EMPLOYEES' RETIREMENT SYSTEM OF

THE STATE OF RHODE ISLAND

Teachers' Survivors Benefit Cost-Sharing Plan

Schedule of Employer Allocations

Schedule of Pension Amounts by Employer

June 30, 2025 Measurement Date

(for Fiscal 2026 Employer Reporting)

David A. Bergantino, CPA, CFE, Auditor General

Office of the Auditor General

General Assembly

State of Rhode Island

Office of the Auditor General
State of Rhode Island - General Assembly
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August 5, 2026

JOINT COMMITTEE ON LEGISLATIVE SERVICES:

SPEAKER Christopher R. Blazejewski, Chair

Senator Valarie J. Lawson
Senator Jessica de la Cruz
Representative Katherine S. Kazarian
Representative Michael W. Chippendale

We have completed our audit of the Schedule of Employer Allocations and Schedule of Pension Amounts by Employer for the Teachers' Survivors Benefit plan, a cost-sharing defined benefit plan administered by the Employees' Retirement System of the State of Rhode Island for the fiscal year ended June 30, 2025.

These schedules are required for employers participating in the Teachers' Survivors Benefit plan to meet their financial reporting responsibilities under generally accepted accounting principles – specifically the requirements of Governmental Accounting Standards Board Statement No. 68 – *Accounting and Financial Reporting for Pensions.*

Our report is contained herein as outlined in the Table of Contents.

Sincerely,

David A. Bergantino, CPA, CFE
Auditor General

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INTRODUCTION

The Teachers' Survivors Benefit (TSB) Plan covers certain teachers employed by local educational agencies. As a cost-sharing plan, separate valuations are not made for individual employers participating in the plan. The net pension asset is apportioned based on proportionate contributions – see Schedule A.

The measurement date is June 30, 2025 – the information included herein is intended for use in Fiscal 2026 financial reporting by employers participating in the TSB plan.

The net pension asset and other measures included herein have been developed consistent with the requirements of GASB 68 – *Accounting and Financial Reporting for Pensions*. Such amounts are intended for accounting and financial reporting by governments which prepare their financial statements in accordance with generally accepted accounting principles as promulgated by the Governmental Accounting Standards Board. These amounts may and will likely differ from amounts reported in actuarial valuations used to measure actuarially determined contribution amounts consistent with the plan's adopted funding policies.

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INDEPENDENT AUDITOR'S REPORT

JOINT COMMITTEE ON LEGISLATIVE SERVICES, GENERAL ASSEMBLY, STATE OF RHODE ISLAND:

RETIREMENT BOARD OF THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND:

Report on the Audit of the Schedules

Opinions

We have audited the Schedule of Employer Allocations of the Teachers' Survivors Benefit 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 ending net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer of the Teachers' Survivors Benefit 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 allocations and ending net pension liability (asset), total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities for the Teachers' Survivors Benefit Plan as of and for the year ended June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

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 Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Teachers' Survivors Benefit 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 accounting principles generally accepted in the United States of America, 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.

Auditor's Responsibilities for the Audit of the Schedules

Our objectives are to obtain reasonable assurance about whether the Schedule of Employer Allocations and specified column totals included in the Schedule of Pension Amounts by Employer are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 Allocations and specified column totals included in the Schedule of Pension Amounts by Employer.

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 Allocations and specified column totals included in the Schedule of Pension Amounts by Employer, 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 Allocations and specified column totals included in the Schedule of Pension Amounts by Employer 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 Teachers' Survivors Benefit 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 Allocations and specified column totals included in the Schedule of Pension Amounts by Employer.

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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the Teachers' Survivors Benefit Plan within the Employees' Retirement System of the State of Rhode Island as of and for the year ended June 30, 2025, and our report thereon, dated December 30, 2025 expressed an unmodified opinion on those financial statements.

Joint Committee on Legislative Services, General Assembly
Retirement Board of the Employees' Retirement System of the State of Rhode Island

Restriction on Use

Our report is intended solely for the information and use of the Joint Committee on Legislative Services, the Employees' Retirement System of the State of Rhode Island's management, the Retirement Board of the Employees' Retirement System of the State of Rhode Island, the Teachers' Survivors Benefit cost sharing plan employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

David A. Bergantino, CPA, CFE
Auditor General

August 5, 2026

Schedule A

EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF RHODE ISLAND

TEACHERS' SURVIVORS BENEFIT COST SHARING PLAN

Schedule of Employer Allocations

Participating Employer Unit	Fiscal 2025 employer contribution	
	Amount	%
Barrington	$ 37,067	4.97747042%
Bristol-Warren	30,964	4.15795943%
Burrillville	23,733	3.18690214%
Central Falls Collaborative	32,042	4.30268281%
Coventry	48,497	6.51226740%
Cranston	124,594	16.73084851%
Cumberland	53,683	7.20864367%
East Greenwich	29,532	3.96558040%
East Providence	61,131	8.20887660%
Foster	3,703	0.49724952%
Foster-Glocester	14,991	2.01303742%
Glocester	5,935	0.79695952%
Johnston	38,702	5.19706994%
Lincoln	36,379	4.88513079%
Little Compton	4,247	0.57029941%
Middletown	23,903	3.20971143%
Newport	20,341	2.73148040%
North Smithfield	19,476	2.61530422%
Northern RI Collaborative	-	0.00000000%
Portsmouth	27,592	3.70512665%
Scituate	15,913	2.13687041%
Smithfield	27,888	3.74486767%
Tiverton	18,975	2.54801775%
Urban Collaborative	7,475	1.00376457%
Westerly	31,885	4.28160174%
Providence Preparatory	3,416	0.45864319%
Sheila C Nowell Leadership Academy	2,634	0.35363398%
Totals	**$ 744,697**	**100.00000000%**

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer

Teachers' Survivors Benefit Cost-Sharing Plan
Schedule of Pension Amounts by Employer
June 30, 2025 Measurement Date

Schedule B

Participating Employer	Beginning Net Pension Liability (Asset)	Ending Net Pension Liability (Asset)	Pension Expense (Credit): Proportionate Share of Pension Plan Expense (Credit)	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
Barrington	$ (10,951,052)	$ (12,093,767)	$ (1,496,875)	$ (65,628)	$ (1,562,503)
Bristol-Warren	(9,542,120)	(10,102,600)	(1,250,423)	63,684	(1,186,739)
Burrillville	(7,169,116)	(7,743,221)	(958,397)	28,986	(929,411)
Central Falls Collaborative	(9,492,652)	(10,454,235)	(1,293,946)	(33,320)	(1,327,266)
Coventry	(14,866,209)	(15,822,866)	(1,958,434)	145,060	(1,813,374)
Cranston	(35,914,841)	(40,650,968)	(5,031,467)	(78,596)	(5,110,063)
Cumberland	(15,177,096)	(17,514,852)	(2,167,855)	(111,440)	(2,279,295)
East Greenwich	(8,678,890)	(9,635,177)	(1,192,569)	(48,171)	(1,240,740)
East Providence	(17,950,815)	(19,945,120)	(2,468,655)	1,071	(2,467,584)
Foster	(1,038,786)	(1,208,168)	(149,538)	(14,819)	(164,357)
Foster-Glocester	(4,447,173)	(4,891,080)	(605,381)	(14,350)	(619,731)
Glocester	(1,591,962)	(1,936,374)	(239,670)	21,906	(217,764)
Johnston	(12,056,798)	(12,627,329)	(1,562,915)	(1,546)	(1,564,461)
Lincoln	(10,689,444)	(11,869,410)	(1,469,105)	(37,219)	(1,506,324)
Little Compton	(1,206,332)	(1,385,657)	(171,506)	(27,564)	(199,070)
Middletown	(6,869,392)	(7,798,641)	(965,256)	64,226	(901,030)
Newport	(8,625,366)	(6,636,682)	(821,438)	240,661	(580,777)
North Smithfield	(5,529,023)	(6,354,409)	(786,500)	(15,902)	(802,402)
Northern RI Collaborative	-	-	-	107,287	107,287
Portsmouth	(8,233,404)	(9,002,352)	(1,114,243)	821	(1,113,422)
Scituate	(4,914,912)	(5,191,957)	(642,621)	16,417	(626,204)
Smithfield	(8,164,864)	(9,098,911)	(1,126,194)	(12,690)	(1,138,884)
Tiverton	(6,634,827)	(6,190,923)	(766,265)	70,512	(695,753)
Urban Collaborative	-	(2,438,848)	(301,862)	(233,950)	(535,812)
Westerly	(9,744,653)	(10,403,014)	(1,287,606)	97,847	(1,189,759)
Providence Preparatory	(971,768)	(1,114,366)	(137,928)	(88,852)	(226,780)
Sheila C Nowell Leadership Academy	(603,166)	(859,225)	(106,348)	(74,431)	(180,779)
	$ (221,064,661)	**$ (242,970,152)**	**$ (30,072,997)**	**$ -**	**$ (30,072,997)**

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer

(Continued)

Teachers' Survivors Benefit Cost-Sharing Plan
Schedule of Pension Amounts by Employer
June 30, 2025 Measurement Date

	Deferred Outflows of Resources				
Participating Employer	**Difference Between Expected and Actual Experience**	**Changes in Assumptions**	**Difference Between Projected and Actual Investment Earnings**	**Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions**	**Total Deferred Outflows**
Barrington	$ 521,360	$ -	$ 403,751	$ 2,780	$ 927,891
Bristol-Warren	435,521	-	337,276	588,777	1,361,574
Burrillville	333,809	-	258,508	140,736	733,053
Central Falls Collaborative	450,680	-	349,015	159,655	959,350
Coventry	682,121	-	528,248	795,960	2,006,329
Cranston	1,752,455	-	1,357,139	459,399	3,568,993
Cumberland	755,062	-	584,735	229,898	1,569,695
East Greenwich	415,371	-	321,671	118,358	855,400
East Providence	859,830	-	665,869	266,797	1,792,496
Foster	52,084	-	40,335	24,150	116,569
Foster-Glocester	210,853	-	163,289	149,612	523,754
Glocester	83,477	-	64,646	176,167	324,290
Johnston	544,362	-	421,564	612,511	1,578,437
Lincoln	511,688	-	396,261	152,469	1,060,418
Little Compton	59,735	-	46,260	39,105	145,100
Middletown	336,198	-	260,358	495,157	1,091,713
Newport	286,106	-	221,566	2,087,637	2,595,309
North Smithfield	273,937	-	212,142	92,992	579,071
Northern RI Collaborative	-	-	-	581,501	581,501
Portsmouth	388,090	-	300,544	202,781	891,415
Scituate	223,824	-	173,334	232,746	629,904
Smithfield	392,252	-	303,768	164,515	860,535
Tiverton	266,889	-	206,684	898,495	1,372,068
Urban Collaborative	105,138	-	81,421	58,251	244,810
Westerly	448,472	-	347,305	474,130	1,269,907
Providence Preparatory	48,040	-	37,203	-	85,243
Sheila C Nowell Leadership Academy	37,041	-	28,685	-	65,726
	$ 10,474,395	**$ -**	**$ 8,111,577**	**$ 9,204,579**	**$ 27,790,551**

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer ***(Continued)***

Teachers' Survivors Benefit Cost-Sharing Plan
Schedule of Pension Amounts by Employer
June 30, 2025 Measurement Date

	Deferred Inflows of Resources				
Participating Employer	**Difference Between Expected and Actual Experience**	**Changes in Assumptions**	**Difference Between Projected and Actual Investment Earnings**	**Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions**	**Total Deferred Inflows**
Barrington	$ 370,090	$ 331,170	$ 994,173	$ 325,699	$ 2,021,132
Bristol-Warren	309,157	276,645	830,488	139,236	1,555,526
Burrillville	236,956	212,037	636,534	50,084	1,135,611
Central Falls Collaborative	319,917	286,274	859,394	327,477	1,793,062
Coventry	484,207	433,286	1,300,725	95,191	2,313,409
Cranston	1,243,988	1,113,170	3,341,730	953,116	6,652,004
Cumberland	535,984	479,619	1,439,815	969,373	3,424,791
East Greenwich	294,853	263,845	792,063	325,408	1,676,169
East Providence	610,355	546,168	1,639,596	335,099	3,131,218
Foster	36,972	33,084	99,318	153,291	322,665
Foster-Glocester	149,675	133,935	402,073	64,900	750,583
Glocester	59,256	53,025	159,180	146,240	417,701
Johnston	386,418	345,781	1,038,034	401,951	2,172,184
Lincoln	363,224	325,026	975,729	401,068	2,065,047
Little Compton	42,403	37,944	113,908	112,266	306,521
Middletown	238,652	213,554	641,090	197,517	1,290,813
Newport	203,094	181,736	545,571	281,833	1,212,234
North Smithfield	194,456	174,006	522,367	227,155	1,117,984
Northern RI Collaborative	-	-	-	5,317	5,317
Portsmouth	275,487	246,516	740,042	192,444	1,454,489
Scituate	158,883	142,174	426,807	117,545	845,409
Smithfield	278,442	249,160	747,979	224,356	1,499,937
Tiverton	189,453	169,529	508,927	487,735	1,355,644
Urban Collaborative	74,633	66,784	200,486	1,713,233	2,055,136
Westerly	318,350	284,871	855,184	130,124	1,588,529
Providence Preparatory	34,102	30,515	91,607	434,865	591,089
Sheila C Nowell Leadership Academy	26,294	23,529	70,633	392,056	512,512
	$ 7,435,301	**$ 6,653,383**	**$ 19,973,453**	**$ 9,204,579**	**$ 43,266,716**

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer ***(Continued)***

Teachers' Survivors Benefit Cost-Sharing Plan
Schedule of Pension Amounts by Employer
June 30, 2025 Measurement Date

Schedule B

	Allocation of Net Deferred Outflows (Inflows) to be Recognized in Future Years					
Participating Employer	2026 (Measurement Date) 2027 (Employer Reporting Date)	2027 (Measurement Date) 2028 (Employer Reporting Date)	2028 (Measurement Date) 2029 (Employer Reporting Date)	2029 (Measurement Date) 2030 (Employer Reporting Date)	2030 (Measurement Date) 2031 (Employer Reporting Date)	Thereafter
Barrington	$ (164,227)	$ (491,118)	$ (337,374)	$ (149,049)	$ 6,651	$ 41,876
Bristol-Warren	(11,797)	(278,637)	(158,124)	23,235	105,829	125,542
Burrillville	(38,396)	(254,358)	(167,838)	(61,782)	47,677	72,139
Central Falls Collaborative	(126,374)	(411,332)	(283,847)	(138,085)	45,176	80,750
Coventry	12,935	(440,443)	(244,900)	(32,514)	180,122	217,720
Cranston	(402,181)	(1,501,623)	(975,420)	(389,887)	83,166	102,934
Cumberland	(270,555)	(734,703)	(490,219)	(264,336)	(39,447)	(55,836)
East Greenwich	(116,201)	(378,306)	(245,465)	(123,226)	14,396	28,033
East Providence	(162,836)	(687,903)	(455,448)	(186,410)	72,463	81,412
Foster	(29,317)	(61,827)	(51,822)	(38,869)	(15,849)	(8,412)
Foster-Glocester	(39,919)	(166,399)	(93,657)	(13,461)	44,511	42,096
Glocester	(6,738)	(59,888)	(36,098)	(9,352)	17,387	1,278
Johnston	(92,852)	(421,925)	(228,667)	(103,551)	83,894	169,354
Lincoln	(136,063)	(461,552)	(318,324)	(119,588)	1,674	29,224
Little Compton	(25,630)	(60,124)	(43,955)	(22,347)	(3,034)	(6,331)
Middletown	2,693	(204,774)	(109,057)	(10,129)	82,175	39,992
Newport	206,161	25,736	106,639	208,409	324,668	511,462
North Smithfield	(62,834)	(234,104)	(167,122)	(77,513)	816	1,844
Northern RI Collaborative	106,472	104,944	103,006	98,374	95,913	67,475
Portsmouth	(83,878)	(317,823)	(204,130)	(64,951)	34,002	73,706
Scituate	(21,160)	(162,933)	(98,186)	(22,155)	35,065	53,864
Smithfield	(72,250)	(314,587)	(210,859)	(81,782)	18,150	21,926
Tiverton	12,777	(151,856)	(68,567)	(548)	62,679	161,939
Urban Collaborative	(256,614)	(321,574)	(316,484)	(284,063)	(253,351)	(378,240)
Westerly	(1,804)	(295,394)	(183,472)	(14,101)	66,884	109,265
Providence Preparatory	(97,840)	(127,905)	(114,019)	(98,289)	(51,105)	(16,688)
Sheila C Nowell Leadership Academy	(81,361)	(104,543)	(93,836)	(81,708)	(58,528)	(26,810)
	$ (1,959,789)	**$ (8,514,951)**	**$ (5,487,245)**	**$ (2,057,678)**	**$ 1,001,984**	**$ 1,541,514**

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer ***(Continued)***

Teachers' Survivors Benefit Cost-Sharing Plan
Schedule of Pension Amounts by Employer
June 30, 2025 Measurement Date

Participating Employer	Net Pension Liability (Asset) 1% Decrease (6.0% Discount Rate)	Net Pension Liability (Asset) (7.0% Discount Rate)	Net Pension Liability (Asset) 1% Increase (8.0% Discount Rate)
Barrington	$ (10,945,193)	$ (12,093,767)	$ (13,137,360)
Bristol-Warren	(9,143,132)	(10,102,600)	(10,974,371)
Burrillville	(7,007,828)	(7,743,221)	(8,411,397)
Central Falls Collaborative	(9,461,371)	(10,454,235)	(11,356,349)
Coventry	(14,320,129)	(15,822,866)	(17,188,249)
Cranston	(36,790,246)	(40,650,968)	(44,158,809)
Cumberland	(15,851,424)	(17,514,852)	(19,026,240)
East Greenwich	(8,720,100)	(9,635,177)	(10,466,613)
East Providence	(18,050,883)	(19,945,120)	(21,666,219)
Foster	(1,093,425)	(1,208,168)	(1,312,423)
Foster-Glocester	(4,426,562)	(4,891,080)	(5,313,140)
Glocester	(1,752,472)	(1,936,374)	(2,103,467)
Johnston	(11,428,080)	(12,627,329)	(13,716,963)
Lincoln	(10,742,143)	(11,869,410)	(12,893,642)
Little Compton	(1,254,058)	(1,385,657)	(1,505,228)
Middletown	(7,057,985)	(7,798,641)	(8,471,599)
Newport	(6,006,380)	(6,636,682)	(7,209,373)
North Smithfield	(5,750,915)	(6,354,409)	(6,902,742)
Northern RI Collaborative	-	-	-
Portsmouth	(8,147,376)	(9,002,352)	(9,779,180)
Scituate	(4,698,864)	(5,191,957)	(5,639,980)
Smithfield	(8,234,765)	(9,098,911)	(9,884,072)
Tiverton	(5,602,955)	(6,190,923)	(6,725,148)
Urban Collaborative	(2,207,225)	(2,438,848)	(2,649,301)
Westerly	(9,415,014)	(10,403,014)	(11,300,708)
Providence Preparatory	(1,008,532)	(1,114,366)	(1,210,527)
Sheila C Nowell Leadership Academy	(777,622)	(859,225)	(933,369)
	$ (219,894,679)	**$ (242,970,152)**	**$ (263,936,469)**

See Notes to the Schedules of Employer Allocations and Pension Amounts by Employer

Teachers' Survivors Benefit Cost-Sharing Plan

NOTES TO THE SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER

June 30, 2025 Measurement Date

1. Plan Description and Governance

The Employees' Retirement System of the State of Rhode Island (the System) acts as a common investment and administrative agent for pension benefits to be provided through various defined benefit and defined contribution retirement plans. The System is administered by the State of Rhode Island Retirement Board which was authorized, created and established in the Office of the General Treasurer as an independent retirement board to hold and administer, in trust, the funds of the retirement system.

Each plan's assets, including those of the Teachers' Survivors Benefit cost-sharing plan (a multiple employer defined benefit pension plan), are accounted for separately and may be used only for the payment of benefits to the members of that plan, in accordance with the terms of that plan.

The Teachers' Survivors Benefit Cost-Sharing Plan was established and placed under the management of the Retirement Board for the purpose of providing monthly benefits to certain survivors of deceased teachers previously employed in school districts that do not participate in Social Security. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws.

2. Basis of Presentation

The Schedule of Employer Allocations and Schedule of Pension Amounts by Employer (collectively, "the Schedules") present amounts that are elements of the financial statements of the Plan or of its participating employers. Accordingly, they do not purport to be a complete presentation of the financial position or changes in financial position of the Plan or its participating employers. The accompanying Schedules were prepared in accordance with accounting principles generally accepted in the United States of America. Such preparation requires management of the System to make several estimates and assumptions relating to the reported amounts. Due to the inherent nature of these estimates, actual results could differ from those estimates.

3. Schedule of Employer Allocations

The Schedule of Employer Allocations reflects employer contributions recognized for the fiscal year ended June 30, 2025 consistent with contributions reflected within the Plan's financial statements. The percentages included in the Schedules of Employer Allocations have been rounded to 8 decimal places. Within the schedules included in this report, certain columns and rows may not add due to the use of rounded numbers.

The Schedule of Employer Allocations (Schedule A) reflects employer contribution amounts which are the preliminary basis for allocating the pension amounts to each employer. The final or effective allocations also include any changes in allocations between years which are reflected as deferred outflows/inflows and recognized over the remaining service lives of the respective employee group.

The following table shows a reconciliation of employer contributions to the TSB Plan fiscal 2025 financial statements:

Employer Contributions included in the Schedule of Employer Allocations	$ 744,697
Add: Contributions recognized for GASB 68 allocation consistency that were omitted from the Schedule due to timing issues	5,404
Employer Contributions reported on the TSB Plan Fiscal 2025 financial statements	$ 750,101

4. Schedule of Pension Amounts by Employer

The Schedule of Pension Amounts by Employer was prepared by the Plan's actuary using amounts from (1) the Plan's financial statements for the fiscal year ended June 30, 2025, (2) Required Supplementary Information prepared in accordance with the requirements of GASB Statement No. 67, and (3) certain data from the actuarial valuation of the Plan performed at June 30, 2024 rolled-forward to June 30, 2025. This Schedule utilizes the proportionate employer contribution schedule detailed in the Schedule of Employer Allocations to apportion each employer's amounts for the cost-sharing plan.

The Schedule of Pension Amounts by Employer includes the sensitivity of the net pension liability (asset) to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

Net Pension Liability (Asset) – Sensitivity Analysis

	1.0% Decrease (6.0%)	Discount Rate (7.0%)	1.0% Increase (8.0%)
TSB	$ (219,894,679)	$ (242,970,152)	$ (263,936,469)

5. Relationship to the Plan financial statements

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on the net increase (decrease) in fiduciary net position as reflected for the TSB Plan in the System's financial statements and consistent with the requirements of GASB Statements No. 67 and 68.

See note 3, which more fully describes how employer contributions are utilized in the Schedule of Employer Allocations.

6. Summary of Significant Accounting Policies

Basis of Accounting – The underlying information to prepare the allocation schedules is based on the System's financial statements as of and for the year ended June 30, 2025. The financial statements of the System are prepared on the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when incurred. Plan member contributions are recognized in the period in which the wages, subject to required contributions, are earned for the performance of duties for covered employment. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions.

7. Net Pension Liability (Asset)

The components of the net pension liability of the employers participating in the TSB Plan at June 30, 2025 were as follows:

Fiscal year ended June 30, 2025	
Total pension liability	$ 241,462,940
Plan Fiduciary net position	$ 484,433,092
Employers' Net Pension Liability (Asset)	$ (242,970,152)
Plan Fiduciary Net Position as a percentage of total pension liability	200.6%

8. Actuarial methods and assumptions

The total pension liability was determined by actuarial valuations performed as of June 30, 2024, rolled forward to June 30, 2025, using generally accepted actuarial principles. The actuarial assumptions used in the calculation of the total pension liability at the June 30, 2025 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

Actuarial Cost Method - Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.

Amortization Method – Level Dollar - Open

Investment Rate of Return - 7.00%

Projected Salary Increases – 2.75% to 8.25%

Mortality: Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP2021 with immediate convergence.

Inflation – 2.50%

Cost of Living Adjustments: eligible survivors receive a yearly cost of living adjustment based on the annual Social Security adjustment – for valuation purposes, a 2.50% cost of living adjustment is assumed.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 27 sources. These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

9. Discount rate

The discount rate used to measure the total pension liability of the TSB plan was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions and the projections of cash flows as of each fiscal year ending, the pension plan's fiduciary net position and future contributions was projected to be sufficient to finance all 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.

10. Deferred Outflows and Inflows of Resources

Consistent with the requirements of GASB Statement No. 68, differences between expected and actual experience and changes in assumptions are recognized in pension expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan (active employees and inactive employees) determined as of the beginning of the measurement period.

Differences between projected and actual earnings on pension plan investments are to be recognized in pension expense using a systematic and rational method over a closed five-year period. Projected earnings of the plan reflect the plan's investment return assumption or discount rate of 7.0%.

For teachers, the average of the expected remaining service lives for purposes of recognizing the applicable deferred inflows/outflows of resources established in fiscal 2025 is 7.4947 years.

Changes in proportion between the June 30, 2024 and June 30, 2025 measurement dates are also recognized in pension expense using the expected remaining service lives of teachers.

11. Subsequent Events

The System has evaluated subsequent events through August 5, 2026, the date the Schedules were available to be issued.