931,366)
Cordova City School District	704	2,637,119	(64,979)
Craig City School District	705	2,383,338	(58,726)
Fairbanks North Star Borough School District	706	74,858,476	(1,844,529)
Haines Borough School District	707	1,995,143	(49,161)
Hoonah City School District	708	778,397	(19,180)
Hydaburg City School District	709	717,208	(17,672)
Juneau Borough School District	710	29,780,689	(733,803)
Kake City School District	712	1,349,154	(33,243)
Ketchikan Gateway Borough School District	714	18,834,990	(464,098)
Klawock City School District	717	1,657,102	(40,831)
Kodiak Island Borough School District	718	18,823,956	(463,826)
Nenana City School District	719	3,211,889	(79,142)
Nome City School District	720	5,322,387	(131,145)
Matanuska-Susitna Borough School District	722	137,411,064	(3,385,838)
Pelican City School District	723	154,476	(3,806)
Petersburg City School District	724	3,994,298	(98,420)
Sitka Borough School District	727	12,140,378	(299,142)
Skagway City School District	728	1,753,398	(43,204)
Unalaska City School District	729	2,562,891	(63,150)
Valdez City School District	730	5,763,746	(142,020)
Wrangell Public School District	731	1,971,069	(48,568)
Yakutat School District	732	814,508	(20,070)
University of Alaska	733	39,833,641	(981,509)
Galena City School District	735	10,966,765	(270,223)
North Slope Borough School District	736	17,914,154	(441,409)
Bristol Bay Borough School District	742	941,900	(23,209)
Southeast Regional Resource Center	743	780,403	(19,229)
Dillingham City School District	744	3,741,519	(92,192)
Kenai Peninsula Borough School District	746	57,677,579	(1,421,188)
Saint Mary's School District	748	1,442,441	(35,542)
Northwest Arctic Borough School District	751	16,234,985	(400,033)
Bering Strait School District	752	22,046,878	(543,240)
Lower Yukon School District	753	17,624,262	(434,266)
Lower Kuskokwim School District	754	31,502,992	(776,240)
Kuspuk School District	755	3,226,935	(79,512)

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

For the year ended June 30, 2025

Employer	Employer number	State proportionate share of net pension liability attributable to employer	Employer pension expense and related revenue attributable to special funding situation
Southwest Region School District	756	\$ 4,589,129	(113,077)
Lake And Peninsula Borough School District	757	4,226,011	(104,130)
Aleutian Region School District	758	75,232	(1,854)
Pribilof School District	759	547,686	(13,495)
Iditarod Area School District	761	2,052,319	(50,570)
Yukon / Koyukuk School District	762	11,569,621	(285,078)
Yukon Flats School District	763	2,703,323	(66,610)
Denali Borough School District	764	3,448,618	(84,975)
Delta/Greely School District	765	4,662,355	(114,881)
Alaska Gateway School District	766	3,673,309	(90,511)
Copper River School District	767	2,229,865	(54,944)
Chatham School District	768	2,269,989	(55,933)
Southeast Island School District	769	2,005,174	(49,408)
Annette Island School District	770	3,392,445	(83,591)
Chugach School District	771	2,443,523	(60,209)
Tanana School District	775	—	—
Kashunamiut School District	777	1,907,874	(47,010)
Yupiiit School District	778	4,533,959	(111,718)
Special Education Service Agency	779	1,365,203	(33,639)
Aleutians East Borough School District	780	1,884,803	(46,442)
Total for all employers		\$ <u>934,317,596</u>	<u>(23,021,786)</u>

See accompanying independent auditors' report.

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2025

Employer/nonemployer	Employer number	Actual contributions
Employer:		
Anchorage School District	701	\$ 17,328,702
Cordova City School District	704	155,201
Craig City School District	705	120,515
Fairbanks North Star Borough School District	706	3,574,171
Haines Borough School District	707	93,101
Hoonah City School District	708	27,192
Hydaburg City School District	709	53,548
Juneau Borough School District	710	1,545,613
Kake City School District	712	74,099
Ketchikan Gateway Borough School District	714	900,872
Klawock City School District	717	102,834
Kodiak Island Borough School District	718	802,290
Nenana City School District	719	227,609
Nome City School District	720	256,791
Matanuska-Susitna Borough School District	722	6,940,693
Pelican City School District	723	2,161
Petersburg City School District	724	215,623
Sitka Borough School District	727	689,031
Skagway City School District	728	112,449
Unalaska City School District	729	99,939
Valdez City School District	730	319,097
Wrangell Public School District	731	113,944
Yakutat School District	732	23,081
University of Alaska	733	1,984,533
Galena City School District	735	557,536
North Slope Borough School District	736	865,729
State of Alaska	737	1,298,775
Bristol Bay Borough School District	742	55,255
Southeast Regional Resource Center	743	21,314
Dillingham City School District	744	165,362
Kenai Peninsula Borough School District	746	2,813,376
Saint Mary's School District	748	60,811
Northwest Arctic Borough School District	751	711,149
Bering Strait School District	752	748,216
Lower Yukon School District	753	745,577
Lower Kuskokwim School District	754	1,368,246
Kuspuk School District	755	174,150
Southwest Region School District	756	165,747
Lake And Peninsula Borough School District	757	171,576
Aleutian Region School District	758	7,244
Pribilof School District	759	23,100
Iditarod Area School District	761	96,250

**STATE OF ALASKA TEACHERS' RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN**

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2025

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Yukon / Koyukuk School District	762	\$ 591,541
Yukon Flats School District	763	125,528
Denali Borough School District	764	190,550
Delta/Greely School District	765	251,354
Alaska Gateway School District	766	148,281
Copper River School District	767	111,661
Chatham School District	768	36,158
Southeast Island School District	769	82,398
Annette Island School District	770	109,178
Chugach School District	771	131,352
Tanana School District	775	29
Kashunamiut School District	777	52,529
Yupit School District	778	116,222
Special Education Service Agency	779	59,887
Aleutians East Borough School District	780	106,908
Total employer contributions		47,926,078
Nonemployer:		
State of Alaska	999	122,442,277
Total for all participating entities		\$ <u>170,368,355</u>

See accompanying independent auditors' report.