



**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, 2023

(With Independent Auditors' Report Thereon)

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

Table of Contents

	Page(s)
Independent Auditors' Report	1-2
Schedule of Employer and Nonemployer Allocations	3-4
Schedule of Pension Amounts by Employer and Nonemployer	6-7
Notes to Schedule of Employer and Nonemployer Allocations and Schedule of Pension Amounts by Employer and Nonemployer	8-13
Supplemental Schedules:	
Schedule of Employer Allocations of Special Funding Amounts (Unaudited)	14-15
Schedule of Special Funding Amounts by Employer (Unaudited)	16-17
Schedule of Employer and Nonemployer Contributions (Unaudited)	18-19



KPMG LLP
Suite 600
701 West Eighth Avenue
Anchorage, AK 99501

Independent Auditor's 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, 2023, and the related notes. We have also audited the total for all participating entities of the columns titled net pension liability, total deferred outflows 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, 2023, 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, and total pension expense (benefit) for the total of all participating entities for the Plan as of and for the year ended June 30, 2023, 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, 2023, and our report thereon, dated October 12, 2023, expressed an unmodified opinion on those financial statements.

Other 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 pension 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
December 21, 2023

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

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

<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	\$ 234,511,000	13.72426 %
Cordova City School District	704	1,731,000	0.10130
Craig City School District	705	1,963,000	0.11488
Fairbanks North Star Borough School District	706	58,340,000	3.41423
Haines Borough School District	707	1,371,000	0.08023
Hoonah City School District	708	501,000	0.02932
Hydaburg City School District	709	882,000	0.05162
Juneau Borough School District	710	23,479,000	1.37406
Kake City School District	712	868,000	0.05080
Ketchikan Gateway Borough School District	714	13,908,000	0.81394
Klawock City School District	717	968,000	0.05665
Kodiak Island Borough School District	718	12,394,000	0.72533
Nenana City School District	719	2,395,000	0.14016
Nome City School District	720	3,297,000	0.19295
Matanuska-Susitna Borough School District	722	89,190,000	5.21966
Pelican City School District	723	98,000	0.00574
Petersburg City School District	724	2,802,000	0.16398
Sitka Borough School District	727	8,183,000	0.47889
Skagway City School District	728	931,000	0.05448
Unalaska City School District	729	2,079,000	0.12167
Valdez City School District	730	4,023,000	0.23544
Wrangell Public School District	731	1,415,000	0.08281
Yakutat School District	732	390,000	0.02282
University of Alaska	733	23,739,000	1.38927
Galena City School District	735	5,664,000	0.33147
North Slope Borough School District	736	12,146,000	0.71082
State of Alaska	737	11,191,000	0.65493
Bristol Bay Borough School District	742	931,000	0.05448
Southeast Regional Resource Center	743	614,000	0.03593
Dillingham City School District	744	2,284,000	0.13367
Kenai Peninsula Borough School District	746	42,072,000	2.46218
Saint Mary's School District	748	871,000	0.05097
Northwest Arctic Borough School District	751	9,791,000	0.57300
Bering Strait School District	752	15,258,000	0.89294
Lower Yukon School District	753	13,475,000	0.78860
Lower Kuskokwim School District	754	24,152,000	1.41344

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

Schedule of Employer and Nonemployer Allocations

As of and for the year ended June 30, 2023

<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	\$ 2,855,000	0.16708 %
Southwest Region School District	756	4,205,000	0.24609
Lake And Peninsula Borough School District	757	4,029,000	0.23579
Aleutian Region School District	758	170,000	0.00995
Pribilof School District	759	170,000	0.00995
Iditarod Area School District	761	1,355,000	0.07930
Yukon / Koyukuk School District	762	5,295,000	0.30988
Yukon Flats School District	763	1,567,000	0.09171
Denali Borough School District	764	2,235,000	0.13080
Delta/Greely School District	765	3,413,000	0.19974
Alaska Gateway School District	766	2,554,000	0.14947
Copper River School District	767	1,508,000	0.08825
Chatham School District	768	942,000	0.05513
Southeast Island School District	769	1,358,000	0.07947
Annette Island School District	770	2,214,000	0.12957
Chugach School District	771	1,458,000	0.08533
Tanana School District	775	241,000	0.01410
Kashunamiut School District	777	751,000	0.04395
Yupiiit School District	778	2,522,000	0.14759
Special Education Service Agency	779	1,001,000	0.05858
Aleutians East Borough School District	780	1,289,000	0.07544
Total present value of projected future employer contributions		669,039,000	39.15409
Nonemployer:			
State of Alaska	999	1,039,694,000	60.84591
Total of all participating entities		<u>\$ 1,708,733,000</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

As of and for the year ended June 30, 2023

Employer/nonemployer	Employer/ nonemployer number	Net pension liability	Deferred outflows of resources	
			Difference between projected and actual investment earnings on pension plan investments	Total deferred outflows of resources
Employer:				
Anchorage School District	701	\$ 241,333,468	9,895,470	9,895,470
Cordova City School District	704	1,781,359	73,042	73,042
Craig City School District	705	2,020,108	82,831	82,831
Fairbanks North Star Borough School District	706	60,037,246	2,461,725	2,461,725
Haines Borough School District	707	1,410,886	57,851	57,851
Hoonah City School District	708	515,575	21,140	21,140
Hydaburg City School District	709	907,659	37,217	37,217
Juneau Borough School District	710	24,162,058	990,724	990,724
Kake City School District	712	893,252	36,626	36,626
Ketchikan Gateway Borough School District	714	14,312,616	586,864	586,864
Klawock City School District	717	996,161	40,846	40,846
Kodiak Island Borough School District	718	12,754,570	522,979	522,979
Nenana City School District	719	2,464,676	101,060	101,060
Nome City School District	720	3,392,917	139,121	139,121
Matanuska-Susitna Borough School District	722	91,784,744	3,763,477	3,763,477
Pelican City School District	723	100,851	4,135	4,135
Petersburg City School District	724	2,883,517	118,234	118,234
Sitka Borough School District	727	8,421,062	345,291	345,291
Skagway City School District	728	958,085	39,285	39,285
Unalaska City School District	729	2,139,483	87,726	87,726
Valdez City School District	730	4,140,038	169,755	169,755
Wrangell Public School District	731	1,456,166	59,708	59,708
Yakutat School District	732	401,346	16,457	16,457
University of Alaska	733	24,429,622	1,001,695	1,001,695
Galena City School District	735	5,828,779	238,999	238,999
North Slope Borough School District	736	12,499,355	512,515	512,515
State of Alaska	737	11,516,572	472,217	472,217
Bristol Bay Borough School District	742	958,085	39,285	39,285
Southeast Regional Resource Center	743	631,863	25,908	25,908
Dillingham City School District	744	2,350,447	96,376	96,376
Kenai Peninsula Borough School District	746	43,295,972	1,775,278	1,775,278
Saint Mary's School District	748	896,339	36,753	36,753
Northwest Arctic Borough School District	751	10,075,843	413,143	413,143
Bering Strait School District	752	15,701,891	643,829	643,829
Lower Yukon School District	753	13,867,019	568,593	568,593
Lower Kuskokwim School District	754	24,854,638	1,019,122	1,019,122
Kuspuk School District	755	2,938,059	120,470	120,470
Southwest Region School District	756	4,327,333	177,435	177,435
Lake And Peninsula Borough School District	757	4,146,213	170,008	170,008
Aleutian Region School District	758	174,946	7,173	7,173
Pribilof School District	759	174,946	7,173	7,173
Iditarod Area School District	761	1,394,420	57,176	57,176
Yukon / Koyukuk School District	762	5,449,044	223,429	223,429
Yukon Flats School District	763	1,612,588	66,121	66,121
Denali Borough School District	764	2,300,021	94,308	94,308
Delta/Greely School District	765	3,512,292	144,016	144,016
Alaska Gateway School District	766	2,628,302	107,769	107,769
Copper River School District	767	1,551,871	63,632	63,632
Chatham School District	768	969,405	39,749	39,749
Southeast Island School District	769	1,397,507	57,302	57,302
Annette Island School District	770	2,278,410	93,422	93,422
Chugach School District	771	1,500,417	61,522	61,522
Tanana School District	775	248,011	10,169	10,169
Kashunamiut School District	777	772,848	31,689	31,689
Yupit School District	778	2,595,371	106,419	106,419
Special Education Service Agency	779	1,030,121	42,238	42,238
Aleutians East Borough School District	780	1,326,500	54,391	54,391
Total attributable to employer contributions		688,502,893	28,230,888	28,230,888
Nonemployer:				
State of Alaska	999	1,069,941,107	43,871,112	43,871,112
Total of all participating entities		\$ 1,758,444,000	72,102,000	72,102,000

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

Pension expense (benefit)		
Proportionate share of allocable plan pension expense	Net amortization of deferred amounts from change in proportion and difference between employer contributions and proportionate share of contributions	Total pension expense (benefit)
33,320,429	(25,226,488)	8,093,941
245,949	(482,762)	(236,813)
278,912	(618,725)	(339,813)
8,289,222	(14,389,448)	(6,100,226)
194,798	(178,814)	15,984
71,184	(218,140)	(146,956)
125,319	50,048	175,367
3,336,007	(3,650,910)	(314,903)
123,330	(59,241)	64,089
1,976,114	(1,391,775)	584,339
137,538	(164,187)	(26,649)
1,760,998	(2,666,338)	(905,340)
340,293	(68,207)	272,086
468,453	(835,957)	(367,504)
12,672,535	(14,030,140)	(1,357,605)
13,924	(24,633)	(10,709)
398,121	(638,222)	(240,101)
1,162,679	(384,024)	778,655
132,281	(90,777)	41,504
295,394	(47,995)	247,399
571,607	(732,256)	(160,649)
201,050	(405,039)	(203,989)
55,413	(251,490)	(196,077)
3,372,949	(2,774,316)	598,633
804,768	(782,733)	22,035
1,725,761	(2,612,090)	(886,329)
1,590,070	241,972	1,832,042
132,281	(77,842)	54,439
87,240	(55,557)	31,683
324,521	(881,224)	(556,703)
5,977,788	(5,564,537)	413,251
123,756	(208,823)	(85,067)
1,391,151	(3,224,636)	(1,833,485)
2,167,929	(1,108,480)	1,059,449
1,914,591	51,954	1,966,545
3,431,630	(189,325)	3,242,305
405,652	177,114	582,766
597,466	(1,082,648)	(485,182)
572,459	(477,793)	94,666
24,154	(202,111)	(177,957)
24,154	(257,090)	(232,936)
192,525	29,318	221,843
752,339	62,652	814,991
222,647	(108,585)	114,062
317,559	(466,901)	(149,342)
484,935	(255,641)	229,294
362,884	(643,165)	(280,281)
214,264	(274,583)	(60,319)
133,844	95,837	229,681
192,951	(128,853)	64,098
314,576	(636,474)	(321,898)
207,160	(340,533)	(133,373)
34,242	(6,894)	27,348
106,706	(394,997)	(288,291)
358,338	(115,556)	242,782
142,227	(265,383)	(123,156)
183,147	(754,983)	(571,836)
95,060,214	(89,738,426)	5,321,788
147,724,622	89,738,426	237,463,048
242,784,836	—	242,784,836

**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, 2023

(1) Plan Description

The State of Alaska Teachers' Retirement System (the System) Defined Benefit Pension Plan (the Plan) is a cost-sharing multiple-employer defined benefit pension plan that provides pension 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 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's 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, 2023

(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 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 for the Plan for the fiscal years 2024 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 fiscal year 2023.

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, 2023, are as follows:

Total pension liability	\$ 7,857,964,000
Plan fiduciary net position	<u>(6,099,520,000)</u>
Net pension liability	<u>\$ 1,758,444,000</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, 2023

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to the measurement date of June 30, 2023. The actuarial valuation used the following actuarial assumptions:

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 actuarial assumptions used in the June 30, 2022 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, 2022 actuarial valuation are the same as those used in the June 30, 2021 valuation with the following exceptions:

1. 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
DEFINED BENEFIT PENSION PLAN**

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

June 30, 2023

(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 plan's target asset allocation as of June 30, 2023 are summarized in the following table (note that the rates shown below exclude an inflation component of 2.50%):

<u>Asset class</u>	<u>Target asset allocation</u>	<u>Long-term expected real rate of return</u>
Broad domestic equity	27.00%	6.17%
Global equity (non-U.S.)	22.00	6.55
Aggregate bonds	23.00	1.63
Real assets	14.00	4.87
Private equity	14.00	11.57
Cash equivalents	—	0.49

(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 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 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 of the Plan as of June 30, 2023 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 (6.25%) or one-percentage-point higher (8.25%) than the current rate:

	<u>1% decrease (6.25%)</u>	<u>Current discount rate (7.25%)</u>	<u>1% increase (8.25%)</u>
\$	2,588,539,000	1,758,444,000	1,057,182,000

**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, 2023

(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 specific amounts) for the year ended June 30, 2023:

	Year of deferral	Amortization period	Beginning of year balance	Additions	Deductions	End of year balance
Deferred outflows of resources:						
Change in assumptions	2022	1.1 years	\$ 14,008,909	—	14,008,909	—
Difference between projected and actual earnings on pension plan investments						
	2019	5 years	16,292,600	—	16,292,600	—
	2020	5 years	72,740,000	—	36,370,000	36,370,000
	2021	5 years	(720,211,200)	—	(240,070,400)	(480,140,800)
	2022	5 years	704,780,800	—	176,195,200	528,585,600
	2023	5 years	—	(15,891,000)	(3,178,200)	(12,712,800)
			<u>73,602,200</u>	<u>(15,891,000)</u>	<u>(14,390,800)</u>	<u>72,102,000</u>
Total deferred outflows of resources			<u>\$ 87,611,109</u>	<u>(15,891,000)</u>	<u>(381,891)</u>	<u>72,102,000</u>
Deferred inflows of resources:						
Difference between expected and actual experience						
	2022	1.1 years	\$ 5,424,273	—	5,424,273	—
	2023	1.0 years	—	(118,504,000)	(118,504,000)	—
Total deferred inflows of resources			<u>\$ 5,424,273</u>	<u>(118,504,000)</u>	<u>(113,079,727)</u>	<u>—</u>

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 1.0 years and 1.1 years for the 2023 and 2022 amounts, respectively.

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

Year ending June 30:	
2024	\$ (30,683,400)
2025	(67,053,400)
2026	173,017,000
2027	<u>(3,178,200)</u>
Total	<u>\$ 72,102,000</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, 2023

(7) Collective Pension Expense

The components of the collective pension expense (excluding employer specific amounts) for the year ending June 30, 2023 are as follows:

Service cost	\$ 44,003,000
Interest on total pension liability	540,174,000
Member contributions	(31,835,000)
Administrative expense	3,310,000
Other	(31,000)
Expected investment return net of investment expenses	(425,534,000)
Recognition (amortization) of deferred outflows/inflows of resources:	
Difference between expected and actual experience	113,079,727
Change in assumptions	14,008,909
Difference between projected and actual investment earnings on pension plan investments	<u>(14,390,800)</u>
Total pension expense	<u>\$ 242,784,836</u>

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

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

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Anchorage School District	701	\$ 370,632,000	35.64819 %
Cordova City School District	704	2,740,000	0.26354
Craig City School District	705	3,098,000	0.29797
Fairbanks North Star Borough School District	706	92,203,000	8.86828
Haines Borough School District	707	2,164,000	0.20814
Hoonah City School District	708	795,000	0.07646
Hydaburg City School District	709	1,394,000	0.13408
Juneau Borough School District	710	37,106,000	3.56893
Kake City School District	712	1,369,000	0.13167
Ketchikan Gateway Borough School District	714	21,982,000	2.11428
Klawock City School District	717	1,527,000	0.14687
Kodiak Island Borough School District	718	19,591,000	1.88430
Nenana City School District	719	3,786,000	0.36415
Nome City School District	720	5,212,000	0.50130
Matanuska-Susitna Borough School District	722	140,962,000	13.55803
Pelican City School District	723	155,000	0.01491
Petersburg City School District	724	4,431,000	0.42618
Sitka Borough School District	727	12,933,000	1.24392
Skagway City School District	728	1,470,000	0.14139
Unalaska City School District	729	3,286,000	0.31605
Valdez City School District	730	6,359,000	0.61162
Wrangell Public School District	731	2,241,000	0.21554
Yakutat School District	732	617,000	0.05934
University of Alaska	733	37,519,000	3.60866
Galena City School District	735	8,951,000	0.86093
North Slope Borough School District	736	19,194,000	1.84612
Bristol Bay Borough School District	742	1,472,000	0.14158
Southeast Regional Resource Center	743	969,000	0.09320
Dillingham City School District	744	3,607,000	0.34693
Kenai Peninsula Borough School District	746	66,491,000	6.39525
Saint Mary's School District	748	1,376,000	0.13235
Northwest Arctic Borough School District	751	15,478,000	1.48871
Bering Strait School District	752	24,113,000	2.31924
Lower Yukon School District	753	21,298,000	2.04849
Lower Kuskokwim School District	754	38,169,000	3.67118
Kuspuk School District	755	4,512,000	0.43397
Southwest Region School District	756	6,644,000	0.63903
Lake And Peninsula Borough School District	757	6,364,000	0.61210
Aleutian Region School District	758	272,000	0.02616

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

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

As of and for the year ended June 30, 2023

Employer	Employer number	Present value of projected future State contributions	Employer proportionate share
Pribilof School District	759	\$ 272,000	0.02616 %
Iditarod Area School District	761	2,140,000	0.20583
Yukon / Koyukuk School District	762	8,366,000	0.80466
Yukon Flats School District	763	2,475,000	0.23805
Denali Borough School District	764	3,536,000	0.34010
Delta/Greely School District	765	5,389,000	0.51833
Alaska Gateway School District	766	4,040,000	0.38858
Copper River School District	767	2,384,000	0.22930
Chatham School District	768	1,488,000	0.14312
Southeast Island School District	769	2,149,000	0.20670
Annette Island School District	770	3,495,000	0.33616
Chugach School District	771	2,306,000	0.22180
Tanana School District	775	387,000	0.03722
Kashunamiut School District	777	1,186,000	0.11407
Yupitit School District	778	3,983,000	0.38309
Special Education Service Agency	779	1,579,000	0.15187
Aleutians East Borough School District	780	2,037,000	0.19592
		\$ 1,039,694,000	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)

As of and for the year ended June 30, 2023

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	\$ 381,414,545	52,661,140
Cordova City School District	704	2,819,713	389,312
Craig City School District	705	3,188,128	440,178
Fairbanks North Star Borough School District	706	94,885,399	13,100,637
Haines Borough School District	707	2,226,956	307,471
Hoonah City School District	708	818,128	112,957
Hydaburg City School District	709	1,434,555	198,066
Juneau Borough School District	710	38,185,499	5,272,195
Kake City School District	712	1,408,827	194,514
Ketchikan Gateway Borough School District	714	22,621,507	3,123,306
Klawock City School District	717	1,571,424	216,963
Kodiak Island Borough School District	718	20,160,948	2,783,582
Nenana City School District	719	3,896,144	537,933
Nome City School District	720	5,363,629	740,546
Matanuska-Susitna Borough School District	722	145,062,911	20,028,545
Pelican City School District	723	159,509	22,023
Petersburg City School District	724	4,559,908	629,577
Sitka Borough School District	727	13,309,251	1,837,582
Skagway City School District	728	1,512,766	208,865
Unalaska City School District	729	3,381,597	466,890
Valdez City School District	730	6,543,998	903,517
Wrangell Public School District	731	2,306,196	318,412
Yakutat School District	732	634,950	87,666
University of Alaska	733	38,610,515	5,330,876
Galena City School District	735	9,211,405	1,271,800
North Slope Borough School District	736	19,752,398	2,727,174
Bristol Bay Borough School District	742	1,514,824	209,149
Southeast Regional Resource Center	743	997,190	137,680
Dillingham City School District	744	3,711,936	512,500
Kenai Peninsula Borough School District	746	68,425,377	9,447,355
Saint Mary's School District	748	1,416,031	195,509
Northwest Arctic Borough School District	751	15,928,291	2,199,187
Bering Strait School District	752	24,814,503	3,426,089
Lower Yukon School District	753	21,917,608	3,026,120
Lower Kuskokwim School District	754	39,279,425	5,423,231
Kuspuk School District	755	4,643,265	641,086

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

Supplemental Schedule of Special Funding Amounts by Employer (Unaudited)

As of and for the year ended June 30, 2023

<u>Employer</u>	<u>Employer number</u>	<u>State proportionate share of net pension liability attributable to employer</u>	<u>Employer pension expense and related revenue attributable to special funding situation</u>
Southwest Region School District	756	\$ 6,837,289	944,011
Lake And Peninsula Borough School District	757	6,549,143	904,227
Aleutian Region School District	758	279,913	38,647
Pribilof School District	759	279,913	38,647
Iditarod Area School District	761	2,202,258	304,061
Yukon / Koyukuk School District	762	8,609,386	1,188,681
Yukon Flats School District	763	2,547,003	351,660
Denali Borough School District	764	3,638,870	502,412
Delta/Greely School District	765	5,545,778	765,695
Alaska Gateway School District	766	4,157,533	574,022
Copper River School District	767	2,453,356	338,730
Chatham School District	768	1,531,289	211,422
Southeast Island School District	769	2,211,519	305,340
Annette Island School District	770	3,596,678	496,586
Chugach School District	771	2,373,087	327,647
Tanana School District	775	398,259	54,987
Kashunamiut School District	777	1,220,503	168,512
Yupiit School District	778	4,098,875	565,923
Special Education Service Agency	779	1,624,937	224,352
Aleutians East Borough School District	780	2,096,261	289,427
Total for all participating employers		<u>\$ 1,069,941,106</u>	<u>147,724,622</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, 2023

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Employer:		
Anchorage School District	701	\$ 18,982,470
Cordova City School District	704	170,529
Craig City School District	705	155,889
Fairbanks North Star Borough School District	706	4,237,258
Haines Borough School District	707	63,772
Hoonah City School District	708	58,446
Hydaburg City School District	709	14,831
Juneau Borough School District	710	1,968,010
Kake City School District	712	44,504
Ketchikan Gateway Borough School District	714	1,105,515
Klawock City School District	717	102,103
Kodiak Island Borough School District	718	829,130
Nenana City School District	719	175,593
Nome City School District	720	236,216
Matanuska-Susitna Borough School District	722	6,784,920
Pelican City School District	723	(100)
Petersburg City School District	724	200,943
Sitka Borough School District	727	670,833
Skagway City School District	728	88,648
Unalaska City School District	729	133,696
Valdez City School District	730	365,303
Wrangell Public School District	731	121,974
Yakutat School District	732	22,550
University of Alaska	733	2,335,414
Galena City School District	735	437,721
North Slope Borough School District	736	747,105
State of Alaska	737	1,058,755
Bristol Bay Borough School District	742	42,943
Southeast Regional Resource Center	743	14,574
Dillingham City School District	744	161,678
Kenai Peninsula Borough School District	746	3,269,010
Saint Mary's School District	748	74,000
Northwest Arctic Borough School District	751	601,189
Bering Strait School District	752	807,725
Lower Yukon School District	753	659,816
Lower Kuskokwim School District	754	1,436,740
Kuspuk School District	755	123,150
Southwest Region School District	756	222,307
Lake And Peninsula Borough School District	757	130,002
Aleutian Region School District	758	13,673
Pribilof School District	759	1,989
Iditarod Area School District	761	94,480

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

Supplemental Schedule of Employer and Nonemployer Contributions (Unaudited)

For the year ended June 30, 2023

<u>Employer/nonemployer</u>	<u>Employer number</u>	<u>Actual contributions</u>
Yukon / Koyukuk School District	762	\$ 452,907
Yukon Flats School District	763	134,743
Denali Borough School District	764	181,774
Delta/Greely School District	765	260,283
Alaska Gateway School District	766	96,718
Copper River School District	767	93,348
Chatham School District	768	60,954
Southeast Island School District	769	106,697
Annette Island School District	770	121,795
Chugach School District	771	139,942
Tanana School District	775	1,937
Kashunamiut School District	777	64,446
Yupit School District	778	142,997
Special Education Service Agency	779	40,696
Aleutians East Borough School District	780	<u>81,050</u>
Total employer contributions		50,745,591
Nonemployer:		
State of Alaska	999	<u>90,412,123</u>
Total for all participating entities		<u>\$ 141,157,714</u>

See accompanying independent auditors' report.