

# Dallas Police and Fire Pension System Supplemental Plan

**Governmental Accounting Standards Board Statement No.  
68 Actuarial Valuation Measured as of December 31, 2024 –  
REVISED**

**For September 30, 2025 Reporting**



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**Segal**



2727 Paces Ferry Road SE, Building One Suite 1400  
Atlanta, GA 30339-4053  
segalco.com  
T 678.306.3100

January 27, 2026

Board of Trustees  
Dallas Police and Fire Pension System Supplemental Plan  
4100 Harry Hines Blvd., Suite 100  
Dallas, TX 75219

Dear Board of Trustees Members:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 68 (GASB 68) Actuarial Valuation measured as of December 31, 2024 for September 30, 2025 reporting for the Dallas Police and Fire Pension System Supplemental Plan. It contains various information that will need to be disclosed in order to comply with GASB 68. Please refer to the Dallas Police and Fire Pension System Supplemental Plan Actuarial Valuation and Review as of January 1, 2025 for the data, assumptions, and plan of benefits underlying these calculations. This report has been revised from the version issued on October 20, 2025.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Trustees, based upon information provided by the staff of the Pension System.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Jeffrey S. Williams, FCA, ASA, MAAA, EA . I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of my knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board of Trustees based upon my analysis and recommendations. In my opinion, the assumptions are reasonable and take into account the experience of the Supplemental Plan and reasonable expectations. In addition, in my opinion, the combined effect of these assumptions is expected to have no significant bias.

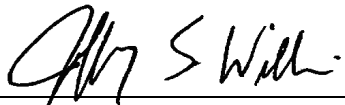
Board of Trustees  
January 27, 2026

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

I look forward to reviewing this report with you and to answering any questions.

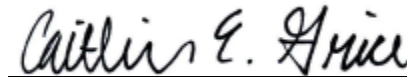
Sincerely,

Segal



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Jeffrey S. Williams, FCA, ASA, MAAA, EA  
Vice President and Consulting Actuary



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Caitlin E. Grice, FCA, ASA, MAAA, EA  
Vice President and Consulting Actuary

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# Section 1: Actuarial Valuation Summary

## Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement No. 68 (GASB 68) as of December 31, 2024. Determinations for purposes other than meeting financial accounting may be significantly different from the results reported here. This report is based on financial information as of December 31, 2024 and the Actuarial Valuation and Review as of January 1, 2025, which reflects:

- The benefit provisions of the Plan;
- The characteristics of covered active participants, vested terminated participants, and retired participants and beneficiaries as of December 31, 2024, provided by the System's IT Department;
- The assets of the Plan as of December 31, 2024, provided by the System's Finance Department;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc.;
- Article 6243a-1, as amended by House Bill (HB 3158), signed into law by the governor of Texas on May 31, 2017;
- The funding policy adopted by the Board of Trustees of the Pension System on December 21, 2019 as amended through July 9, 2020; and
- The Funding Agreement with the City of Dallas adopted by the Board of Trustees of the Pension System on December 11, 2025.

The majority of assumptions and methods used to value the Plan were set by the Board based on recommendations made by Segal following a five-year experience study for the period ended December 31, 2024.

## Section 1: Actuarial Valuation Summary

### Highlights of the valuation

- The Net Pension Liability (NPL) measured as of December 31, 2024 and December 31, 2023 was determined based upon the results of actuarial valuations as of January 1, 2025 and January 1, 2024, respectively.
- The NPL is equal to the difference between the Total Pension Liability (TPL) and the Plan Fiduciary Net Position (FNP). The Plan FNP is equal to the fair value of assets. The NPL decreased from \$25,458,287 as of December 31, 2023 to \$22,848,960 as of December 31, 2024 and the Plan Fiduciary Net Position as a percent of the TPL increased from 43.76% to 50.01%.
- The discount rate used to measure the TPL was 6.50% as of December 31, 2024 and December 31, 2023.

## Section 1: Actuarial Valuation Summary

### Important information about actuarial valuations

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
<b>Plan of benefits</b>	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
<b>Participant data</b>	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
<b>Assets</b>	The valuation is based on the fair value of assets as of the valuation date, as provided by the System.
<b>Actuarial assumptions</b>	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of participants in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
<b>Actuarial models</b>	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

## Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of future financial measures, except where otherwise noted. The actual long-term cost of the Plan will be determined by the actual benefits and expenses paid and the actual investment experience of the Plan.
- Sections of this report may include actuarial results that are shown to the nearest dollar, but that does not imply precision.
- If the Board is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by the System upon delivery and review. The System should notify Segal immediately of any questions or concerns about the final content.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

# Section 2: GASB Information

## General information about the pension plan

**Plan membership.** At December 31, 2024, pension plan membership consisted of the following:

Membership	Amount
Retired participants or beneficiaries currently receiving benefits	159
Inactive participants with a vested right to a deferred or immediate benefit	0
Active members	57
<b>Total</b>	<b>216</b>

## Section 2: GASB Information

### Exhibit A: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2024
Measurement date	December 31, 2024	December 31, 2023
Total Pension Liability	\$45,703,525	\$45,266,116
Plan Fiduciary Net Position	22,854,565	19,807,829
Net Pension Liability	22,848,960	25,458,287
Plan Fiduciary Net Position as a percentage of the Total Pension Liability <sup>1</sup>	50.01%	43.76%

**Actuarial assumptions.** The TPL as of December 31, 2024, which was determined based on the results of an actuarial valuation as of January 1, 2025, used the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Assumption
Wage inflation	3.50%
Salary increases	10.00% or 14.00% in 2025, varying by rank, based on the 2025 pay scales; thereafter, 3.50% to 10.00%, varying by service, including inflation
Net investment rate of return	6.50%

Detailed information regarding all actuarial assumptions can be found in the January 1, 2025 Actuarial Valuation and Review.

<sup>1</sup> These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

## Section 2: GASB Information

### Exhibit B: Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns 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. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return <sup>1</sup>
Global Equity	54%	6.13%
Emerging Market Equity	4%	7.40%
Private Equity	6%	9.56%
Short-Term Investment Grade Bonds	6%	1.35%
Investment Grade Bonds	4%	1.90%
High Yield Bonds	4%	3.50%
Bank Loans	4%	3.10%
Emerging Markets Debt	3%	3.60%
Private Credit	4%	6.10%
Real Estate	5%	3.50%
Natural Resources	3%	9.85%
Cash	3%	1.10%
<b>Total</b>	<b>100%</b>	

**Discount rate.** The discount rate used to measure the TPL was 6.50% as of December 31, 2024 and December 31, 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan

<sup>1</sup> The real rates of return are provided by Segal Marco Advisors and are net of inflation.

## Section 2: GASB Information

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 TPL as of both December 31, 2024 and December 31, 2023.

**Actuarial cost method:** In accordance with GASB 67, the TPL for active members is valued as the total present value of benefits once they enter the DROP. For the funding valuation, the liability for these members accumulates from their entry age until they are assumed to leave active service.

## Section 2: GASB Information

### Exhibit C: Discount rate sensitivity

The following presents the Net Pension Liability of the Plan as of December 31, 2024 calculated using the discount rate of 6.50%, as well as what the Plan's NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate.

Item	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net Pension Liability	\$27,393,834	\$22,848,960	\$18,998,334

## Section 2: GASB Information

### Exhibit D: Schedule of changes in Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2024
Measurement date	December 31, 2024	December 31, 2023
<b>Total Pension Liability</b>		
Service cost	\$1,259,524	\$1,261,789
Interest	2,916,851	2,785,783
Change of benefit terms	7,428	0
Differences between expected and actual experience	290,502	1,092,443
Changes of assumptions	-734,880	0
Benefit payments, including refunds of member contributions	-3,302,016	-2,940,634
<b>Net change in Total Pension Liability</b>	<b>\$437,409</b>	<b>\$2,199,381</b>
Total Pension Liability — beginning	45,266,116	43,066,735
<b>Total Pension Liability — ending</b>	<b>\$45,703,525</b>	<b>\$45,266,116</b>
<b>Plan Fiduciary Net Position</b>		
Contributions — employer	\$4,256,587	\$3,665,783
Contributions — employee	295,055	278,622
Net investment income	1,881,656	2,224,990
Benefit payments, including refunds of member contributions	-3,302,016	-2,940,634
Administrative expense	-84,546	-61,334
<b>Net change in Plan Fiduciary Net Position</b>	<b>\$3,046,736</b>	<b>\$3,167,427</b>
Plan Fiduciary Net Position — beginning	19,807,829	16,640,402
<b>Plan Fiduciary Net Position — ending</b>	<b>\$22,854,565</b>	<b>\$19,807,829</b>

## Section 2: GASB Information

Components of the Net Pension Liability	Current	Prior
<b>Net Pension Liability</b>		
Net Pension Liability – ending	\$22,848,960	\$25,458,287
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	50.01%	43.76%
Covered payroll <sup>1</sup>	\$1,837,986	\$1,922,595
Plan Net Pension Liability as percentage of covered payroll	1,243.15%	1,324.16%

### Notes to Schedule:

- **Benefit changes:** The benefit changes in 2024 are based on Article 6243a-1, as amended by House Bill 4034 (HB 4034) effective September 1, 2023. These include changes to the line of duty death benefit and the line of duty disability benefit.
- **Change of assumptions:** The assumption changes in 2024 were based on the recommendations in the experience study for the period January 1, 2020 through December 31, 2024 and included changes to the salary scale, mortality rates, withdrawal rates, retirement rates, disability rates, and assumed spousal age. Additionally, the Ad Hoc COLA assumption was updated from beginning in 2073 to 2046.

<sup>1</sup> Covered payroll represents compensation earnable and pensionable compensation. Only compensation earnable and pensionable compensation that would possibly go into the determination of the retirement benefits are included.

## Section 2: GASB Information

### Exhibit E: Schedule of employer contributions

Year Ended December 31	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$2,442,790	\$2,442,790	—	\$556,725	438.78%
2016	3,063,584	3,063,584	—	724,503	422.85%
2017	2,086,639	2,077,059	\$9,580	525,048	395.59%
2018	2,273,581	1,979,285	294,296	916,199	216.03%
2019	1,881,055	1,530,262	350,793	621,622	246.17%
2020	1,777,311	1,777,311	—	584,068	304.30%
2021	2,098,588	2,098,588	—	626,782	334.82%
2022	2,806,863	2,806,863	—	1,631,396	172.05%
2023	3,665,783	3,665,783	—	1,800,170	203.64%
2024	3,807,240	4,256,587	-449,347	1,922,595	221.40%

The contribution deficiencies for 2017 through 2019 represent contributions redirected to the Excess Benefit Plan and Trust. The contribution excess for 2024 is due to the rescission of the immediate partial COLA.

#### Notes to Schedule:

- **Methods and assumptions used to determine contribution rates for the year ended December 31, 2024:** These are not the same assumptions used in the January 1, 2025 actuarial valuation or for the TPL as measured as of December 31, 2024.
- **Valuation date:** Actuarially determined contribution is calculated using a January 1 valuation date as of the beginning of the fiscal year in which contributions are reported
- **Actuarial cost method:** Entry age
- **Amortization method:** 20-year level percent of payroll for UAL as of January 1, 2020, 10-year level percent of payroll for changes to the UAL thereafter, using 2.50% annual increases
- **Remaining amortization period:** 14 years as of January 1, 2024

## Section 2: GASB Information

- **Asset valuation method:** At market value
- **Investment rate of return:** 6.50%, including inflation, net of pension plan investment expense
- **Inflation rate:** 2.50%
- **Projected salary increases:** Inflation plus merit increases; varying by group and year
- **Retirement rates:** Group-specific rates based on age
- **Mortality:**
  - **Pre-retirement:** Pub-2010 Public Safety Employee Amount-Weighted Mortality Table, set forward five years for males, projected generationally using Scale MP-2019
  - **Healthy annuitant:** Pub- 2010 Public safety Retiree Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019
  - **Healthy contingent beneficiaries:** Pub-2010 Public Safety Contingent Survivor Amount-Weighted Mortality Table, set back one year for females, projected generationally using Scale MP-2019
  - **Disabled:** Pub-2010 Public Safety Disabled Retiree Amount-Weighted Mortality Table, set forward four years for males and females, projected generationally using Scale MP-2019
- **Other information:** See Section 4, Exhibit G of the January 1, 2024 actuarial valuation for a full outline of assumptions. See Exhibit D of this section for the history of changes to plan provisions and assumptions over the last two years.
  - **DROP Utilization:** 0% of Police and Fire members are assumed to elect to enter DROP.
  - **Interest on DROP Accounts:** Beginning January 1, 2018, 2.75% payable upon retirement on active account balances as of September 1, 2017.

## Section 2: GASB Information

### Exhibit F: Pension expense

Components of pension expense	Current	Prior
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2024
Measurement date	December 31, 2024	December 31, 2023
Service cost	\$1,259,524	\$1,261,789
Interest	2,916,851	2,785,783
Current-period benefit changes	7,428	—
Expensed portion of current-period difference between expected and actual experience in the Total Pension Liability	290,502	546,221
Expensed portion of current-period changes of assumptions	-734,880	—
Member contributions	-295,055	-278,622
Projected earnings on pension plan investments	-1,325,374	-1,112,255
Expensed portion of current-period differences between actual and projected earnings on pension plan investments	-111,258	-222,547
Administrative expense	84,546	61,334
Recognition of beginning of year deferred outflows of resources as pension expense	1,487,256	1,164,293
Recognition of beginning of year deferred inflows of resources as pension expense	-565,788	-343,241
<b>Pension expense</b>	<b>\$3,013,752</b>	<b>\$3,862,755</b>

## Section 2: GASB Information

### Exhibit G: Deferred outflows and inflows of resources

Deferred Outflows and Inflows	Current	Prior
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2024
Measurement date	December 31, 2024	December 31, 2023
<b>Deferred outflows of resources</b>		
Changes of assumptions	\$0	\$0
Net difference between projected and actual earnings on pension plan investments	0	724,080
Difference between expected and actual experience in the Total Pension Liability	0	546,222
<b>Total deferred outflows of resources</b>	<b>\$0</b>	<b>\$1,270,302</b>
<b>Deferred inflows of resources</b>		
Changes of assumptions	\$0	\$0
Net difference between projected and actual earnings on pension plan investments	96,190	0
Difference between expected and actual experience in the Total Pension Liability	0	0
<b>Total deferred inflows of resources</b>	<b>\$96,190</b>	<b>\$0</b>
<b>Deferred outflows of resources and deferred inflows of resources related to pension will be recognized as follows:</b>		
Reporting date for employer under GASB 68 year ended September 30:		
2025	N/A	\$921,468
2026	\$2,814	114,070
2027	346,055	457,311
2028	-333,803	-222,547
2029	-111,256	0
2030	0	0
Thereafter	0	0

Note: Average expected remaining service is 1.00 year as of December 31, 2024 and 2.00 years as of December 31, 2023.

## Section 2: GASB Information

### Exhibit H: Schedule of recognition of change in Net Pension Liability

Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Expected and Actual Experience on Total Pension Liability

Reporting Date for Employer under GASB 68 Year Ended September 30	Differences between Expected and Actual Experience	Recognition Period (Years)	2025	2026	2027	2028	2029	2030	Thereafter
2024	\$1,092,443	2.00	\$546,222	\$0	\$0	\$0	\$0	\$0	\$0
2025	290,502	1.00	290,502	0	0	0	0	0	0
<b>Total<sup>1</sup></b>			<b>\$836,724</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> Net increase (decrease) in pension expense

## Section 2: GASB Information

### Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Assumption Changes

Reporting Date for Employer under GASB 68 Year Ended September 30	Assumption Changes	Recognition Period (Years)	2025	2026	2027	2028	2029	2030	Thereafter
2025	-\$734,880	1.00	-\$734,880	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total<sup>1</sup></b>			<b>-\$734,880</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> Net increase (decrease) in pension expense

## Section 2: GASB Information

### Increase (Decrease) in Pension Expense Arising from the Recognition of the Effects of Differences between Projected and Actual Earnings on Pension Plan Investments

Reporting Date for Employer under GASB 68 Year Ended September 30	Differences between Projected and Actual Earnings	Recognition Period (Years)	2025	2026	2027	2028	2029	2030	Thereafter
2021	\$1,305,878	5.00	\$261,176	\$0	\$0	\$0	\$0	\$0	\$0
2022	-1,716,206	5.00	-343,241	-343,241	0	0	0	0	0
2023	3,399,291	5.00	679,858	679,858	679,858	0	0	0	0
2024	-1,112,735	5.00	-222,547	-222,547	-222,547	-222,547	0	0	0
2025	-556,282	5.00	-111,258	-111,256	-111,256	-111,256	-111,256	0	0
<b>Total<sup>1</sup></b>			<b>\$263,988</b>	<b>\$2,814</b>	<b>\$346,055</b>	<b>-\$333,803</b>	<b>-\$111,256</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> Net increase (decrease) in pension expense

## Section 2: GASB Information

### Total Increase (Decrease) in Pension Expense

Reporting Date for Employer under GASB 68 Year Ended September 30	Total Increase (Decrease) in Pension Expense	2025	2026	2027	2028	2029	2030	Thereafter
2021	\$2,911,954	\$261,176	\$0	\$0	\$0	\$0	\$0	\$0
2022	1,650,228	-343,241	-343,241	0	0	0	0	0
2023	4,791,237	679,858	679,858	679,858	0	0	0	0
2024	-20,292	323,675	-222,547	-222,547	-222,547	0	0	0
2025	-1,000,660	-555,636	-111,256	-111,256	-111,256	-111,256	0	0
<b>Total<sup>1</sup></b>		<b>\$365,832</b>	<b>\$2,814</b>	<b>\$346,055</b>	<b>-\$333,803</b>	<b>-\$111,256</b>	<b>\$0</b>	<b>\$0</b>

<sup>1</sup> Net increase (decrease) in pension expense

## Section 2: GASB Information

### Exhibit I: Schedule of reconciliation of Net Pension Liability

Item	Current	Prior
Reporting date for employer under GASB 68	September 30, 2025	September 30, 2024
Measurement date	December 31, 2024	December 31, 2023
<b>Net Pension Liability</b>		
Beginning Net Pension Liability	\$25,458,287	\$26,426,333
Pension expense	3,013,752	3,862,755
Employer contributions	-4,256,587	-3,665,783
New net deferred inflows/outflows	-445,024	-343,966
Recognition of prior deferred inflows/outflows	-921,468	-821,052
<b>Ending Net Pension Liability</b>	<b>\$22,848,960</b>	<b>\$25,458,287</b>

# Appendices

## Appendix A: Definition of terms

Definitions of certain terms as they are used in Statement No. 68. The terms may have different meanings in other contexts.

Term	Definition
Active employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual contributions	Cash contributions recognized as additions to a pension Plan Fiduciary Net Position.
Actuarial present value of projected benefit payments	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial valuation	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial valuation date	The date as of which an actuarial valuation is performed.
Actuarially determined contribution	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad hoc cost-of-living adjustments (Ad Hoc COLAs)	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad hoc postemployment benefit changes	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Agent employer	An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan.
Agent multiple-employer defined benefit pension plan (agent pension plan)	A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
Allocated insurance contract	A contract with an insurance company under which related payments to the insurance company are currently used to purchase immediate or deferred annuities for individual employees. Also may be referred to as an annuity contract.
Automatic cost-of-living adjustments (Automatic COLAs)	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).

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Term	Definition
Automatic postemployment benefit changes	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Closed period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Collective deferred outflows of resources and deferred inflows of resources related to pensions	Deferred outflows of resources and deferred inflows of resources related to pensions arising from certain changes in the collective Net Pension Liability.
Collective Net Pension Liability	The Net Pension Liability for benefits provided through (1) a cost-sharing pension plan or (2) a single-employer or agent pension plan in circumstances in which there is a special funding situation.
Collective pension expense	Pension expense arising from certain changes in the collective Net Pension Liability.
Contributions	Additions to a pension Plan Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-living adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-sharing employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
Cost-sharing multiple employer defined benefit pension plan (Cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered payroll	The payroll of employees that are provided with pensions through the pension plan.
Deferred retirement option program (DROP)	A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period.
Defined benefit pension plans	Pension plans that are used to provide defined benefit pensions.

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Term	Definition
Defined benefit pensions	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of Statement No. 68.)
Defined contribution pension plans	Pension plans that are used to provide defined contribution pensions.
Defined contribution pensions	Pensions having terms that (1) provide an individual account for each employee; (2) define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and (3) provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount rate	<p>The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following:</p> <ol style="list-style-type: none"> <li>1. The actuarial present value of benefit payments projected to be made in future periods in which (a) the amount of the pension Plan Fiduciary Net Position is projected (under the requirements of Statement No. 68) to be greater than the benefit payments that are projected to be made in that period and (b) pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments.</li> <li>2. The actuarial present value of projected benefit payments not included in (1), calculated using the municipal bond rate.</li> </ol>
Entry age actuarial cost method	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.
Inactive employees	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Measurement period	The period between the prior and the current measurement dates.
Multiple-employer defined benefit pension plan	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL)	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.

# Appendices

Term	Definition
Non-employer contributing entities	Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of Statement No. 68, employees are not considered non-employer contributing entities.
Other postemployment benefits	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension plans	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan members	Individuals that are covered under the terms of a pension plan. Plan members generally include (1) employees in active service (active plan members) and (2) terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment	The period after employment.
Postemployment benefit changes	Adjustments to the pension of an inactive employee.
Postemployment healthcare benefits	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected benefit payments	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public employee retirement system	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real rate of return	The rate of return on an investment after adjustment to eliminate inflation.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single employer	An employer whose employees are provided with pensions through a single-employer defined benefit pension plan.
Single-employer defined benefit pension plan (Single-employer pension plan)	A defined benefit pension plan that is used to provide pensions to employees of only one employer.

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Term	Definition
Special funding situations	Circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists: <ol style="list-style-type: none"><li data-bbox="596 342 1875 402">1. The amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions.</li><li data-bbox="596 410 1875 472">2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan.</li></ol>
Termination benefits	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL)	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of Statement No. 68.