SERS
Spokane Employees' Retirement System

Comprehensive Annual Report

FOR THE YEAR ENDED DECEMBER 31, 2024

Retirement Department
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Spokane, WA 99201-3324
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Photography by James Richman

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Introductory Section

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To the Honorable Mayor and
Spokane City Council
Spokane, WA 99201

This 83rd Annual Report consists of five sections: The Introductory Section contains the letter of transmittal and an explanation of the administrative organization of the System; the Financial Section contains the audited financial statements of the System as well as an opinion letter from the System's independent certified public accountants; the Actuarial Section contains the consulting actuary's report along with related actuarial data and statements; the Statistical Section contains tables of significant data pertaining to the operation of the System; and the last section is the Investment Section, which includes information related to the System's investments.

The Retirement System began its first year of operations in 1942 and is managed in accordance with Chapters 3.05 and 4.14 of the Spokane Municipal Code. The retirement plan is an employer-sponsored defined benefit plan that pays a determinable amount to each member who retires after a minimum number of years of service. Refer to the *Summary of Benefit and Contribution Provisions* contained in the Actuarial Section of this report for criteria and a more detailed explanation of the benefits.

The compilation of this report reflects the combined efforts of the staff under the leadership of the Retirement Board. The intention of this report is to provide complete and reliable information to assist in management decisions, to present evidence of compliance with legal provisions and to demonstrate responsible stewardship for the assets contributed by the members and their employer. The accuracy and completeness of the data contained in this report are the sole responsibility of the management of the Spokane Employees' Retirement System.

We would like to express our gratitude to the advisors and the many people who have worked so diligently to assure the successful operation of the System. Lastly, the Director would like to acknowledge the hard work and dedication of the Retirement Department staff. Without them, this report would not be possible.

Respectfully submitted,

Board of Administration,
Spokane Employees' Retirement System
As of December 31, 2024

Christine Shisler
Retirement Director

Administrative Organization

SPOKANE EMPLOYEES' RETIREMENT SYSTEM ADMINISTRATIVE ORGANIZATION

BOARD OF ADMINISTRATION

James Tieken (Chair)	Elected Employee	Refuse District Supervisor, Solid Waste Management
Joseph Cavanaugh	Elected Employee	Water Engineering Tech Foreperson, Water Division
Richard Czernik	Elected Employee	Inventory Control Specialist, Advanced Wastewater Treatment
Jon Barnhart	Elected Employee	SR Wastewater Plant Maintenance Mechanic, Advanced Wastewater Treatment
Jonathan Bingle	Council Member	City Council Member, City of Spokane
Brian Brill	Council Appointee	Portfolio Manager, Washington Trust Bank
Beau Madsen	Council Appointee	Chief Investment Officer RISE Properties Trust
Brian Myers	Board Appointee	Vice President of Shelters & Specialized Services Catholic Charities of Eastern Washington
Matthew Boston	Mayoral Appointee	Chief Financial Officer, City of Spokane

INVESTMENT ADVISORY COMMITTEE

Brian Brill	Portfolio Manager, Washington Trust Bank
Matthew Boston	Chief Financial Officer, City of Spokane
Christine Shisler	Retirement Director, Spokane Employees' Retirement System

STAFF

Christine Shisler	Retirement Director
Donald G. Brown	Pension Specialist
Lisa Dyson	Pension Office Clerk
Timothy Szambelan	Legal Advisor

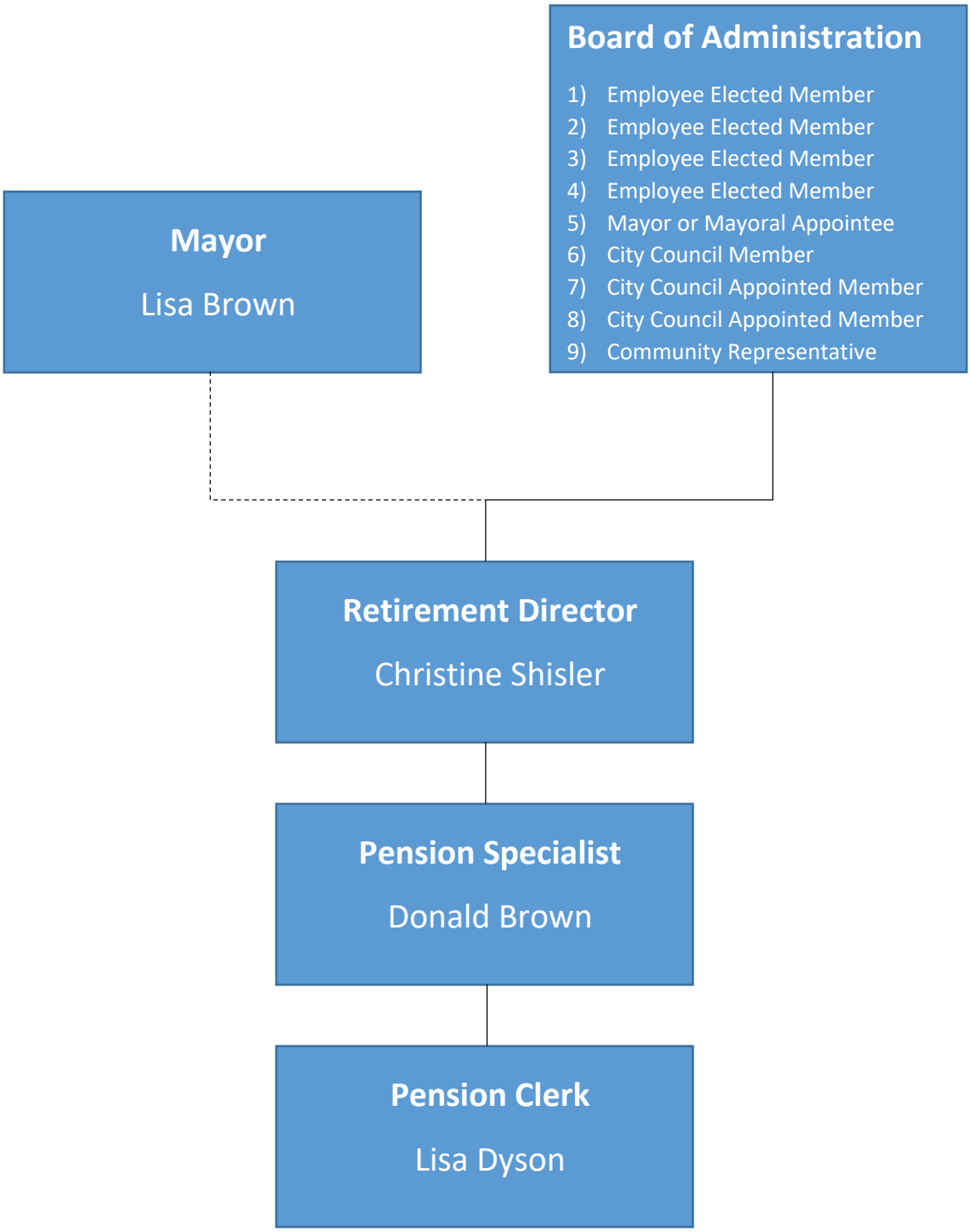
ADVISORY

Auditor	Moss Adams
Actuary	SageView Consulting Group
OCIO/Investment Consultant	Hyas Group/Morgan Stanley
Custodian	US Bank
Legal Counsel	Ogletree, Deakins, Nash, Smoak & Stewart, PC

This Annual Report was printed and produced by Sir Speedy Printing, Spokane, WA

Organization Chart

Retirement Department



Description of Retirement System

The Spokane Employees' Retirement System (SERS) is a defined benefit pension plan that was established July 1, 1942. Membership in SERS is required for all permanent non-uniformed employees of the City of Spokane. SERS provides retirement, death, and disability benefits after a member has vested.

SERS is governed by a Board of Administration of nine members. Four employee members are elected by the SERS membership, two members are appointed by the City Council, the Mayor or Mayoral Appointee and a City Council Member. The ninth member is a community representative appointed by the other eight members and may not be an elected official or an employee of the City.

Member contributions are currently 11.00% of total salary-based compensation. Member contributions are deducted from the member's salary and paid into the retirement fund, with credit given to the specific member. The City makes an equivalent 11.00% contribution. The contribution rate changed to 11.0% for both the employees and the City effective December 24, 2023. The City's contributions are used for funding the overall plan.

This following contains a brief summary of the Retirement System; refer to the Summary of Benefit and Contribution Provisions contained in the Actuarial Section of this report for a more detailed explanation of the benefits.

If a member terminates service before vesting, their contributions plus interest are available for withdrawal. If the member is vested and eligible to retire, they can elect to withdraw their contributions or they can elect to receive a monthly pension. If a member is vested and not yet eligible to retire, they can withdraw their contributions or they can vest and receive a pension when they meet the retirement eligibility requirements.

If a member has vested and becomes totally and permanently disabled, the member may be eligible for a disability pension. If the disability is due to an injury incurred on the job, no minimum service is required. The amount of disability pension is calculated based on 1.25% of final average salary and service that would have been creditable had the member worked until normal retirement age.

For employees hired on or before December 31, 2008, their benefits vest with five-years of service. The normal retirement age is 50. The normal retirement benefit is calculated by multiplying 2.15% times the member's years of creditable service times their consecutive two-year monthly salary. Creditable service is capped at 30 years.

For those employees hired between January 1, 2009 and December 31, 2014, their benefits vest with five-years of service. The normal retirement age is 62, with early eligibility when the employee's age plus years of service equals 75. The normal retirement benefit is calculated by multiplying 2.0% times the member's years of creditable service times their consecutive two-year monthly salary. Creditable service is capped at 35 years.

For those employees hired between January 1, 2015 and December 31, 2017, their benefits vest with seven-years of service. The normal retirement age is 65, with early eligibility when the employee's age plus years of service equals 80. The normal retirement benefit is calculated by multiplying 2.0% times the member's years of creditable service times their consecutive three-year monthly salary. Creditable service is capped at 35 years.

For those employees hired on or after January 1, 2018, their benefits vest with seven-years of service. The normal retirement age is 65, with early eligibility when the employee's age plus years of service equals 90 or upon completing 30 years of service and reaching age 50. The normal retirement benefit is calculated by multiplying 2.0% times the member's years of creditable service times their consecutive three-year monthly salary. Creditable service is capped at 40 years. Salary with overtime is capped at 120% for any given year.

There are a number of actuarially equivalent payment options that allow a retiree to provide benefits to his or her beneficiary with a reduction in monthly pension benefits.

SERVICE RETIREMENT OPTIONS

In each option, a pension is paid to the retiree for their lifetime. The options provide different types of a remaining cash balance, paid to a beneficiary, upon death of the retiree. Briefly, the options are as follows:

Normal Benefit The total pension is deducted each month from the retiree's total accumulated contributions, leaving any remaining balance to be paid to a beneficiary in one lump-sum upon the retiree's death.

Option "C" In case of death within the guaranteed period, a retiree's beneficiary receives the pension for the remainder of a pre-selected time period of 5, 10, 15, or 20 years.

Option "D" Upon the retiree's death, 50% of the pension is continued to the retiree's spouse for life.

Option "E" Upon the retiree's death, 100% of the pension is continued to retiree's spouse for life.

If a retiree elects options "C" through "E," their monthly pension is actuarially reduced to provide a total benefit equivalent to the Normal Benefit.

At the time of retirement, a retiree also has the option of withdrawing their contributions, with interest, in a lump-sum payment and foregoing all rights to any further benefits from SERS.

Additional information can be obtained at www.spokanesers.org

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Financial Section

Moss-Adams L.L.P.

Independent Auditor's Report

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MOSSADAMS

Report of Independent Auditors

The Board of Administration
Spokane Employees' Retirement System

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Spokane Employees' Retirement System (Plan), a component unit of the City of Spokane, Washington, which comprise the statements of fiduciary net position as of December 31, 2024 and 2023, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective fiduciary net position of Spokane Employees' Retirement System as of December 31, 2024 and 2023, and the respective changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Financial Reporting Entity

As discussed in Note 1, the financial statements present only the Plan and do not purport to, and do not, present fairly the financial position of the City of Spokane, Washington, as of December 31, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole 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 and *Government Auditing Standards* 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 financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, 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 and disclosures in the financial statements.
- 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 financial statements.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management discussion and analysis, schedule of changes in the employer's net pension liability and related ratios, the schedule of employer's contributions, and the schedule of investment returns, as identified in the table on contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plan's basic financial statements. The schedule of administrative expenses and schedule of investment expenses, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of administrative expenses and schedule of investment expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 29, 2025, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Moss Adams LLP

Spokane, Washington
May 29, 2025

Management Discussion and Analysis

Spokane Employees' Retirement System
Management Discussion and Analysis

This section presents management's discussion and analysis of the Spokane Employees' Retirement System's (SERS, System, or Plan) financial performance during the year ended December 31, 2024. Please read it in conjunction with the accompanying financial statements and the related notes.

This report is prepared in accordance with the principles of governmental accounting and reporting promulgated by the Governmental Accounting Standards Board (GASB). Investments are stated at fair market value or net asset value and income includes the recognition of unrealized gains or losses. The accrual basis of accounting is used to record assets, liabilities, revenues, and expenses. Revenue recognition occurs when earned without regard to the date of collection. Expense recognition occurs when the corresponding liabilities are incurred, regardless of payment date. For ease of reading, the dollar amounts that appear in these narratives are typically rounded to the closest one thousand dollars. The basis of contributions to the System is the Entry Age Normal funding method, with current service contributions based on the normal contribution rate determined under the funding method and unfunded prior service amortized as a level percentage of covered payroll over a period of no more than 30 years in accordance with generally accepted accounting principles. SageView Consulting Group LLC, the System's actuary, evaluates the funding status of the System.

The financial section contains the following information:

1. **Basic Financial Statements** including:
   a. Statements of fiduciary net position
   b. Statements of changes in fiduciary net position
   c. Notes to financial statements
2. **Required Supplementary Information** including:
   a. Schedule of changes in the employer's net pension liability and related ratios
   b. Schedule of employer's contributions
   c. Schedule of investment returns
3. **Additional Supplementary Information** including:
   a. Schedule of administrative expenses
   b. Schedule of investment expenses

The basic financial statements are described as follows:

- The statements of fiduciary net position show the account balances at year end and include the net position available for future benefit payments. The Plan's net position is restricted to the payment as shown in the schedule of employers' net pension liability and related ratios.

- The statements of changes in fiduciary net position show the sources and uses of funds during the year corresponding to the change in net position from the previous year.

- The notes to the financial statements are an integral part of the financial statements and include additional detailed information and schedules to provide a better understanding of the financial statements.

Spokane Employees' Retirement System
Management Discussion and Analysis

The required supplementary information provides historical data and projected obligations that reflect the long-term nature of the Plan and trends over time.

- Schedule of changes in the employer's net pension liability and related ratios contains the items contributing to the changes in the pension liability and Plan's net position. Ratios comparing the unfunded liability to the Plan's net position and covered-payroll are also provided.

- Schedule of employer's contributions contains a history of employee and employer contributions made to the Plan.

- Schedule of investment returns contains a history of the Plan's investment performance on a money-weighted basis.

Financial Highlights

- Net position restricted for pension end of year balance was $367.3 million for 2024 and $342.2 million for 2023, an increase of $25.1 million (7.3%) during 2024, and it increased by $31.1 million (10.0%) during 2023. Investments returned 10.0% in 2024, providing $32.6 million of net investment income. The net outflows for benefit payments (benefit payments and refunds, less total contributions) were $7.0 million.

- Total additions and changes in investments were $64.3 million in 2024, compared to $69.1 million addition in 2023. For 2024, revenue includes member and employer contributions of $31.7 million and net investment gain of $32.6 million. Net investment income, which fluctuates year-to-year depending on market conditions, was $32.6 million in 2024, a decrease of $9.6 million compared to an increase of $92.5 million in 2023. Member and employer contributions increased by $4.8 million (18.0%) in 2024 compared to an increase of $3.1 million (13.1%) in 2023.

- Total Plan expenses and pension benefit payments for 2024 were $39.2 million, a 3.1% increase from 2023. Total expense amounts and fluctuations are primarily driven by pension benefit payments, which make up 96.3% of total expenses. Retiree benefits increased by $1.7 million (4.7%) during 2024 and by $1.0 million (2.9%) during 2023. Administrative expenses decreased by $87 thousand (-15.2%) during 2024 compared to a decrease of $107 thousand (-15.7%) in 2023.

Spokane Employees' Retirement System
Management Discussion and Analysis

Financial Statements and Analysis

Changes in Plan Net Position

The table below provides a summary of the changes in Plan net position during the years ended December 31:

	2024	2023	2022
Additions and changes in investments			
Employer contributions	**$ 15,870,598**	$ 13,446,610	$ 11,863,726
Plan member contributions	**15,870,598**	13,459,279	11,931,102
Net investment income (loss)	**32,597,269**	42,225,848	(50,241,335)
Total additions and changes in investments	**64,338,465**	69,131,737	(26,446,507)
Deductions			
Benefits	**37,787,161**	36,088,238	35,057,797
Refunds of contributions	**956,431**	1,378,166	1,210,280
Net administrative expenses	**485,504**	572,501	679,519
Total deductions	**39,229,096**	38,038,905	36,947,596
Net increase (decrease) in net position	**25,109,369**	31,092,832	(63,394,103)
Net position restricted for pensions			
Beginning of year	**342,231,974**	311,139,142	374,533,245
End of year	**$ 367,341,343**	$ 342,231,974	$ 311,139,142

Additions and Changes in Investments to Net Plan Position

- Employer contributions increased by $2.4 million (18.0%) and Plan participant contributions increased by 17.9% ($2.4 million) in 2024. In 2023, Employer contributions increased by 13.3% ($1.6 million) and Plan participant contributions increased by 12.8% ($1.5 million). Participant contributions may vary from employer contributions if rehired employees exercise their option to buy-back creditable service time from a prior withdrawal upon being rehired. Employer and participant contributions are driven by employees' salaries/wages and the contribution rate. The contribution rate increased to 11.0% from 10.3% of salary for both employees and employer for 2024, which was at 10.25% in 2023.

Spokane Employees' Retirement System
Management Discussion and Analysis

- Net investment income was $32.6 million in 2024, compared to an income of $42.2 million in 2023. In 2024, the portfolio's annual return was 10.0% compared to 14.1% in 2023. Markets turned in another positive year in 2024. Within the Fixed Income space, returns averaged in the mind single-digit range with 90-Day T-Bills returning 5.25%, the Bloomberg US Aggregate Bond Index returning 1.25%, and the Bloomberg US High Corporate Yield Index returning 8.19%. Equity markets reflected a higher degree of overall enthusiasm for greater fiscal and monetary policy support, particularly in the United States, with the S&P 500 Index returning 25.02% and MSCI All-Country World ex-USA Index returning 5.53%. Alternative assets also provided modest support for the year as indexes representing ranges of strategies (such as Conservative, Absolute Return, Equity Hedged, and others) generally provided single-digit performance for the year. Core Real Estate, as represented by the NCREIF OCDE Index was the most substantial underperformer, returning -2.27% for the year as commercial real estate valuations continued to deflate, albeit at lesser rates than in 2023, on the back of higher interest rates discounting valuations, and a dearth of demand. During the year, the SERS portfolio generated strong performance on an absolute and relative basis, returning 10.03% versus 7.98% for its policy benchmark. Manager selection within Hedge Funds and Real Estate was among the largest contributors for the year, particularly in the fourth quarter. Coincident with 2024's outperformance, SERS transitioned to its Outsourced Chief Investment Officer (OCIO) model, wherein Morgan Stanley manages the portfolio directly within mutually-determined Investment Policy Statement guidelines.

Deductions from Net Plan Assets

- Retiree benefits paid increased by $1.7 million (4.7%) in 2024, and $1.0 million (2.9%) in 2023 compared to the prior year. The number of retirees and beneficiaries increased by 41 (2.6%) in 2024 and by 7 (0.4%) in 2023. SERS' active member age is an average of 46.26 years old, which is a slight decrease from 46.49 in 2023. Similarly, average active participant service has remained relatively unchanged, decreasing slightly from 10.11 years in 2023 to 10.04 years in 2024.

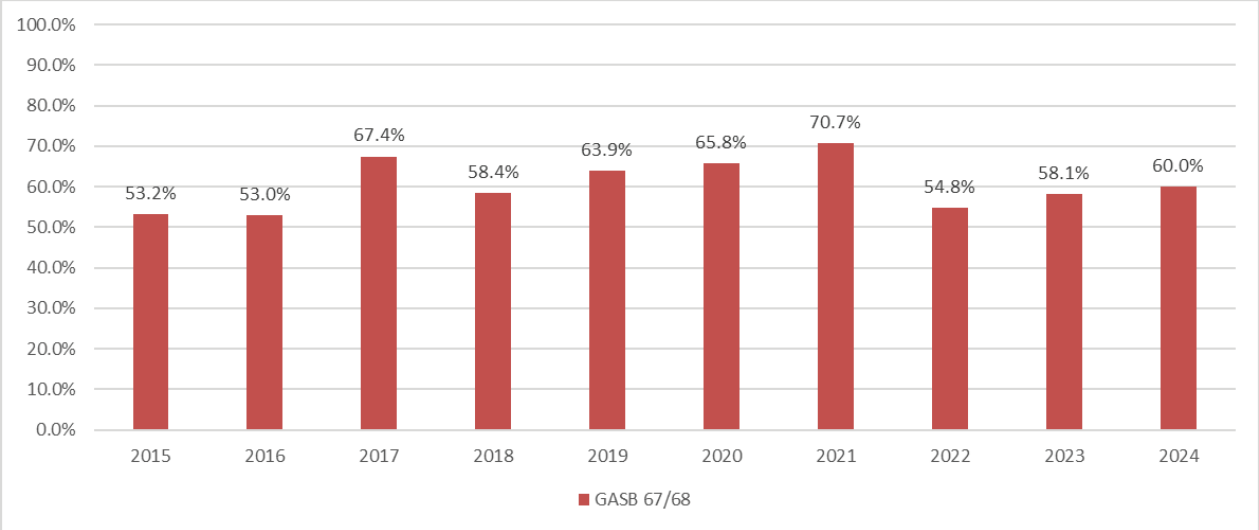
- Refunds of contributions decreased by $422 thousand (-30.6%) in 2024, compared to an increase of $168 thousand (13.9%) in 2023. Lump sum withdrawals from the Plan can fluctuate from year to year based on the number of participants that leave the system and the average size of withdrawal.

- Net administrative expenses include salaries and benefits for SERS staff, along with other costs associated with administering the Plan. These expenses are shown on the Schedule of Administrative Expenses. Staff and the SERS Board of Administration (Board) continue to be diligent about Plan operating expenses. The net administrative expenses were $485 thousand, a decrease of 15.2% compared to $573 thousand in 2023. The decrease to administrative expenses is primarily due to a decrease in employee salaries and benefits and interfund payments for services. Administrative expenses represent only 1.2% of total annual expenditures and declined as a proportion of total assets to 0.13%.

Spokane Employees' Retirement System
Management Discussion and Analysis

Funding Status

The Net Pension Liability (NPL) is the actuarial present value of benefits accrued, adjusted to reflect future changes based on the actuarial assumptions. The funded ratio compares the NPL to Plan assets.



Beginning in 2014, and reported retrospectively, the implementation of the GASB No. 67 resulted in a new method for measuring the future value of Plan liabilities. The discount rate for any funding shortfalls moved from the long-term assumed rate of return to the municipal bond borrowing rate for all points in time after fund assets are projected to be depleted. This change in methodology reduced the discount rate from 7.50% to 5.50%, which increased the value of the reported unfunded liability through 2016. The lower discount rate reduced the funding ratio from 69.3% to 58.2% in 2014, when GASB No. 67 was implemented for the Plan.

In 2017, a new tier was added to the Plan that reduced the normal cost for employees hired on or after January 1, 2018. In addition, the participant and employee contribution rates are now tied to the Actuarially Determined Contribution (ADC) rate as determined by the Plan's actuary in the annual valuation. These changes were sufficient to eliminate the projected depletion of assets and set the discount rate equal to the 7.50% assumed rate of return.

Funds are accumulated from employer and employee contributions and investment earnings and are used to pay present and future benefit obligations and administrative expenses. Starting December 24, 2023, active members contributed 11.0% of their salaries to the Plan and the City contributes 11.0%, for a total of 22.0% and continued for 2024. The current employer and employee contribution rate is expected to allow the Plan to gradually improve its funded position.

Spokane Employees' Retirement System
Management Discussion and Analysis

Investment Activities

One-year returns on asset classes and comparative benchmarks are presented in the table below. The policy indices and benchmarks are in italics.

	Investment Return	
	2024	2023
Total portfolio	**10.0%**	14.1%
Policy Index	**7.9%**	12.4%
Capital Preservation		
Total Return Bonds	**1.3%**	5.5%
Bloomberg US Aggregate Bond Index	**1.3%**	5.5%
High Yield Bonds	**7.9%**	12.8%
Bloomberg US Corporate High Yield Index	**8.2%**	13.5%
Absolute Return	**3.5%**	6.1%
HFRX Absolute Return Index	**4.9%**	5.7%
Domestic Equity		
US Large Cap Equities	**24.9%**	27.3%
S&P 500 Index	**25.0%**	26.3%
US Small/Mid Cap Equities	**10.7%**	15.9%
Russell 2500 Index	**12.0%**	17.4%
International Equity		
International Developed	**5.4%**	19.1%
MSCI EAFE (net)	**3.8%**	18.2%
Emerging Market Equities	**3.0%**	9.5%
MSCI Emerging Markets (net)	**7.5%**	9.8%
Hedge Funds	**13.5%**	11.7%
HFRX Global Hedge Fund Index	**5.3%**	3.1%
Hedge Funds - Absolute Return	**11.5%**	4.8%
HFRX Absolute Return Index	**4.9%**	2.9%
Hedge Funds - Equity Hedge	**15.1%**	7.5%
HFRX Equity Hedge Index	**7.8%**	6.9%
Hedge Funds - Equity Return	**12.9%**	17.7%
HFRX Event Driven Index	**3.7%**	0.5%
REITs	**8.0%**	12.0%
FTSE NAREIT All REITs Index	**4.3%**	11.5%
Real Estate	**4.9%**	1.4%
NCREIF ODCE VW NET	***-2.3%***	-12.7%
Private Credit	**-33.6%**	23.3%
S&P UBS Leveraged Loan Index	***9.0%***	13.0%

The investments of the System are governed by the "prudent investor rule." The prudent investor rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund.

Spokane Employees' Retirement System
Management Discussion and Analysis

The System is a long-term investor with a perpetual investment horizon, anticipating ongoing investment cycles with both good and bad years for financial markets. Investments are diversified to reduce investment risk and mitigate the risk of underperforming the actuarial rate of return. While annual market performance is unlikely to match the actuarial rate of return in any given year, long-term returns are expected to be in line with the assumption based on the diversified nature of the portfolio. Each alternative investment that SERS enters into has been carefully studied by the System's OCIO and independent investment consultant. The asset allocation study that was modeled by the independent consultant and completed in 2024 demonstrated that alternative assets have low correlations to traditional asset classes and are expected to add value to the portfolio over time. The OCIO and Board believe the use of alternative investments increases the expected return and reduces the risk of the Plan compared to investing only in traditional asset classes.

Contacting the Spokane Employees' Retirement System

If you have questions about this report or need additional information, please contact:

Spokane Employees' Retirement System
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808 W. Spokane Falls Blvd.
Spokane, WA 99201
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Financial Statements

Spokane Employees' Retirement System
Statements of Fiduciary Net Position
December 31, 2024 and 2023

	2024	2023
Assets		
Cash	**$ 258,353**	$ 191,389
Short-term investments (cash equivalents)	**4,665,424**	1,060,215
Total cash and short-term investments	**4,923,777**	1,251,604
Receivables		
Investment income	**362,278**	286,915
Other	**1,546**	2,408
Total receivables	**363,824**	289,323
Investments	**362,178,819**	340,792,547
Capitalized software, net	**123,543**	141,192
Total assets	**$ 367,589,963**	$ 342,474,666
Liabilities		
Payables		
Accounts payable	**$ 139,872**	$ 82,541
Employee salaries and benefits	**15,021**	12,349
Compensated absences	**82,340**	136,415
Other liabilities	**11,387**	11,387
Total liabilities	**248,620**	242,692
Net position restricted for pensions	**$ 367,341,343**	$ 342,231,974

See accompanying notes.

Spokane Employees' Retirement System
Statements of Changes in Fiduciary Net Position
Years Ended December 31, 2024 and 2023

	2024	2023
Additions and changes in investments		
Contributions		
Employer	**$ 15,870,598**	$ 13,446,610
Member	**15,870,598**	13,459,279
Total contributions	**31,741,196**	26,905,889
Investment income		
Net appreciation in fair value of investments	**26,621,106**	35,859,160
Interest and dividends	**6,479,655**	6,831,866
Less investment expense	**(503,492)**	(465,178)
Net investment income	**32,597,269**	42,225,848
Total additions and changes in investments	**64,338,465**	69,131,737
Deductions		
Benefit payments	**37,787,161**	36,088,238
Refunds of member contributions	**956,431**	1,378,166
Administrative expenses, net of administrative income	**485,504**	572,501
Total deductions	**39,229,096**	38,038,905
Net increase in net position	**25,109,369**	31,092,832
Net position restricted for pensions		
Beginning of year	**342,231,974**	311,139,142
End of year	**$ 367,341,343**	$ 342,231,974

See accompanying notes.

Spokane Employees' Retirement System
Notes to Financial Statements

Note 1 – Plan Description

Plan administration – The Spokane Employees' Retirement System (SERS, System, or Plan) is a multiple employer defined benefit pension plan covering employees of the City of Spokane (City), administered in accordance with Chapters 3.05 and 4.14 of the Spokane Municipal Code (SMC).

SERS is a pension trust fund of the City and is presented as a blended component unit within the fiduciary fund of the City's annual comprehensive financial report. SERS has separate legal standing. The City is financially accountable for SERS because a financial burden is imposed on the City using the criteria of financial accountability. SERS has determined there are no entities that require inclusion within its financial statements.

All permanent employees of the City, including employees of the Plan, are eligible to belong to SERS with the exception of elected officials, who may opt out of the Plan, and police and firefighters, who are members of the State Law Enforcement Officers and Firefighters' Retirement System. Additionally, certain SERS members that moved to the Spokane Regional Emergency Communications (SREC) are eligible to remain in SERS. Such members have the same benefits, eligibility requirements, and contribution rates as current SERS members.

Management of SERS is vested in the SERS Board of Administration (Board), which consists of seven members: three members are elected by active employee Plan members, three members are appointed by the Spokane City Council, and one member (who may not be an elected official or employee of the City) is appointed by the other six Board members.

Reporting entity – The accompanying financial statements present only the Plan, a component unit of the City, and are not intended to present fairly the financial position of the City, the changes in its financial position, or where applicable, its cash flows in accordance with accounting principles generally accepted in the United States of America.

Plan membership – At December 31, 2024 and 2023, pension Plan membership consisted of the following:

	2024	2023
Retirees or beneficiaries currently receiving benefits	**1,630**	1,589
Inactive plan members entitled to but not yet receiving benefits	**169**	175
Active plan members	**1,603**	1,605
	3,402	3,369

Benefits provided – SERS provides retirement, death, and disability benefits. All employees hired before January 1, 2009, who participate in SERS, are eligible for service retirement after completing five years of service if they are age 50 or older. Their retirement benefits are calculated by multiplying 2.15% of the member's highest consecutive two-year average salary by the member's years of creditable service, not to exceed 64.5%. Employees hired prior to January 1, 2009, may retire under the terms of a subsequent tier if it provides a greater benefit.

Spokane Employees' Retirement System
Notes to Financial Statements

All employees hired between January 1, 2009, and December 31, 2014, who participate in SERS, are eligible for service retirement after completing five years of service and reaching the normal retirement age of 62. This group of employees may retire early with full benefits if they reach age 50 and their age, plus years of service, total to 75. Retirement benefits are calculated by multiplying 2.00% of the member's highest consecutive two-year average salary by the member's years of creditable service, to a maximum of 70.0%. In addition, the employees hired between January 1, 2009, and December 31, 2014, may retire under the terms of a subsequent tier if it provides a greater benefit.

All employees hired between January 1, 2015, and December 21, 2017, who participate in SERS, are eligible for service retirement after completing seven years of service and reaching the normal retirement age of 65. This group of employees may retire early, with full benefits, if they reach age 50 and their age, plus years of service, total to 80. Retirement benefits are calculated by multiplying 2.00% of the member's highest consecutive three-year average salary by the member's years of creditable service, to a maximum of 70.00%. Employees hired between January 1, 2015, and December 31, 2017, may retire under the terms of a subsequent tier if it provides a greater benefit.

All employees hired on or after January 1, 2018, who participate in SERS, are eligible for service retirement after completing seven years of service and reaching the normal retirement age of 65. Early retirement, with no reduction of benefits, may be elected when an employee's age plus years of service total to 90 or if they are age 50 or older and complete 30 years of service. A reduced early retirement may be elected with benefits reduced by 2.5% per year for each year before the retiree would be eligible for full retirement. Retirement benefits are calculated by multiplying 2.00% of the member's highest consecutive three-year average salary by the member's years of creditable service, with an annual cap on overtime plus base pay equal to 120% of base pay. The maximum retirement factor is 80.0%.

For all employee groups, benefits may be reduced on an actuarially equivalent basis according to the retirement annuity option selected for themselves and their beneficiaries.

The Board considers issuing an ad hoc adjustment for retiree benefits each year. The Board can grant an ad hoc adjustment if the funded ratio is 90% or greater and remains above 90% after the ad hoc adjustment is granted. The funded ratio was less than 90% as of December 31, 2024. The last ad hoc retiree adjustment occurred in 2001. Based on the current funded ratio, the Plan does not anticipate making ad hoc adjustments for the foreseeable future. It will take continued favorable experience in the investment markets or an increase in contribution levels to raise the funded ratio above the ad hoc threshold.

Note 2 – Summary of Significant Accounting Policies

Basis of accounting – The financial statements were prepared using the accrual basis of accounting. Employee and employer contributions are recorded as revenues in the period in which payroll is due and expenses are recorded when the corresponding liabilities are incurred. Interest income is recognized when earned and dividend income is recognized on the ex-dividend date.

Use of estimates – In preparing the Plan's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Spokane Employees' Retirement System
Notes to Financial Statements

Methods used to value investments – All fixed income, common stock, and short-term investments are listed at fair market value. Fixed income securities and common stock traded on national exchanges are valued at fair market value based on the closing price of the securities. Investments that do not have an established market are reported at estimated fair value.

Investment fees represent cash payments made to money managers and other investment professionals. Certain investments, such as mutual funds and limited partnerships, net their management fees before the fund itself reports net investment income for the period and are not reflected in this schedule. However, these investment expenses are netted against investment income in the statement of changes in fiduciary net position to arrive at a net investment income amount.

Investments are exposed to various risks, such as interest rate, market, credit, and regulatory risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect total net position and the amounts reported in the statements of fiduciary net position.

Note 3 – Deposits and Investments

Deposits – The Federal Deposit Insurance Corporation (FDIC) insures the cash deposits up to $250,000 per depositor. As provided by State of Washington RCW 43.84, the Washington Public Deposit Protection Commission (PDPC) collateralizes deposits in excess of $100,000.

Investment policy – The Plan's policy regarding the allocation of invested assets is established, and may be amended, by a majority vote of the Board. It is the policy of the Board to pursue an investment strategy that meets the projected return requirements while minimizing volatility by diversifying the portfolio across a broad selection of distinct asset classes. The Plan's investment policy limits the use of cash equivalents to meeting liquidity requirements and reviews rebalancing needs at least quarterly. In March 2023, the investment policy was reviewed and approved by the Board.

Spokane Employees' Retirement System
Notes to Financial Statements

The following was the Board's target asset allocation as of December 31, 2024 and 2023:

Asset Class	Target Allocation	
	2024	2023
Capital Preservation	**25%**	30%
Domestic Equities	**25%**	24%
International Equities	**20%**	20%
Long Biased	**0%**	9%
Private Credit	**3%**	8%
Private Equity	**3%**	0%
Real Estate	**8%**	7%
Master Limited Partnerships	**2%**	2%
Hedge Funds	**14%**	0%
Total	**100%**	100%

Rate of return – For the years ended December 31, 2024 and 2023, the annual money-weighted rate of return on pension Plan investments, net of pension Plan investment expense, was 10.0% and 14.1%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investments – Investments of the pension trust funds are reported at fair value. The Board maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. The investment policy sets strategic asset allocation targets and ranges for all approved asset classes. SERS investments are governed by an investment standard known as the "prudent person rule." The prudent person rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the Plan.

In fulfilling its responsibilities, the Board has contracted with investment managers, a custodian, an independent investment consultant and an outsourced chief investment officer (OCIO). Investment manager contracts include specific guidelines regarding the investments under management. All investments are held in custody. The OCIO and independent investment consultant monitor the fund on a regular basis and provides quarterly reports to staff and the Board.

The Board has an asset allocation policy that includes allocations to alternative investments. The term "alternative investments" encompasses a broad category of investments other than traditional asset classes of equites, fixed income, and real estate. Funding of these investments began in 2007 and continues on an ongoing basis.

Credit risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. Although the SERS Investment Policy does not specifically address credit risk, this risk is mitigated by closely monitoring the credit quality ratings of its fixed income portfolios and by setting criteria for fixed income manager selection.

Spokane Employees' Retirement System
Notes to Financial Statements

The table below shows the System's investments by investment type, market value, and credit rating as of December 31, 2024:

		Investment Type				
Asset	**Fair Value**	**AAA**	**AA**	**A**	**BBB**	**Not Rated**
Fixed income mutual funds	16,938,095	$ -	$ -	$ -	$ -	$ 16,938,095
Corporate notes and bonds	12,119,117	241,412	597,934	5,442,927	5,768,128	68,716
Asset-backed securities	3,970,428	1,519,941	676,190	-	-	1,774,297
Governmental CMOs	13,325,771	-	342,144	-	-	12,983,627
Municipal bonds	569,950	412,104	153,552	4,294	-	-
Mortgage-backed governmental passthrough	1,644,279	81,322	-	-	-	1,562,957
U.S. government treasuries	6,228,886	-	-	-	-	6,228,886
	$ 54,796,526	$ 2,254,779	$ 1,769,820	$ 5,447,221	$ 5,768,128	$ 39,556,578

Concentration of credit risk – SERS has no individual holdings by an issuer that represent five percent or more of SERS' investments at December 31, 2024. SERS' holdings in organizations that manage five percent or more of the Plan's fiduciary net position were:

Organization	**% of Net Position**
State Street Global Advisors	27.0%
Segal Bryant	10.3%
Loomis Sayles	8.8%
Evanston Capital Management	6.8%
Hotchkis & Wiley	4.6%
Artisan Partners	4.5%
Contrarian Capital Management	0.6%
Sterling Capital Management	0.0%
Fidelity Investments	0.0%

Custodial credit risk – Custodial credit risk is the risk that in the event of a financial institution or bank failure, SERS would not be able to recover the value of its deposits and investments that are in the possession of an outside party. Cash and short-term investments include securities with a maturity date of three months or less. SERS mitigates its custodial credit risk by having its investment securities held by a custodian (US Bank) with the investments registered in SERS' name. Also, in accordance with the SERS' Investment Policy Statement, each of SERS investment managers is provided with a set of investment guidelines. These guidelines specify eligible investments, minimum diversification standards and applicable investment restrictions necessary for diversification and risk control. Managers do not have the authority to depart from their guidelines. As of December 31, 2024, 100% of the SERS cash and investments were held in the SERS' name and, therefore, SERS has no custodial credit risk exposure.

Interest rate risk – Interest rate risk is the greatest risk faced by an investor in the debt securities market. The price of a debt security typically moves in the opposite direction of the change in interest rates. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Although the SERS Investment Policy does not specifically limit interest rate risk, the System's fixed income portfolio is professionally managed with an expected range of interest rate risk within the portfolio. In addition, the portfolio is closely monitored by the independent consultant and the staff.

Spokane Employees' Retirement System
Notes to Financial Statements

The table below shows the System's fixed income assets by investment type, average effective maturity, and market value as of December 31, 2024:

Asset	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Fixed income mutual funds	$ 16,938,095	$ 16,938,095	$ -	$ -	$ -
Corporate notes and bonds	12,119,117	937,358	3,807,457	4,708,072	2,666,230
Asset-backed securities	3,970,428	-	2,371,110	755,462	843,856
Governmental CMOs	13,325,771	-	-	123,573	13,202,198
Municipal bonds	569,950	-	-	487,952	81,998
Mortgage-backed governmental passthrough	1,644,279	-	458,206	165,271	1,020,802
U.S. government treasuries	6,228,886	496,528	267,019	1,673,955	3,791,384
	$ 54,796,526	$ 18,371,981	$ 6,903,792	$ 7,914,285	$ 21,606,468

Foreign currency risk – Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. At December 31, 2024 and 2023, 23.2% and 26.4%, respectively, of the System's portfolio is invested in foreign issued securities, which primarily consist of equities, fixed income, and alternative investments. The SERS Investment Policy does not specifically address foreign currency risk; however, the System considers foreign currency risk during the selection and monitoring process of fund managers. The fair market values of the foreign investments as of December 31, 2024, were:

	Total Investments	U.S. Issues	Foreign Issues	% Foreign
Short-term investments (cash equivalents)	$ 4,665,424	$ 4,665,424	$ -	0.0%
Fixed income	54,796,526	54,265,044	531,482	1.0%
Equities	57,045,873	23,187,044	33,858,829	34.6%
Real estate	28,119,632	28,119,632	-	0.0%
Alternatives	222,216,788	171,456,203	50,760,585	24.2%
Total	**$ 366,844,243**	**$ 281,693,347**	**$ 85,150,896**	**23.2%**

Note 4 – Pension

The components of the employer's net pension liability as of December 31, 2024 and 2023, are:

	2024	2023
Total pension liability	$ 612,123,157	$ 589,529,250
Plan fiduciary net position	367,341,343	342,231,974
Employer's net pension liability	$ 244,781,814	$ 247,297,276
Plan fiduciary net position as a percentage of the total pension liability	60.01%	58.05%

Actuarial assumptions are adopted by the Board, upon review of recommendations made by the actuary. An experience study was conducted for the five-year period ended December 31, 2021. This study resulted in the Board adopting several changes in assumptions as of December 31, 2022, at the recommendation of the actuary, in order to better anticipate emerging experience under the System.

Spokane Employees' Retirement System
Notes to Financial Statements

Changes in assumption include the mortality tables changed from RP-2000 Fully Generational in 2021 to PUB-2010 with ages set forward two years for males and one year for females using Projection Scale MP-2021 in 2022. The inflation rate remained consistent at 2.5% in 2024 and 2023. Additionally, the annual payroll growth rate remained consistent at 3.5% in 2024 and 2023.

The long-term expected rate of return – The long-term expected rate of return on pension Plan investments was determined using statistical methods to determine the best-estimate future real rate of return (net of pension Plan investment expense and inflation) based on long-term performance of the major asset classes. As of December 31, 2024 and 2023, the expected long-term rate of return is estimated to be 7.5%, net of inflation. These returns are used to determine the estimated portfolio return based on the target asset allocation percentage of each asset class. Best estimates of geometric real rates of return for each major asset class included in the pension Plan's target asset allocation for the years ended December 31, 2024 and 2023, are summarized in the following table:

	2024		2023	
Asset Class	Long-Term Expected Real Rate of Return	Nominal Return	Long-Term Expected Real Rate of Return	Nominal Return
Domestic Equities	5.90%	8.40%	7.07%	9.57%
Capital Preservation	1.61%	4.11%	2.18%	4.68%
International Equities	4.91%	7.41%	7.23%	9.73%
Long Biased	3.93%	6.43%	4.22%	6.72%
Private Credit	5.50%	8.00%	3.32%	5.82%
Real Estate	3.50%	6.00%	3.65%	6.15%
Inflation		2.50%		2.50%

Discount rate – As of December 31, 2024, the discount rate for calculating the total pension liability is 7.5%, based on the long-term expected rate of return, net of investment expenses. The projection of cash flows used to determine the Fund's discount rate assumes that member and employer contributions will continue at current statutory levels. Plan member contributions will be made at the current 11.0% contribution rate, which went into effect December 24, 2023, and that City contributions will be made at the same rate.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of SERS, calculated using the discount rate of 7.5%, as well as what SERS' net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employer's net pension liability	$ 309,057,924	$ 244,781,814	$ 190,044,224

Spokane Employees' Retirement System
Notes to Financial Statements

Note 5 – Fair Value Measurement

Investments measured and reported at fair value are classified according to the following hierarchy, in accordance with Governmental Accounting Standards Board (GASB) Statement 72 – *Fair Value Measurement and Application:*

Level 1 – Quoted prices for an identical asset in an active market.

Level 2 – Quoted prices for an identical asset in an inactive market and market values where prices are determined using observable inputs.

Level 3 – Market value where prices are determined using unobservable inputs.

NAV – Net Asset Value (NAV) is used as a practical expedient where the investment does not have a readily determinable fair value.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Equity investments classified as Level 1 in the fair value hierarchy are valued directly from a predetermined primary external pricing vendor.

Fixed income investments classified as Level 1 in the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Fixed income investments classified as Level 2 represent quoted prices for similar assets.

The following table presents fair value measurements as of December 31, 2024:

	2024				
	Fair Value	Level 1	Level 2	Level 3	NAV
Short-term investments (cash equivalents)	$ 4,665,424	$ 4,665,424	$ -	$ -	$ -
U.S. government	21,198,936	21,198,936	-	-	-
U.S. corporate fixed income	11,587,635	-	11,587,635	-	-
International fixed income	531,482	-	531,482	-	-
Asset-backed securities	3,970,428	-	3,970,428	-	-
Municipal bonds	569,950	-	569,950	-	-
Fixed income mutual funds	16,938,095	16,938,095	-	-	-
Total fixed income	54,796,526	38,137,031	16,659,495	-	-
U.S. common stock	14,618,777	14,618,777	-	-	-
International common stock	1,184,505	1,184,505	-	-	-
Equity mutual funds	41,242,591	41,242,591	-	-	-
Total equities	57,045,873	57,045,873	-	-	-
Real estate	28,119,632	8,391,329	-	-	19,728,303
Alternatives	222,216,788	-	-	-	222,216,788
Total investments	$ 362,178,819	$ 103,574,233	$ 16,659,495	$ -	$ 241,945,091

Spokane Employees' Retirement System
Notes to Financial Statements

The following table presents fair value measurements as of December 31, 2023:

	2023				
	Fair Value	**Level 1**	**Level 2**	**Level 3**	**NAV**
Short-term investments (cash equivalents)	$ 1,060,215	$ 1,060,215	$ -	$ -	$ -
U.S. government	18,889,086	18,889,086	-	-	-
U.S. corporate fixed income	8,339,121	-	8,339,121	-	-
International fixed income	799,717	-	799,717	-	-
Asset-backed securities	5,694,509	-	5,694,509	-	-
Municipal bonds	1,456,501	-	1,456,501	-	-
Fixed income mutual funds	55,654,742	55,654,742	-	-	-
Total fixed income	90,833,676	74,543,828	16,289,848	-	-
U.S. common stock	12,929,436	12,929,436	-	-	-
International common stock	244,648	244,648	-	-	-
Equity mutual funds	119,378,297	119,197,820	180,477	-	-
Total equities	132,552,381	132,371,904	180,477	-	-
Real estate	26,807,273	7,761,800	-	-	19,045,473
Alternatives	90,599,217	-	-	-	90,599,217
Total investments	$ 340,792,547	$ 214,677,532	$ 16,470,325	$ -	$ 109,644,690

The valuation method for investments measured at the NAV per share, or equivalent, at December 31, 2024 and 2023, is presented in the tables below:

	2024			
	Net Asset Value (NAV)	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice**
Commingled equity funds	$ 120,486,236	$ -	Daily	N/A
Commingled fixed income funds	38,994,992	-	Daily	N/A
Equity funds	549,137	-	Monthly, annually	15-90 days
Hedge funds	47,625,195	5,332,500	N/A, monthly, quarterly, semi-annually	30-90 days
Real estate funds	19,728,303	1,010,752	N/A, quarterly with queue	90 days
Fixed income funds	14,561,228	-	Quarterly	90 days
Total investments valued at NAV	$ 241,945,091	$ 6,343,252		

	2023			
	Net Asset Value (NAV)	**Unfunded Commitments**	**Redemption Frequency**	**Redemption Notice**
Equity funds	$ 24,833,920	$ -	Monthly, annually	15-90 days
Hedge funds	32,592,233	234,276	N/A, monthly, quarterly, semi-annually	30-90 days
Real estate funds	19,045,473	6,365,938	N/A, quarterly with queue	90 days
Fixed income funds	33,173,064	-	Quarterly	90 days
Total investments valued at NAV	$ 109,644,690	$ 6,600,214		

Commingled equity funds – 10 funds that invest primarily in domestic and international equity markets. The commingled equity funds are valued at net asset value of units held based on underlying holdings.

Commingled fixed income funds – two funds that invest primarily in the domestic bond markets. The commingled fixed income funds are valued at net asset value of units held based on underlying holdings.

Spokane Employees' Retirement System
Notes to Financial Statements

Equity funds – One fund that invests long-only in less efficient markets seeking to capture illiquidity and information asymmetry premiums. The domestic equity funds are valued based on a pro rata share of the overall fund.

Hedge funds – Two funds that invest long and short to generate outsize risk-adjusted returns. One fund that seeks to generate consistent positive returns with low volatility and low net market exposure. One fund that invests across RV fundamental equity, quantitative strategies, equity arbitrage, and fixed income and commodities. The funds are valued at net asset value of units held based on underlying holdings. Two funds that invest primarily in medical royalty streams or securities associated with the royalties. The fair value of the fund is determined using discounted cash flow models based on expected future cash flows. The fund is not eligible for redemption. Distributions are received as underlying investments within the fund generates cash flows, which on average can occur over the span of 5 to 10 years.

Real estate funds – Four funds that invest primarily in commercial real estate properties and debt instruments. The fair values of these funds have been determined using net assets valued based on the appraised value of the holdings. Four funds are not eligible for redemption with distributions received as underlying investments within the funds are liquidated, which on average can occur over the span of 5 to 10 years. One fund allows for quarterly redemptions subject to a queue and provides quarterly distributions based on the net operating profit of the properties owned.

Fixed income funds – Three funds that invest in less liquid or distressed debt securities. All funds unit net asset value is based on the value of the underlying holdings.

Note 6 – Contributions Required and Contributions Made

Member and employer contribution rates are established by City Code, Chapter 4.14. Effective December 24, 2023, member contributions are 11.0% of eligible compensation and are deducted from the member's salary and paid into the retirement fund; the City contributes 11.0% of eligible compensation for a combined total of 22.0%. Member and employer contribution rates are established by City Code, Chapter 4.14.

Contribution rates are reviewed annually to determine if they meet the Actuarially Determined Contribution (ADC). If the contribution rate is less than the ADC, the contribution rate shall be increased by up to 1.0% per year for both the employee and employer. It is contemplated that over the long term, the contribution by the City will, when added to the member's contribution, plus other revenues, be enough to properly fund the retirement benefits set forth.

Required Supplementary Information

Spokane Employees' Retirement System
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability									
Service cost	$ 15,132,382	$ 13,955,416	$ 10,676,035	$ 10,379,208	$ 10,326,519	$ 9,814,459	$ 9,397,166	$ 13,133,393	$ 12,896,547
Interest	42,788,075	41,179,698	38,404,746	37,498,043	36,091,730	34,666,267	33,296,148	29,336,782	27,443,176
Changes of benefit terms	1,471,682	-	-	-	-	-	-	165,092	-
Differences between expected and actual experience	1,945,360	4,403,357	13,014,651	(675,673)	5,368,635	5,866,404	5,291,272	(3,830,239)	12,381,445
Changes of assumptions	-	-	11,760,337	-	-	-	-	(76,976,691)	(14,542,266)
Benefit payments, including refunds of member contributions	(38,743,592)	(37,466,404)	(36,268,077)	(33,997,369)	(32,108,873)	(30,600,302)	(28,863,766)	(27,443,693)	(26,467,256)
Net change in total pension liability	22,593,907	22,072,067	37,587,692	13,204,209	19,678,011	19,746,828	19,120,820	(65,615,356)	11,711,646
Total pension liability—beginning	589,529,250	567,457,183	529,869,491	516,665,282	496,987,271	477,240,443	458,119,623	523,734,979	512,023,333
Total pension liability—ending (a)	$ 612,123,157	$ 589,529,250	$ 567,457,183	$ 529,869,491	$ 516,665,282	$ 496,987,271	$ 477,240,443	$ 458,119,623	$ 523,734,979
Plan fiduciary net position									
Contributions—employer	$ 15,870,598	$ 13,446,610	$ 11,863,726	$ 11,519,708	$ 10,659,281	$ 9,824,717	$ 9,187,420	$ 8,113,319	$ 7,586,365
Contributions—member	15,870,598	13,459,279	11,931,102	11,519,708	10,659,281	9,827,760	9,188,781	8,113,319	7,586,362
Net investment income (loss)	32,597,269	42,225,848	(50,241,335)	46,166,835	33,795,088	50,166,728	(18,715,945)	43,085,572	16,802,274
Benefit payments, including refunds of member contributions	(38,743,592)	(37,466,404)	(36,268,077)	(33,997,369)	(32,108,873)	(30,600,302)	(28,863,766)	(27,443,693)	(26,467,256)
Administrative expense	(485,504)	(572,501)	(679,519)	(603,645)	(619,135)	(555,763)	(554,484)	(563,078)	(477,252)
Net change in plan fiduciary net position	25,109,369	31,092,832	(63,394,103)	34,605,237	22,385,642	38,663,140	(29,757,994)	31,305,439	5,030,493
Plan fiduciary net position—beginning	342,231,974	311,139,142	374,533,245	339,928,008	317,542,366	278,879,226	308,637,220	277,331,781	272,301,291
Plan fiduciary net position—ending (b)	$ 367,341,343	$ 342,231,974	$ 311,139,142	$ 374,533,245	$ 339,928,008	$ 317,542,366	$ 278,879,226	$ 308,637,220	$ 277,331,784
Employer's net pension liability—ending (a) – (b)	$ 244,781,814	$ 247,297,276	$ 256,318,041	$ 155,336,246	$ 176,737,274	$ 179,444,905	$ 198,361,217	$ 149,482,403	$ 246,403,195
Plan fiduciary net position as a percentage of the total pension liability	60.0%	58.1%	54.8%	70.7%	65.8%	63.9%	58.4%	67.4%	53.0%
Covered-payroll, as of December 31	$ 144,222,169	$ 139,760,331	$ 126,830,000	$ 116,866,751	$ 112,984,469	$ 111,746,539	$ 107,017,146	$ 102,844,614	$ 102,378,550
Employer's net pension liability as a percentage of covered payroll	169.7%	176.9%	202.1%	132.9%	156.4%	160.6%	185.4%	145.3%	240.7%

Notes to Schedule:

This schedule is designed to show information for 10 years. However, until a full 10-year trend is compiled, the Plan will present information for those years for which information is available.

Legislative and administrative changes: The contribution rate for all participants and the City increased to 10.25% on December 26, 2021. This remained unchanged for 2023. The contribution rate is tied to the Actuarially Determined Contribution (ADC) rate as determined by the Plan's actuary in the annual valuation.

Changes of Assumptions: The mortality tables changed from RP-2000 Fully Generational in 2021 to PUB-2010 with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021 in 2022. In addition, the inflation rate increased from 2.25% in 2021 to 2.5% in 2022. Finally, the annual payroll growth rate decreased from 4% in 2021 to 3.5% in 2022.

See report of independent auditors.

Spokane Employees' Retirement System
Schedule of Employer's Contributions

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 14,360,715	$ 15,410,726	$ 11,700,545	$ 12,457,475	$ 11,527,854	$ 11,078,489	$ 10,044,342	$ 9,765,949	$ 9,853,762	$ 9,069,276
Contributions in relation to the actuarially determined contribution	15,870,598	13,446,610	11,863,726	11,519,708	10,659,281	9,824,717	9,187,420	8,113,319	7,586,362	7,398,945
Contribution deficiency (excess)	$ (1,509,883)	$ 1,964,116	$ (163,181)	$ 937,767	$ 868,573	$ 1,253,772	$ 856,922	$ 1,652,630	$ 2,267,400	$ 1,670,331
Covered-payroll	$ 144,278,164	$ 131,186,439	$ 115,743,668	$ 115,197,080	$ 109,325,959	$ 106,213,157	$ 102,082,144	$ 98,343,261	$ 91,955,903	$ 89,684,182
Contributions as a percentage of covered payroll	11.00%	10.25%	10.25%	10.00%	9.75%	9.25%	9.00%	8.25%	8.25%	8.25%

See report of independent auditors.

Spokane Employees' Retirement System
Schedule of Employer's Contributions

Notes to Schedule

Valuation date: December 31, 2024

Actuarially determined contribution rates are calculated as of December 31, of the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	2.50%
Salary increases	In accordance with the following table based on service

Years of Service	Annual Increase
<1	12.0%
1	8.0%
2-3	7.0%
4	6.0%
5-7	5.0%
8	4.0%
9-10	3.0%
11+	2.0%

Investment rate of return	7.5%, net of pension plan investment expense
Retirement age	In accordance with the following table based on age

Age	Retirement Probability
<50	0.0%
50	10.0%
51-53	4.0%
54-59	5.0%
60	10.0%
61	15.0%
62	20.0%
63	15.0%
64	20.0%
65-66	25.0%
67	40.0%
68	25.0%
69	33.0%
70	45.0%
71	25.0%
72	45.0%
73	30.0%
74	15.0%
75+	100.0%

Mortality: Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021

See report of independent auditors.

Spokane Employees' Retirement System
Schedule of Investment Returns

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	10.00%	14.10%	-13.50%	13.67%	11.47%	18.35%	-6.27%	15.40%	6.70%	-0.94%

See report of independent auditors.

Additional Supplementary Information

Spokane Employees' Retirement System
Schedule of Administrative Expenses
Years Ended December 31, 2024 and 2023

	2024 Budget	**2024 Actual**	2023 Actual
Personnel services			
Salaries and wages	$ 387,148	**$ 283,263**	$ 307,704
Personnel benefits	132,493	**87,242**	67,758
Change in accrued compensated absences	-	**(66,311)**	-
Administrative income	(30,000)	**(30,412)**	(24,436)
Total personnel services	489,641	**273,782**	351,026
Supplies			
Office supplies	1,000	**889**	785
Publications	250	**-**	-
Postage	4,000	**1,261**	906
Software (non-capitalized)	500	**318**	205
Minor equipment	500	**1,241**	247
Other	1,000	**-**	54
Total supplies	7,250	**3,709**	2,197
Other services and charges			
Professional services	175,000	**157,041**	136,458
Travel	15,000	**7,052**	9,218
Registration and schooling	16,000	**13,225**	7,220
Other dues, subscriptions, and memberships	3,000	**1,963**	2,394
Printing	-	**2,107**	2,208
Depreciation/amortization	-	**17,649**	17,649
Other miscellaneous charges	5,200	**980**	1,045
Total other services and charges	214,200	**200,017**	176,192
Interfund (IF) payments for services			
IF centralized purchasing	-	**-**	1,745
IF centralized accounting	-	**-**	3,624
IF My Spokane	-	**-**	958
IF risk management	-	**-**	537
IF workers' compensation	-	**-**	118
IF reprographics	10,000	**7,996**	11,856
IF IT	-	**-**	21,287
IF IT replacement	-	**-**	2,961
Total interfund services	10,000	**7,996**	43,086
TOTAL ADMINISTRATIVE EXPENSES, NET OF ADMINISTRATIVE INCOME	**$ 721,091**	**$ 485,504**	$ 572,501

See report of independent auditors.

Spokane Employees' Retirement System
Schedule of Investment Expenses
Years Ended December 31, 2024 and 2023

	2024	2023
Investment services		
Boston Partners	$ 2,360	$ -
Bridge City Capital LLC	13,242	22,748
Champlain Small Cap Fund LLC	44,382	82,343
Columbia	1,175	-
Earnest Partners	3,007	-
Principal Real Estate Investors LLC	62,621	56,379
Segall Bryant Hamill, LLC	46,414	-
Sterling Capital Management LLC	70,139	109,868
	243,340	271,338
Investment consulting		
Hyas Group, LLC	171,469	126,342
Custodial services		
U.S. Bank	88,683	67,498
TOTAL INVESTMENT EXPENSES	$ 503,492	$ 465,178

See report of independent auditors.

MOSSADAMS

Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Board of Administration
Spokane Employees' Retirement System

We have audited, in accordance with the auditing standards generally accepted in the United States of America 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 Spokane Employees' Retirement System (the Plan) as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Plan's financial statements, and have issued our report thereon dated May 29, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Moss Adams LLP

Spokane, Washington
May 29, 2025

Actuarial Section

SageView Consulting Group, L.L.C.

Actuarial Valuation

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SPOKANE EMPLOYEES' RETIREMENT SYSTEM

ACTUARIAL VALUATION AS OF DECEMBER 31, 2024

Sageview Consulting Group
4600 Cox Road, Suite 350, Glen Allen, VA 23060
www.sageviewadvisory.com

May 7, 2025

Spokane Employees' Retirement System
808 West Spokane Falls Boulevard
Spokane, Washington 99201-3324

Ladies and Gentlemen:

The results of the latest actuarial valuation of the System, which was prepared as of December 31, 2024, are summarized in this letter.

The valuation reflects the benefits in effect on the valuation date, and was prepared on the basis of the data submitted by the System using generally accepted actuarial principles and methods.

Financing Objective and Contribution Rate

The financing objective of the System is to:

- fully fund all current costs based on the normal contribution rate payable by the System determined under the funding method; and
- liquidate the unfunded accrued liability based on accrued liability contributions payable by the System over an amortization period of no more than 30 years; and
- accomplish the above through a combination of Employee Contributions (currently 11.00% of pay) and Employer Contributions (currently 11.00% of pay).

The December 31, 2024 valuation develops an Actuarially Determined Employer Contribution Rate (ADC), exclusive of employee contributions, of 9.86% of total payroll. The ADC rate compares with an actual Employer Contribution rate of 11.00% of total payroll. The Employer Contribution for the 2024 fiscal year of $15,870,598 was greater than the ADC of $14,360,715 by $1,509,883.

Net Pension Liability

Under GASB 67, the Net Pension Liability is the excess, if any, of the Total Pension Liability over the Fiduciary Net Position. The Total Pension Liability is determined under the Entry Age actuarial cost method. The Net Pension Liability as of December 31, 2024 and December 31, 2023 is as follows:

	December 31 2024	December 31 2023
● Total Pension Liability:	$612,123,157	$589,529,250
● Fiduciary Net Position:	$367,341,343	$342,231,974
● Net Pension Liability:	$244,781,814	$247,297,276
● Fiduciary Net Position as a Percentage of Total Pension Liability:	60.0%	58.1%
● GASB 67 Discount Rate:	7.50%	7.50%

System's Assets and Member Data

The individual data for members of the System as of the valuation date were reported to the actuary by the System. While we did not verify the data at its source, we did perform tests for internal consistency and reasonability in relation to the data submitted for the previous valuation. It is our understanding that the outside auditor of the System has also made an examination of the data.

The amount of assets in the trust fund taken into account in the valuation was based on statements prepared for us by the System's Staff and audited by the independent auditor of the System.

Actuarial Assumptions and Methods

Actuarial assumptions are adopted by the Board, upon review of recommendations made by the actuary. An experience study was conducted for the five-year period ended December 31, 2021. This study resulted in the Board adopting several changes in assumptions as of December 31, 2022, at the recommendation of the actuary, in order to better anticipate emerging experience under the System. See a copy of the experience study for more information about assumptions.

In order to smooth out market value fluctuations for purposes of developing the ADC, the difference between actual investment earnings over expected investment earnings will be recognized in equal amounts over a five-year period with the restriction that the smoothed value of assets may not be less than 90% nor greater than 110% of market value.

The valuation software used to develop liabilities for this report was ProVal, developed by Winklevoss Technologies, LLC. SageView Consulting Group coded ProVal for the data, assumptions and provisions for this plan and believe ProVal is appropriate for performing this valuation.

Samples of the actuarial assumptions, and descriptions of the actuarial cost method and asset valuation method are set forth in the outline of actuarial assumptions and methods included in the report.

Legislative and Administrative Changes

A Voluntary Retirement Incentive Program (VRIP) was adopted which allowed eligible members to retire early effective December 3, 2024 if they elected to participate. The impact of the VRIP was an increase in liability of $1,471,682 as of December 31, 2024, based on 11 retirements.

Spokane Employees' Retirement System
May 7, 2025
Page three

Financial Results and Membership Data

Detailed summaries of financial results of the valuation and membership data used in preparing the valuation are shown in the valuation report and the related membership data schedules. We were responsible for providing information for all schedules included in the Actuarial Section of the annual financial report for the fiscal year ended December 31, 2024.

To the best of our knowledge, this report is complete and accurate. All costs and liabilities have been determined in conformance with generally accepted actuarial principles and on the basis of actuarial assumptions and methods which are individually reasonable (taking into account past experience and reasonable expectations of future experience) and which in combination represent the best estimate of anticipated experience under the System. In addition, the assumptions and methods used for funding purposes meet the parameters set by relevant Actuarial Standards of Practice.

Future liability and asset values may differ from the results shown in this report for many reasons including, but not limited to, actual experience differing from assumed experience, changes in actuarial assumptions or methods, plan amendments, regulatory changes or changes in contribution strategy. An impact analysis of such potential changes is not included in this report. Potential plan risks are discussed in Appendix I in compliance with ASOP 51.

The undersigned are available to provide additional information or answer any questions with respect to this report.

Respectfully Submitted By:

Sageview Consulting Group

William J. Reid, FCA, EA
Principal

Daniel L. Homan, EA, MAAA
Principal

Summary of Valuation Results

Presented in this report are the results of the actuarial valuation as of December 31, 2024 for the Spokane Employees' Retirement System.

The principal results include:

- The Actuarially Determined Employer Contribution Rate (ADC) is 9.86% of total payroll. This compares to an actual Employer Contribution rate of 11.00% of total payroll.

The valuation was completed based on membership and financial data submitted by the System.

Net Pension Liability

Under GASB 67, the Net Pension Liability is the excess, if any, of the Total Pension Liability over the Fiduciary Net Position. The Total Pension Liability is determined under the Entry Age actuarial cost method. The Net Pension Liability as of December 31, 2024 and December 31, 2023 is as follows:

	December 31 2024	December 31 2023
Total Pension Liability:	$612,123,157	$589,529,250
Fiduciary Net Position:	$367,341,343	$342,231,974
Net Pension Liability:	$244,781,814	$247,297,276
Fiduciary Net Position as a Percentage of Total Pension Liability:	60.0%	58.1%
GASB 67 Discount Rate:	7.50%	7.50%

The following changes have been made since the last actuarial valuation:

- **Actuarial Assumptions and Methods**

  Actuarial assumptions are adopted by the Board, upon review of recommendations made by the actuary. An experience study was conducted for the five-year period ended December 31, 2021. This study resulted in the Board adopting several changes in assumptions as of December 31, 2022, at the recommendation of the actuary, in order to better anticipate emerging experience under the System. See a copy of the experience study for more information about assumptions.

  The next experience study is scheduled to be conducted for the five-year period ended December 31, 2026. Upon completion of that study, recommendations will be made with respect to assumptions, methods and contribution rates to be adopted beginning with the December 31, 2027 valuation.

  GASB 67 requires the use of a blended discount rate to the extent future contributions are not projected to be sufficient to provide future benefits for the current closed group of plan participants. This was the case for years prior to 2017. For years ended 2017 and later, it was not necessary to apply a blended discount rate because of the negotiated terms that allow for both employer and employee contributions to increase or decrease up to 1% each year based on changes in the ADC.

- **Legislative and Administrative Changes**

  A Voluntary Retirement Incentive Program (VRIP) was adopted which allowed eligible members to retire early effective December 3, 2024 if they elected to participate. The impact of the VRIP was an increase in liability of $1,471,682 as of December 31, 2024, based on 11 retirements.

Summary of Valuation Results (continued)

Demographics	**2024**	**2023**
Active		
Number	1,603	1,605
Expected Average Pay for Upcoming Plan Year	$ 89,970	$ 87,078
Retired and Beneficiaries		
Number	1,630	1,589
Average Annual Allowance	23,907	22,910
Terminated Vested and Portables		
Number	169	175
Total Membership	3,402	3,369
Net Pension Liability		
Total Pension Liability	$ 612,123,157	$ 589,529,250
Fiduciary Net Position	$ 367,341,343	$ 342,231,974
Net Pension Liability	$ 244,781,814	$ 247,297,276
Fiduciary Net Position as a Percentage of the Total Pension Liability	60.0%	58.1%
Contribution Rates		
Employer Actuarially Determined Contribution (ADC) Rate*	9.86%	9.60%
Actual Employer Contribution Rate	11.00%	11.00%

Effective 12/24/2023	11.00%
12/26/2021 - 12/23/2023	10.25%
12/27/2020 - 12/25/2021	10.00%
12/15/2019 - 12/26/2020	9.75%
12/16/2018 - 12/14/2019	9.25%
12/17/2017 - 12/15/2018	9.00%
09/01/2014 - 12/16/2017	8.25%
Prior to 9/1/2014	7.75%

* Exclusive of Employee Contributions

Summary of Valuation Results (continued)

Contribution Rates (ADC)

The results of the valuation as of December 31, 2024 determine the ADC rate for the System. The actual Employer Contribution rate is compared to the contribution rate developed in the valuation in order to determine the appropriateness of the actual Employer Contribution rate. As of December 31, 2024 the actual Employer Contribution rate of 11.00% is greater than the ADC rate of 9.86%.

Reasons for Change in the ADC

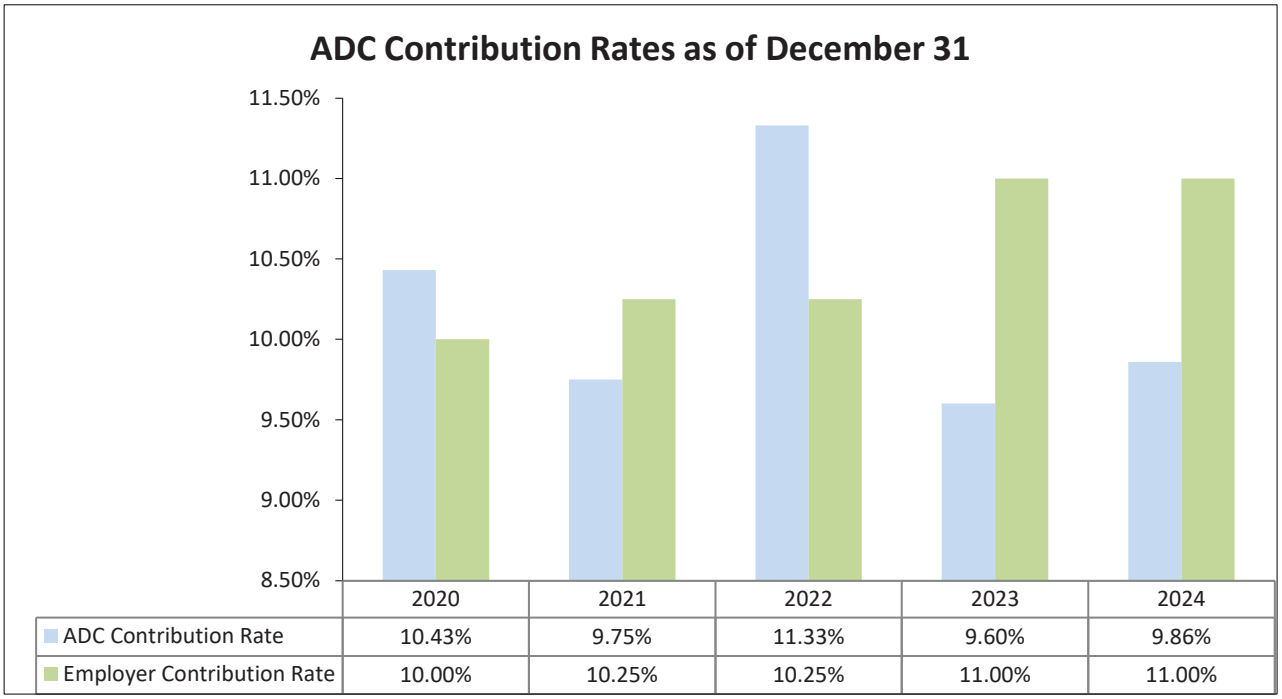
The recommended employer contribution rate as determined by the ADC increased from 9.60% as of December 31, 2023 to 9.86% as of December 31, 2024. The increase of 0.26% is due to the following reasons:

● Increase due to return on actuarial assets	0.25%
● Decrease due to change in normal cost rate	(0.34%)
● Increase due to change in benefit provisions	0.00%
● Increase due to legislative changes	0.00%
● Increase due to change in assumptions	0.00%
● Increase due to change for VRIP	0.42%
● Decrease due to higher than expected payroll growth	(0.06%)
● Decrease due to other factors	(0.01%)
● Total	0.26%

Summary of Valuation Results (continued)

Five-Year History of Contribution Rates
(As a % of payroll)

Valuation Date	ADC	Employer Rate
2020	10.43%	10.00%
2021	9.75%	10.25%
2022	11.33%	10.25%
2023	9.60%	11.00%
2024	9.86%	11.00%



Summary of Valuation Results (continued)

Unfunded Accrued Liability

The financing objective of the System is to:

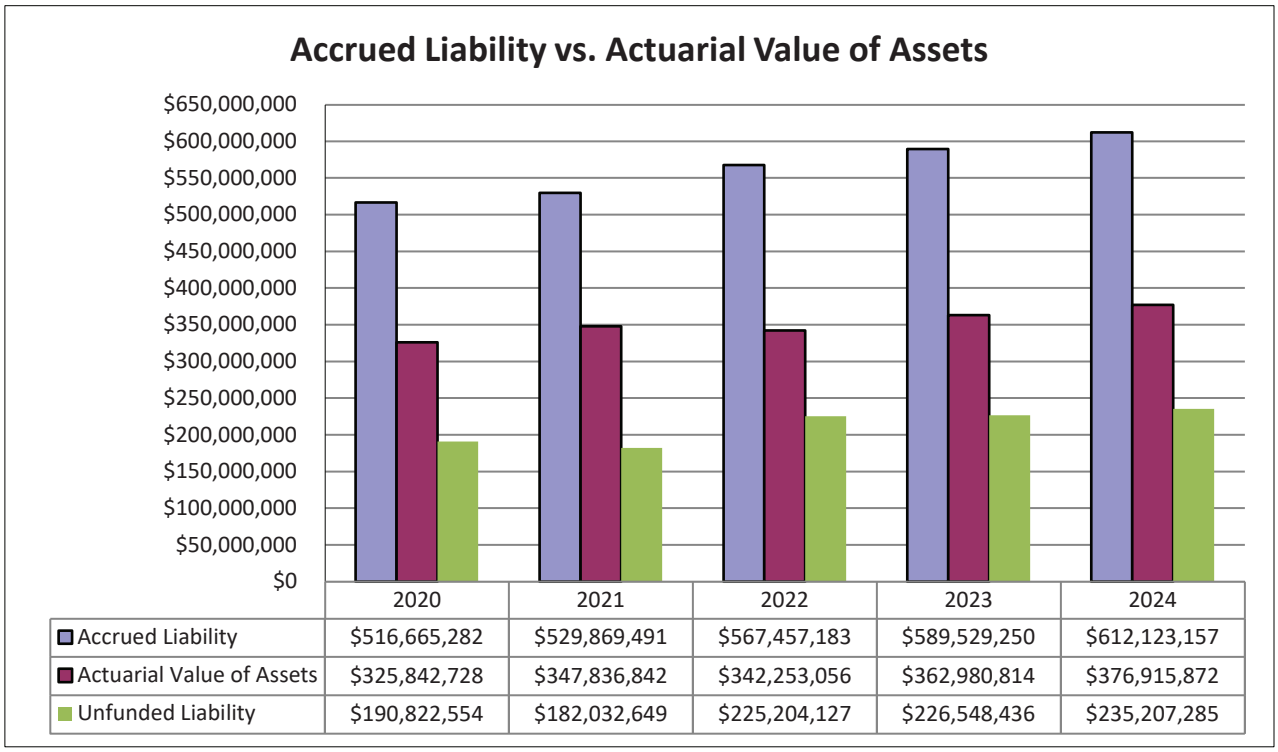
- fully fund all current costs based on the normal contribution rate payable by the System determined un the funding method; and
- liquidate the unfunded accrued liability based on accrued liability contributions payable by the System over an amortization period of no more than 30 years; and
- accomplish the above through a combination of Employee Contributions (currently 11.00% of pay) and Employer Contributions (currently 11.00% of pay).

For purposes of determining contribution rates, the System's unfunded actuarial liability is measured by comparing the actuarial value of assets with the actuarial liability. The actuarial liability is determined under the entry age normal cost method. On this basis, the System's unfunded actuarial liability is $235,207,285 as of December 31, 2024. The unfunded actuarial liability is based on an actuarial value of assets of $376,915,872 and an actuarial liability of $612,123,157.

For purposes of financial reporting, the Fund's unfunded liability (net pension liability) is measured by comparing the market value of assets (fiduciary net position) with the actuarial liability (total pension liability). The total pension liability is determined under the entry age cost method. On this basis, the Fund's net pension liability is $244,781,814 as of December 31, 2024. The net pension liability is based on a fiduciary net position of $367,341,343 and a total pension liability of $612,123,157.

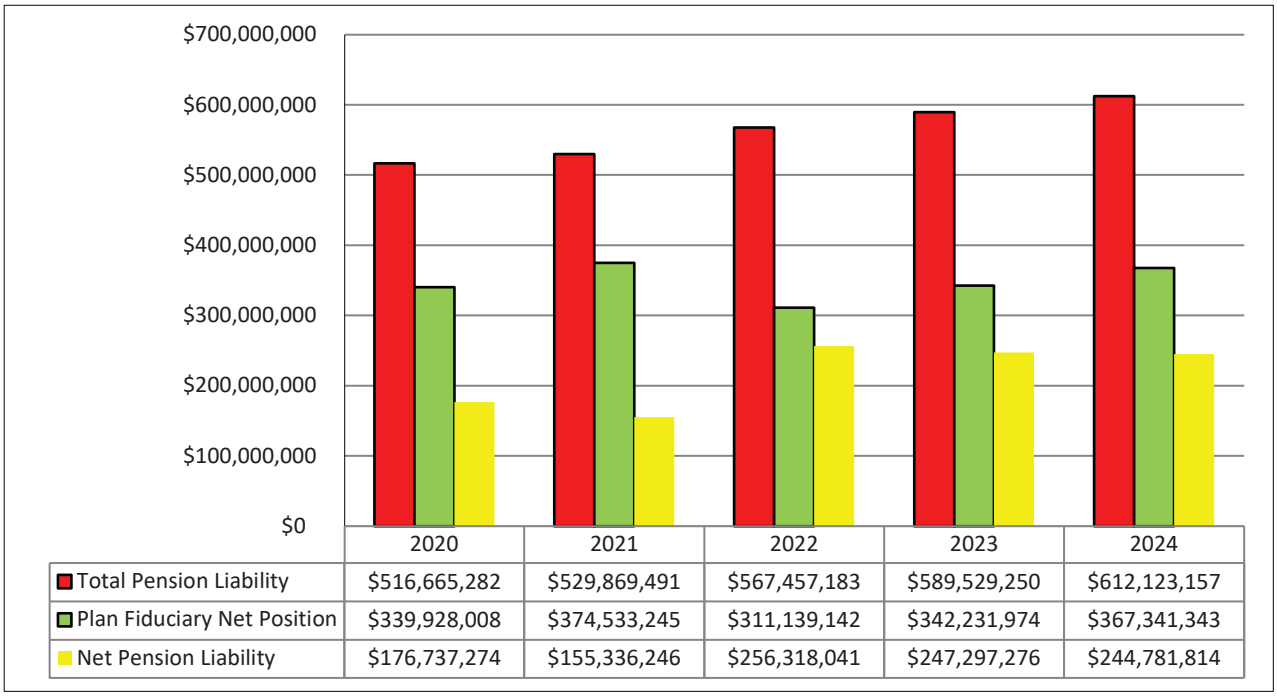
Summary of Valuation Results (continued)

History of Accrued Liability and Actuarial Value of Assets



	2020	2021	2022	2023	2024
Accrued Liability	$516,665,282	$529,869,491	$567,457,183	$589,529,250	$612,123,157
Actuarial Value of Assets	$325,842,728	$347,836,842	$342,253,056	$362,980,814	$376,915,872
Unfunded Liability	$190,822,554	$182,032,649	$225,204,127	$226,548,436	$235,207,285

History of Net Pension Liability

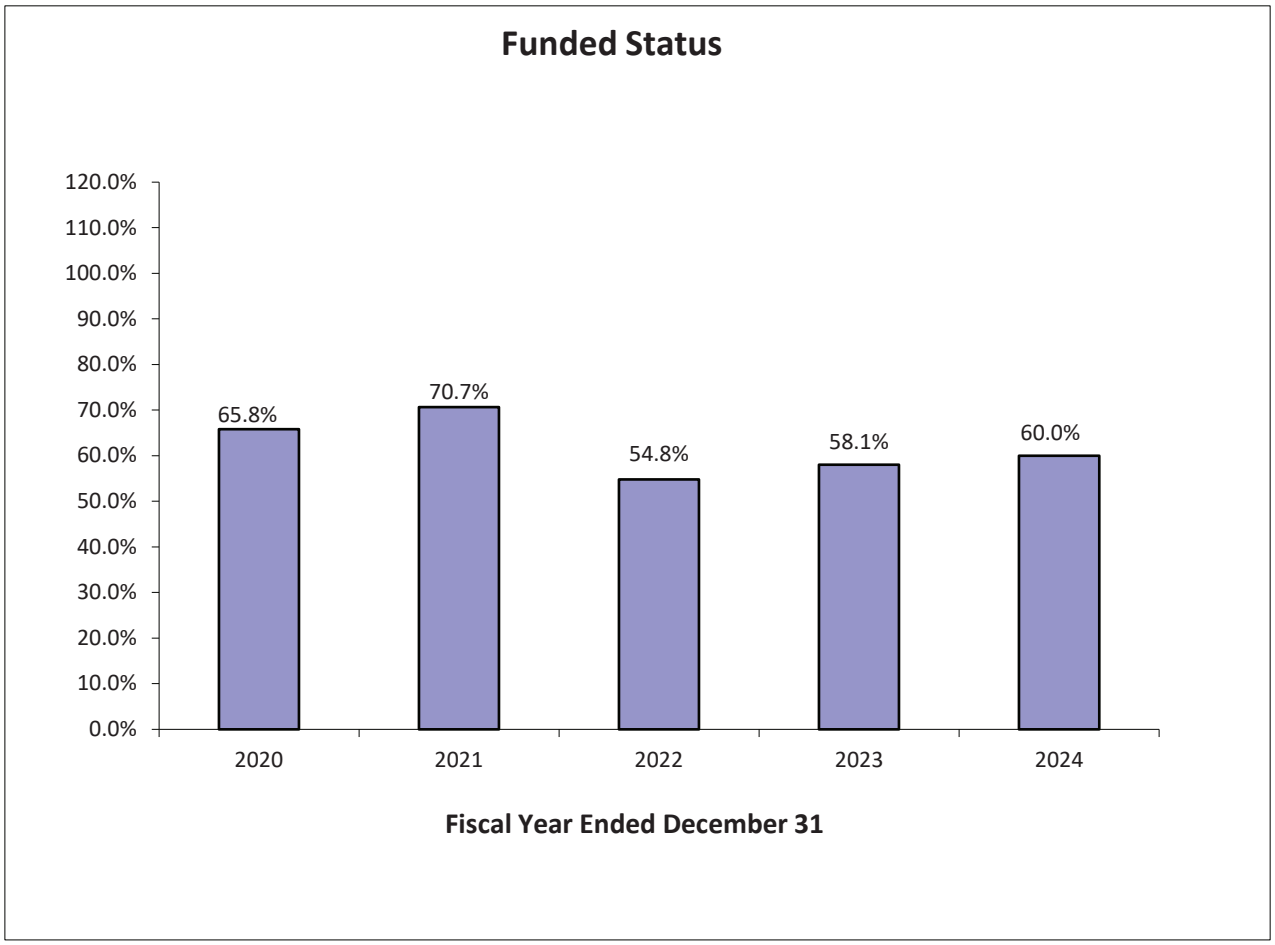


	2020	2021	2022	2023	2024
Total Pension Liability	$516,665,282	$529,869,491	$567,457,183	$589,529,250	$612,123,157
Plan Fiduciary Net Position	$339,928,008	$374,533,245	$311,139,142	$342,231,974	$367,341,343
Net Pension Liability	$176,737,274	$155,336,246	$256,318,041	$247,297,276	$244,781,814

Summary of Valuation Results (continued)

Five-Year History of Funded Status

Fiscal Year Ending	Funded Status
2020	65.8%
2021	70.7%
2022	54.8%
2023	58.1%
2024	60.0%



Summary of Valuation Results (continued)

Rate of Return

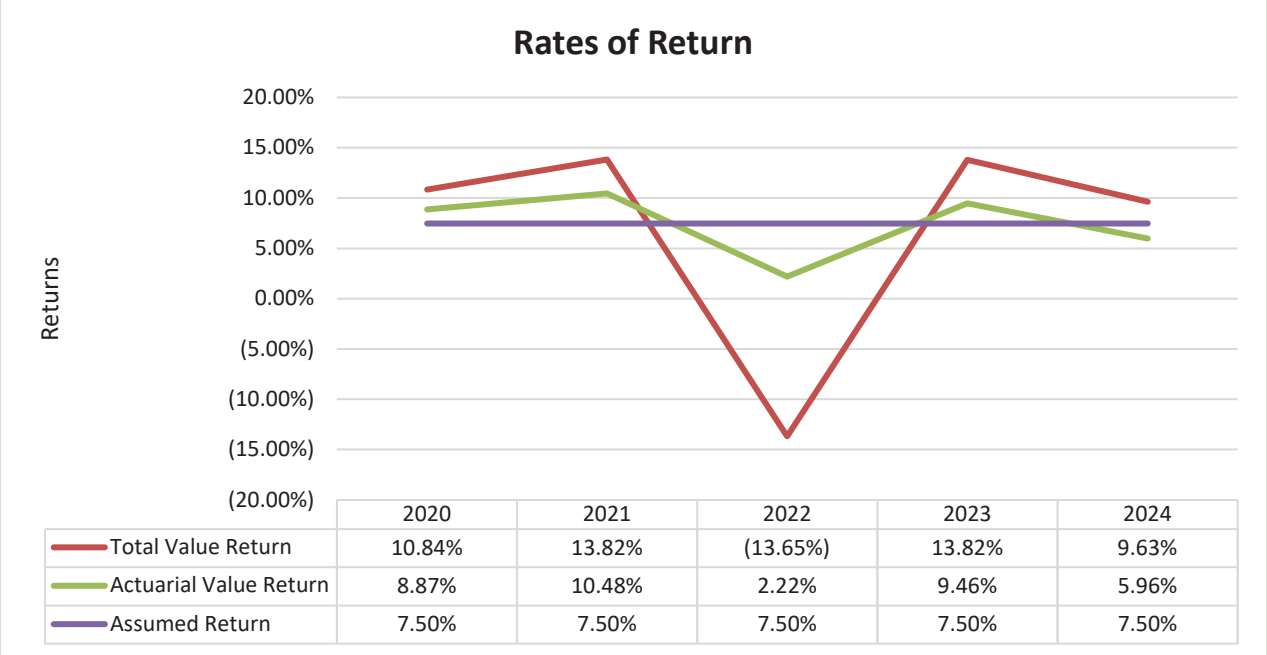
The investment return of the trust fund (i.e. total return including both realized and unrealized gains and losses) based on the market value of invested assets for the fiscal year ended December 31, 2024 was 10.00%. However, since some contributions go directly to paying benefits and are never invested in the trust, the net investment return on total assets of the System was 9.63%. The investment return on the smoothed fair value of assets was 5.96%. The expected rate of return was 7.50%.

The smoothed fair value of assets is determined using a method that is designed to smooth the impact of market fluctuations. Unlike the market value, which immediately reflects all investment gains and losses during the year, the smoothed fair value recognizes annual appreciation and depreciation over a five-year period.

Summary of Valuation Results (continued)

Five-Year History of Rates of Return

Fiscal Year Ending	Rate of Return on Assets			
	Invested	Total	Actuarial	Assumed
2020	11.50%	10.84%	8.87%	7.50%
2021	13.70%	13.82%	10.48%	7.50%
2022	(13.50%)	(13.65%)	2.22%	7.50%
2023	14.10%	13.82%	9.46%	7.50%
2024	10.00%	9.63%	5.96%	7.50%



	2020	2021	2022	2023	2024
Total Value Return	10.84%	13.82%	(13.65%)	13.82%	9.63%
Actuarial Value Return	8.87%	10.48%	2.22%	9.46%	5.96%
Assumed Return	7.50%	7.50%	7.50%	7.50%	7.50%

Supporting Information

The remainder of the report is comprised of the following sections or schedules:

Table 1	Demographics
Funding Schedules	
Table 2	Market Value Reconciliation
Table 3	Smoothed Fair Value of Net Assets Determination
Table 4	Accrued Liability
Table 5	Actuarial (Gain)/Loss
Table 6	Amortization Schedule
Table 7	Normal Cost
Table 8	Contribution Summary
GASB 67 Schedules	
Table 9	Statement of Fiduciary Net Position
Table 10	Statement of Changes in Fiduciary Net Position
Table 11	Net Pension Liability
Table 12	Schedule of Employer Contributions
Table 13	GASB 68 Summary for 2024
Table 14	GASB 68 Summary for 2025
Table 15	Deferred Outflows/(Inflows) Amortization Schedule
Financial Schedules	
Table 16	Historical Summary of Fund Additions and Deductions
Membership Schedules	
Table 17	Schedule of Membership
Table 18	Schedule of Active Members Valuation Data
Table 19	Schedule of Retirees Added to and Removed from Rolls
Table 20	Schedule of Retired Members by Type of Benefit; Schedule of Benefit Payments by Type
Table 21	Schedule of Average Annual Benefit Payments
Assumptions, Methods and Provisions Schedules	
Table 22	Description of Actuarial Assumptions and Methods
Table 23	Summary of Benefit and Contribution Provisions
Appendices	
Appendix I	Plan Risks (ASOP 51 Compliance)
Appendix II	Low-Default-Risk Obligation Measure(LDROM) - (ASOP 4 Compliance)
Appendix III	Data Tables

Table 1

DEMOGRAPHICS

	2024	2023	Increase/ (Decrease)
1. Number of Members:			
a. Retirees	1,441	1,404	37
b. Beneficiaries	182	178	4
c. Disabled	7	7	0
d. Terminated Vested	84	92	(8)
e. Portables	85	83	2
f. Active	1,603	1,605	(2)
g. Total Members	3,402	3,369	33
2. Projected Compensation for Coming Year	144,222,169	139,760,331	4,461,838
3. Average Compensation for Coming Year	89,970	87,078	2,892
4. Average Age (Active Members)	46.26	46.49	(0.23)
5. Average Service (Active Members)	10.04	10.11	(0.07)
6. Annual Retirement Allowance	38,967,918	36,404,300	2,563,618
7. Average Annual Retirement Allowance	23,907	22,910	997
8. Average Monthly Retirement Allowance	1,992	1,909	83

Table 2

ASSET INFORMATION

Market Value Reconciliation

1. Total Market Value of Net Assets, 12/31/2023		342,231,974
2. Audit Adjustment		0
3. Contributions		
a. Employer	15,870,598	
b. Employee	15,870,598	
c. Total Contributions		31,741,196
4. Miscellaneous Revenue		0
5. Investment Earnings		
a. Interest & Dividends & Other Income	6,479,655	
b. Realized & Unrealized Gain/(Loss)	26,621,106	
c. Investment Expenses	(503,492)	
d. Total Investment Earnings		32,597,269
6. Benefit Payments		
a. Benefits	(37,787,161)	
b. Refund of Contributions	(956,431)	
c. Total Benefit Payments		(38,743,592)
7. Administrative Expenses		(485,504)
8. Total Market Value of Net Assets, 12/31/2024		367,341,343
9. Approximate Rate of Return on Total Assets		9.63%
10. Approximate Rate of Return on Invested Assets		10.00%

Table 3

ASSET INFORMATION

Smoothed Fair Value of Net Assets Determination

1. Total Market Value of Net Assets, 12/31/2023	342,231,974
2. Expected Return for Plan Year	25,391,678
3. Actual Return for Plan Year	32,597,269
4. Total Market Value of Net Assets, 12/31/2024	367,341,343
5. Determination of Deferred Gain (Loss)	

Fiscal Year	Actual vs. Expected Return	Amount Recognized This Year	Portion Deferred	Deferred Amount
2024	7,205,591	1,441,118	4/5	5,764,473
2023	19,300,353	3,860,071	3/5	11,580,212
2022	(77,847,016)	(15,569,403)	2/5	(31,138,806)
2021	21,097,956	4,219,592	1/5	4,219,592
2020	10,399,530	2,079,906	0/5	0
Total	(19,843,586)	(3,968,716)		(9,574,529)

6. Preliminary Smoothed Fair Value of Net Assets (4. - 5.)	376,915,872
7. Ratio of Preliminary Smoothed Fair Value to Market Value	102.61%
8. Smoothed Fair Value of Net Assets (6., but not less than 90% nor more than 110% of 4.)	376,915,872
9. Ratio of Smoothed Fair Value to Market Value	102.61%
10. Approximate Rate of Return on Smoothed Fair Value of Net Assets	5.96%

Table 4

ACCRUED LIABILITY

1. Accrued Liability prior to Changes in Benefit Provisions and Assumptions		
a. Active	224,701,170	
b. Terminated Vested & Portables	21,889,342	
c. Retirees	340,175,570	
d. Beneficiaries	23,105,792	
e. Disableds	779,601	
f. Total Accrued Liability prior to Changes		610,651,475
2. Actuarial Value of Assets		376,915,872
3. Unfunded Accrued Liability prior to Changes (1.f. - 2.)		233,735,603
4. Change in Unfunded Accrued Liability		
a. Due to Changes in Plan Provisions	0	
b. Due to Changes in Assumptions	0	
c. Due to Change for VRIP	1,471,682	
d. Due to Change in Asset Method	0	
e. Total Change in Unfunded Accrued Liability		1,471,682
5. Actual Unfunded Accrued Liability (3. + 4.e.)		235,207,285

Table 5

ACTUARIAL (GAIN)/LOSS

1. Increase (decrease) in Unfunded Accrued Liability	
a. Unfunded Accrued Liability, prior year	226,548,436
b. Entry Age Normal Cost (excluding expenses)	14,076,634
c. Contributions	31,741,196
d. Interest	16,878,104
e. Expected Unfunded Accrued Liability, current year (a. + b. - c. + d.)	225,761,978
f. Actual Unfunded Accrued Liability, current year before benefit, assumption, and method changes	233,735,603
g. (Gain)/Loss (f. -e.)	7,973,625
2. Reasons for (Gain)/Loss	
a. Investment Return on Smoothed Fair Value of Assets	6,028,265
b. Other	1,945,360
c. Total	7,973,625

Table 6

AMORTIZATION SCHEDULE*

Date Established	Source	Initial Amount	Remaining Balance	Years to Amortize	Required Payment
12/31/2024	VRIP	1,471,682	1,471,682	3	509,268
12/31/2024	Actuarial Loss	7,973,625	7,973,625	25	484,416
12/31/2023	Actuarial Gain	(1,604,797)	(1,602,327)	24	(99,785)
12/31/2022	Amortization of UAL	225,204,127	227,364,305	23	14,537,546
Total		233,044,637	235,207,285		15,431,445

* Effective December 31, 2022, prior bases established between December 31, 2017 and December 31, 2021 were combined into one base with a weighted average remaining amortization period of 25 years.

Table 7

NORMAL COST

1. Normal Cost for All Benefits	14,158,660
2. Offset for Employee Contributions	(15,864,439)
3. Estimated Expenses	500,000
4. Total (1) - (2) + (3)	(1,205,779)

Table 8

CONTRIBUTION SUMMARY

1. Actuarially Determined Employer Contribution Amount		
a. Normal Cost	(1,205,779)	
b. Amortization Charges	15,431,445	
c. Total		14,225,666
2. Actuarially Determined Employer Contribution Rate		
a. Normal Cost	-0.84%	
b. Amortization Charges	10.70%	
c. Total		9.86%
3. Projected Pay for the Upcoming Year		144,222,169

Table 9

ASSET INFORMATION

Statement of Fiduciary Net Position
(as provided by SERS staff)

ASSETS		
1. Cash		258,353
2. Short-term investments		4,665,424
3. Receivables		
a. Interest and Dividends	362,278	
b. Other receivables	1,546	
c. Redemption receivable	0	
d. Total Receivables		363,824
4. Investments, at fair value		362,178,819
5. Capitalized software, net of accumulated amortization		123,543
6. Total Assets		367,589,963
LIABILITIES		
1. Accounts Payable	139,872	
2. Current portion employee salary & benefits	15,021	
3. Employee leave benefits	82,340	
4. Other current liabilities	11,387	
5. Total Liabilities		248,620
NET POSITION		367,341,343

Table 10

ASSET INFORMATION

Statement of Changes in Fiduciary Net Position
(as provided by SERS staff)

ADDITIONS		
1. Contributions		
a. Employer	15,870,598	
b. Plan Members	15,870,598	
c. Total Contributions		31,741,196
2. Investment Earnings:		
a. Net appreciation (depreciation) in fair value of investments	26,621,106	
b. Interest and dividends	6,479,655	
c. Less: investment expense		503,492
d. Net investment income (loss)		32,597,269
3. Total additions and changes investments		64,338,465
DEDUCTIONS		
1. Benefit payments	37,787,161	
2. Refunds of member contributions	956,431	
3. Administrative expenses, net of administrative income	485,504	
4. Total deductions		39,229,096
NET INCREASE (DECREASE IN NET POSITION)		25,109,369
PRIOR PERIOD ADJUSTMENT		0
PLAN FIDUCIARY NET POSITION, 12/31/2023		342,231,974
PLAN FIDUCIARY NET POSITION, 12/31/2024		367,341,343

Table 11

NET PENSION LIABILITY

	2024	2023
Total Pension Liability		
Service Cost	15,132,382	13,955,416
Interest	42,788,075	41,179,698
Changes of benefit terms	1,471,682	0
Differences between expected and actual experience	1,945,360	4,403,357
Changes of assumptions	0	0
Benefit Payments, including refunds of member contributions	(38,743,592)	(37,466,404)
Net change in total pension liability	22,593,907	22,072,067
Total pension liability - beginning	589,529,250	567,457,183
Total pension liability - ending (a)	612,123,157	589,529,250
Plan Fiduciary Net Position		
Contributions - employer	15,870,598	13,446,610
Contributions - member	15,870,598	13,459,279
Net investment income	32,597,269	42,225,848
Benefit payments, including refunds of member contributions	(38,743,592)	(37,466,404)
Administrative expense	(485,504)	(572,501)
Other	0	0
Net change in plan fiduciary net position	25,109,369	31,092,832
Plan fiduciary net position - beginning	342,231,974	311,139,142
Plan fiduciary net position - ending (b)	367,341,343	342,231,974
Net pension liability - ending (a) - (b) *	244,781,814	247,297,276
Plan fiduciary net position as a percentage of the total pension liability	60.0%	58.1%
Covered-employee payroll	144,222,169	139,760,331
Net pension liability as a percentage of covered-employee payroll	169.7%	176.9%
GASB 67 Blended Discount Rate Beginning of Period:	7.50%	7.50%
GASB 67 Blended Discount Rate End of Period:	7.50%	7.50%

* A 1% decrease in the discount rate increases the net pension liability to $309,057,924, an increase of $64,276,110.

A 1% increase in the discount rate decreases the net pension liability to $190,044,224, a decrease of $54,737,590.

Table 12

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(Excludes Member Contributions)

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Percentage Contributed
12/31/2015	9,069,276	7,398,945	1,670,331	89,684,182	8.25%
12/31/2016	9,853,762	7,586,362	2,267,400	91,955,903	8.25%
12/31/2017	9,765,949	8,113,319	1,652,630	98,343,261	8.25%
12/31/2018	10,044,342	9,187,420	856,922	102,082,444	9.00%
12/31/2019	11,078,489	9,824,717	1,253,772	106,213,157	9.25%
12/31/2020	11,527,854	10,659,281	868,573	109,325,959	9.75%
12/31/2021	12,457,475	11,519,708	937,767	115,197,080	10.00%
12/31/2022	11,700,545	11,863,726	(163,181)	115,743,668	10.25%
12/31/2023	15,410,726	13,446,610	1,964,116	131,186,439	10.25%
12/31/2024	14,360,715	15,870,598	(1,509,883)	144,278,164	11.00%

Table 13

GASB 68 Summary for 2024
Total Plan

	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	NPL Discount Rate +1%	NPL Discount Rate -1%	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense	Amortization Period
Balance, Beginning of Year (1)	567,457,183	311,139,142	256,318,041	205,519,330	315,900,727	87,563,220	23,203,911		
Changes for the year									
Service Cost	13,955,416		13,955,416					13,955,416	
Interest Cost	41,179,698		41,179,698					41,179,698	
Benefit Changes	0		0					0	
Experience loss (gain)	4,403,357		4,403,357			3,669,464	0	733,893	6.00
Changes in assumptions	0		0			0	0	0	6.00
Contributions - Employer		13,446,610	(13,446,610)						
Contributions - Employee		13,459,279	(13,459,279)					(13,459,279)	
Net Investment Income		42,225,848	(42,225,848)						
Expected Return on Investments								(22,925,495)	
Investment (gain) loss expensed								(3,860,071)	5.00
Investment (gain) loss deferred						0	15,440,282		
Benefits paid including refunds	(37,466,404)	(37,466,404)	0					0	
Administrative Expense		(572,501)	572,501					572,501	
Other Changes		0	0						
Amortization						(21,571,075)	(12,346,985)	9,224,090	
Net Changes	22,072,067	31,092,832	(9,020,765)			(17,901,611)	3,093,297		
Balance, End of Year (2)	589,529,250	342,231,974	247,297,276	194,463,026	309,285,579	69,661,609	26,297,208	25,420,753	

(1) Measurement Date December 31, 2022
(2) Measurement Date December 31, 2023

Table 14

GASB 68 Summary for 2025
Total Plan

	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	NPL Discount Rate +1%	NPL Discount Rate -1%	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense	Amortization Period
Balance, Beginning of Year (1)	589,529,250	342,231,974	247,297,276	194,463,026	309,285,579	69,661,609	26,297,208		
Changes for the year									
Service Cost	15,132,382		15,132,382					15,132,382	
Interest Cost	42,788,075		42,788,075					42,788,075	
Benefit Changes	1,471,682		1,471,682					1,471,682	
Experience loss (gain)	1,945,360		1,945,360			1,621,133	0	324,227	6.00
Changes in assumptions	0		0			0	0	0	6.00
Contributions - Employer		15,870,598	(15,870,598)						
Contributions - Employee		15,870,598	(15,870,598)					(15,870,598)	
Net Investment Income		32,597,269	(32,597,269)						
Expected Return on Investments								(25,391,678)	
Investment (gain) loss expensed								(1,441,118)	5.00
Investment (gain) loss deferred						0	5,764,473		
Benefits paid including refunds	(38,743,592)	(38,743,592)	0					0	
Administrative Expense		(485,504)	485,504					485,504	
Other Changes		0	0						
Amortization						(22,304,965)	(10,272,181)	12,032,784	
Net Changes	22,593,907	25,109,369	(2,515,462)			(20,683,832)	(4,507,708)		
Balance, End of Year (2)	612,123,157	367,341,343	244,781,814	190,044,224	309,057,924	48,977,777	21,789,500	29,531,260	

(1) Measurement Date December 31, 2023
(2) Measurement Date December 31, 2024

Table 15

Deferred Outflows/(Inflows) Amortization Schedule as of December 31, 2025
(Measurement Date: December 31, 2024)

Reporting Date Established	Source	Initial Amount	Deferred Amount	Remaining Years	Amortization Payment
12/31/2025	Experience Loss	1,945,360	1,621,133	5.00	324,227
12/31/2025	Investment Gain	(7,205,591)	(5,764,473)	4.00	(1,441,118)
12/31/2024	Experience Loss	4,403,357	2,935,571	4.00	733,893
12/31/2024	Investment Gain	(19,300,353)	(11,580,211)	3.00	(3,860,071)
12/31/2023	Experience Loss	13,014,651	6,507,324	3.00	2,169,109
12/31/2023	Assumption Change	11,760,337	5,880,169	3.00	1,960,056
12/31/2023	Investment Loss	77,847,016	31,138,807	2.00	15,569,403
12/31/2022	Experience Gain	(675,673)	(225,225)	2.00	(112,612)
12/31/2022	Investment Gain	(21,097,956)	(4,219,592)	1.00	(4,219,592)
12/31/2021	Experience Loss	5,368,635	894,770	1.00	894,770
Total			27,188,273		12,018,065

Table 16

HISTORICAL SUMMARY OF FUND ADDITIONS AND DEDUCTIONS

ADDITIONS BY SOURCE

Fiscal Year Ended	Employer Contributions as a Percent of Payroll	Employer Contributions	Employee Contributions	Net Investment Income	Total
12/31/2015	8.25%	7,398,945	7,402,905	(3,228,439)	11,573,411
12/31/2016	8.25%	7,586,362	7,586,362	16,802,274	31,974,998
12/31/2017	8.25%	8,113,319	8,113,319	43,085,572	59,312,210
12/31/2018	9.00%	9,187,420	9,188,781	(18,715,945)	(339,744)
12/31/2019	9.25%	9,824,717	9,827,760	50,166,728	69,819,205
12/31/2020	9.75%	10,659,281	10,659,281	33,795,088	55,113,650
12/31/2021	10.00%	11,519,708	11,519,708	46,166,835	69,206,251
12/31/2022	10.25%	11,863,726	11,931,102	(50,241,335)	(26,446,507)
12/31/2023	10.25%	13,446,610	13,459,279	42,225,848	69,131,737
12/31/2024	11.00%	15,870,598	15,870,598	32,597,269	64,338,465

DEDUCTIONS BY TYPE

Fiscal Year Ended	Benefit Payments	Refunds	Admin Expenses	Total
12/31/2015	23,959,198	637,822	447,921	25,044,941
12/31/2016	25,737,515	729,741	477,252	26,944,508
12/31/2017	26,891,785	551,908	563,078	28,006,771
12/31/2018	28,309,344	554,422	554,484	29,418,250
12/31/2019	30,055,864	544,438	555,763	31,156,065
12/31/2020	31,595,115	513,758	619,135	32,728,008
12/31/2021	33,256,350	741,019	603,645	34,601,014
12/31/2022	35,057,797	1,210,280	679,519	36,947,596
12/31/2023	36,088,238	1,378,166	572,501	38,038,905
12/31/2024	37,787,161	956,431	485,504	39,229,096

Table 17

SCHEDULE OF MEMBERSHIP

Fiscal Year Ended	Active Members	Terminated Vested Members	Service Retirees and Beneficiaries	Disabled Retirees	Total in Pay Status	Total Members
12/31/2015	1,424	97	1,291	9	1,300	2,821
12/31/2016	1,460	109	1,333	9	1,342	2,911
12/31/2017	1,444	113	1,367	9	1,376	2,933
12/31/2018	1,481	123	1,415	9	1,424	3,028
12/31/2019	1,499	119	1,449	8	1,457	3,075
12/31/2020	1,464	131	1,496	8	1,504	3,099
12/31/2021	1,494	134	1,526	8	1,534	3,162
12/31/2022	1,535	161	1,574	8	1,582	3,278
12/31/2023	1,605	175	1,582	7	1,589	3,369
12/31/2024	1,603	169	1,623	7	1,630	3,402

Table 18

SCHEDULE OF ACTIVE MEMBERS VALUATION DATA

Fiscal Year Ended	Active Members	Projected Covered Payroll	Average Payroll Rate	Annual Percentage Increase in Average Payroll Rate
12/31/2015	1,424	93,899,096	65,940	4.20%
12/31/2016	1,460	102,378,550	70,122	6.34%
12/31/2017	1,444	102,844,614	71,222	1.57%
12/31/2018	1,481	107,017,146	72,260	1.46%
12/31/2019	1,499	111,746,539	74,547	3.16%
12/31/2020	1,464	112,984,469	77,175	3.53%
12/31/2021	1,494	116,866,751	78,224	1.36%
12/31/2022	1,535	126,830,000	82,625	5.63%
12/31/2023	1,605	139,760,331	87,078	5.39%
12/31/2024	1,603	144,222,169	89,970	3.32%

Table 19

SCHEDULE OF RETIREES ADDED TO AND REMOVED FROM ROLLS

Fiscal Year Ended	Added	Annual Benefits Added	Removed	Annual Benefits Removed	Total	Annual Benefits	Percent Change	Average Annual Benefits	Retirees as Percent of Active Members	
									Number	Pay
12/31/2015	96	2,379,741	39	667,843	1,300	24,687,895	7.5%	18,991	91.3%	26.3%
12/31/2016	82	2,262,702	40	753,144	1,342	26,197,453	6.1%	19,521	91.9%	25.6%
12/31/2017	75	1,862,418	41	685,721	1,376	27,374,150	4.5%	19,894	95.3%	26.6%
12/31/2018	81	2,054,117	33	488,082	1,424	28,940,185	5.7%	20,323	96.2%	27.0%
12/31/2019	80	2,240,959	47	715,467	1,457	30,465,677	5.3%	20,910	97.2%	27.3%
12/31/2020	83	2,566,143	36	554,098	1,504	32,477,722	6.6%	21,594	102.7%	28.7%
12/31/2021	72	2,059,726	42	814,979	1,534	33,722,469	3.8%	21,983	102.7%	28.9%
12/31/2022	100	2,851,536	52	893,180	1,582	35,680,825	5.8%	22,554	103.1%	28.1%
12/31/2023	48	1,433,010	41	709,535	1,589	36,404,300	2.0%	22,910	99.0%	26.0%
12/31/2024	87	3,259,846	46	696,228	1,630	38,967,918	7.0%	23,907	101.7%	27.0%

Table 20

SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

Amount of Monthly Benefit	Number of Retirees	Type of Retirement*			Option Selected**						
		1	2	3	LIFE	C1	C2	C3	C4	D	E
1 - 100	2	1	0	1	1	0	0	0	0	1	0
101 - 200	11	6	0	5	3	0	0	0	0	1	7
201 - 300	20	16	0	4	11	2	0	0	0	1	6
301 - 400	44	34	0	10	22	1	0	0	1	3	17
401 - 500	57	38	0	19	24	0	0	0	1	9	23
501 - 600	57	49	0	8	30	0	2	0	0	3	22
601 - 700	53	46	1	6	24	1	0	0	0	6	22
701 - 800	60	50	1	9	27	0	0	0	2	11	20
801 - 900	55	48	0	7	31	0	1	0	0	7	16
901 - 1,000	73	65	0	8	29	3	0	0	1	9	31
1,001 - 1,500	263	218	3	42	119	1	2	3	1	28	109
1,501 - 2,000	237	207	2	28	103	0	1	0	0	31	102
Over 2,000	698	663	0	35	283	12	2	5	8	97	291
Total	1,630	1,441	7	182	707	20	8	8	14	207	666

*Type of Retirement:
1 Service Retirement
2 Disability Retirement
3 Beneficiary

**Option Selected:

Life	Remaining accumulated balance paid to beneficiary
Opt. C1	60 months guaranteed
Opt. C2	120 months guaranteed
Opt. C3	180 months guaranteed
Opt. C4	240 months guaranteed
Opt. D	50% continuation to beneficiary
Opt. E	100% continuation to beneficiary

SCHEDULE OF BENEFIT PAYMENTS BY TYPE

Fiscal Year Ended	Service Retirement	Disability Retirement	Beneficiaries	Refunds	Total Benefits
12/31/2015	22,192,756	125,328	1,641,114	637,822	24,597,020
12/31/2016	23,765,713	125,328	1,846,474	729,742	26,467,257
12/31/2017	24,852,640	125,328	1,913,817	551,908	27,443,693
12/31/2018	26,202,801	125,328	1,981,215	554,422	28,863,766
12/31/2019	27,788,707	124,164	2,142,993	544,438	30,600,302
12/31/2020	29,378,701	114,580	2,101,834	513,758	32,108,873
12/31/2021	30,993,999	114,580	2,147,773	741,019	33,997,371
12/31/2022	32,696,266	114,580	2,246,952	1,210,280	36,268,078
12/31/2023	33,622,180	109,613	2,356,445	1,378,166	37,466,404
12/31/2024	35,144,451	97,389	2,545,321	956,431	38,743,592

Table 21

SCHEDULE OF AVERAGE ANNUAL BENEFIT PAYMENTS

Fiscal Year Ended	Service Retirement and Beneficiaries	Disability Retirement	Total	Annual Percentage Increase in Average Benefits
12/31/2015	18,462	13,925	18,430	2.92%
12/31/2016	19,214	13,925	19,178	4.06%
12/31/2017	19,580	13,925	19,543	1.90%
12/31/2018	19,918	13,925	19,880	1.72%
12/31/2019	20,657	15,521	20,629	3.77%
12/31/2020	21,043	14,323	21,007	1.83%
12/31/2021	21,718	14,323	21,679	3.20%
12/31/2022	22,200	14,323	22,160	2.22%
12/31/2023	22,742	15,659	22,711	2.49%
12/31/2024	23,222	13,913	23,182	2.07%

Table 22

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Cost Method

The actuarial cost method used to determine the actuarial accrued liability and the normal cost for both funding and financial reporting purposes is the Entry Age Normal (EAN) Actuarial Cost Method. The accrued liability and the normal cost are used to determine the City's contribution requirement. Under this method, the cost of each individual's pension is allocated on a level percent of payroll basis between the time employment starts (entry age) and the assumed retirement date. The normal cost is the amount allocated for a given year and accrued liability is the accumulation of prior normal costs as of the determination date. The total actuarial liability for retirement benefits is the sum of the accrued liability for each active member.

The actuarial accrued liability and normal cost for termination benefits, disability benefits, and pre-retirement spouse's death benefits are determined in a similar manner as for retirement benefits described above.

The actuarial accrued liability for inactive members is determined as the actuarial present value of the benefits expected to be paid; no normal cost is determined for these members.

Unless otherwise specified, the following actuarial assumptions and methods were adopted December 31, 2022.

Actuarial Assumptions

Mortality:	Healthy Lives	Pub-2010 Table for General Employees/Retirees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
	Disabled Lives	Pub-2010 Table for General Disabled Employees with ages set forward 2 years for males and 1 year for females using Projection Scale MP-2021.
Interest:	7.5% per year, compounded annually	
GASB 67 Blended Discount Rate:	Beginning of Period:	7.50%
	End of Period:	7.50%
Amortization of Unfunded Liability:	Closed 30 year amortization as a level percent of payroll. Payroll growth assumed to be 3.5% per year. Prior bases established between December 31, 2017 and December 31, 2021 were combined into one base with a weighted average remaining amortization period of 25 years.	

Table 22

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS

Turnover: In accordance with the following table based on service:

Years of Service	Turnover Probability
<1	12.0%
1	8.0%
2-3	7.0%
4	6.0%
5-7	5.0%
8	4.0%
9-10	3.0%
11+	2.0%

Retirement: In accordance with the following table based on age:

Age	Retirement Probability	Age	Retirement Probability
<50	0.0%		
50	10.0%	67	40.0%
51-53	4.0%	68	25.0%
54-59	5.0%	69	33.0%
60	10.0%	70	45.0%
61	15.0%	71	25.0%
62	20.0%	72	45.0%
63	15.0%	73	30.0%
64	20.0%	74	15.0%
65-66	25.0%	75+	100.0%

Disability: None assumed

Table 22

DESCRIPTION OF ACTUARIAL ASSUMPTIONS AND METHODS

Salary Increases: In accordance with the following table based on service:

Years of Service	Annual Increase
<1	10.0%
1	9.0%
2	8.0%
3	7.0%
4	6.0%
5	5.0%
6	4.0%
7-11	3.5%
12-18	3.0%
19+	2.5%

There is a 5.0% minimum salary increase assumption for the next year and a 4% minimum salary increase assumption in the following year.

Inflation Rate: 2.50% per year

Non-Investment Expenses: Prior year's actual amount rounded up to next $100,000

Family Composition: 75% of employees are assumed to be married with males assumed to be four years older than their spouses.

Asset Valuation Basis

In order to smooth out market value fluctuations for purposes of developing the ADC, the difference between actual investment earnings over expected investment earnings will be recognized in equal amounts over a five-year period with the restriction that the smoothed value of assets may not be less than 90% nor greater than 110% of market value.

Table 23

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

Outlined on the following pages are the principal features of the Plan reflected in the 2024 valuation.

Definitions:

Creditable Service	Service credited as an employee of the City of Spokane during which contributions were made as an eligible member of the Retirement System up to a maximum of 40 years. The maximum is 35 years for employees hired after January 1, 2015, but before December 31, 2017. The maximum is 30 years for employees hired prior to January 1, 2009 who terminate after January 1, 2009 and who do not elect the alternate benefit formula.
Service Buy-Back	A six-month window was opened from October 1, 2009 through March 31, 2010 during which members who had withdrawn their retirement accumulations and not elected to buy back prior service time could do so. Future rehired employees will have one year from their date of rehire to elect to buy back prior service time.
Compensation	Total amount received by an employee including base pay, shift differential, overtime, holiday pay, hazardous duty pay and out-of-classification pay and not reduced by salary reduction contributions to the City's cafeteria plan or Section 457 plan. For employees hired after January 1, 2018, overtime compensation will be capped at 120% of an employee's annual base salary.
Final Compensation	The highest average annual Compensation received by a member during any three consecutive years. For employees hired prior to January 1, 2015, the highest average annual Compensation received by a member during any two consecutive years.
Normal Retirement Date	The first day of the month coinciding with or next following the attainment of age 65 and completion of 7 years of Creditable Service. For employees hired prior to January 1, 2015, the first day of the month coinciding with or next following the attainment of age 62 and completion of 5 years of Creditable Service.

Table 23

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

Early Retirement Date

The first day of the month coinciding with or next following the attainment of age 50 and with the sum of age plus Creditable Service greater than or equal to 90. Employees hired between January 1, 2015 and December 31, 2017, the first day of the month coinciding with or next following the attainment of age 50 and with the sum of age plus Creditable Service greater than or equal to 80. Employees hired between January 1, 2009 and December 31, 2014, the first day of the month coinciding with or next following the attainment of age 50 and with the sum of age plus Creditable Service greater than or equal to 75. Employees hired prior to January 1, 2009 who terminate after January 1, 2009 and who do not elect the alternate benefit formula described below may retire after attainment of age 50 with 5 years of Creditable Service.

Member and City Contributions

Effective 12/24/2023	11.00%
12/26/2021 - 12/23/2023	10.25%
12/27/2020 - 12/25/2021	10.00%
12/15/2019 - 12/26/2020	9.75%
12/16/2018 - 12/14/2019	9.25%
12/17/2017 - 12/15/2018	9.00%
09/01/2014 - 12/16/2017	8.25%
Prior to 9/1/2014	7.75%

Member contributions are credited with 2.5% interest annually, compounded quarterly.

Service Retirement Eligibility

A member is eligible for normal retirement on his Normal Retirement Date. For members hired after January 1, 2018, early retirement is permitted at any time after attaining age 50 if the sum of age plus Creditable Service is greater than or equal to 90.For members hired between January 1, 2015 and December 31, 2017, early retirement is permitted at any time after attaining age 50 if the sum of age plus Creditable Service is greater than or equal to 80. For member hired between January 1, 2009 and December 31, 2014, early retirement is permitted at any time after attaining age 50 if the sum of age plus Creditable Service is greater than or equal to 75. Early retirement is permitted at any time after attaining age 50 with 5 years of Credited Service for employees hired prior to January 1, 2009 who terminate after January 1, 2009 and who do not elect the alternate benefit formula described below.

Table 23

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

Service Retirement Allowance	Upon service retirement, a member becomes eligible to receive an annual allowance, payable in equal monthly installments. The annual allowance is computed as follows:

Normal Retirement Allowance

Applies to all employees hired after December 31, 2017. Employees hired before January 1, 2018 who terminate after January 1, 2018 may elect this formula at retirement.

An amount equal to 2.00% of the member's Final Compensation, multiplied by the number of years of Creditable Service up to 40 years. The maximum annual benefit is 80.0% of Final Compensation.

Normal Retirement Allowance under Alternate Benefit Formula

Applies to all employees hired between January 1, 2009 and December 31, 2017. Employees hired before January 1, 2009 who terminate after January 1, 2009 may elect this formula at retirement.

An amount equal to 2.00% of the member's Final Compensation, multiplied by the number of years of Creditable Service up to 35 years. The maximum annual benefit is 70.0% of Final Compensation.

Normal Retirement Allowance under Benefit Formula in SMC 3.05.160

Employees hired before January 1, 2009 who terminate after January 1, 2009 may elect this formula at retirement.

An amount equal to 2.15% of the member's Final Compensation, multiplied by the number of years of Creditable Service up to 30 years. The maximum annual benefit is 64.5% of Final Compensation.

Early Retirement Allowance

The Normal Retirement Allowance calculated using Creditable Service and Final Compensation as of the member's Early Retirement Date. For employees hired after January 1, 2018, a reduction of 2.5% will be applied for each year under age 65.

Table 23

SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS

Disability Retirement Eligibility	Permanent and total disability, as determined by the Board, prior to Normal Retirement Age provided the member has at least 7 years (5 years for employees hired prior to January 1, 2015) of City service in the ten-year period prior to disability. The 7 (or 5) year service requirement does not apply if the disability is due to accidental causes while engaged in City service.
Disability Retirement Allowance	An amount equal to 1.25% of the member's Final Compensation, multiplied by the number of years of Creditable Service projected to Normal Retirement Age. The minimum annual benefit is $2,400 per year for "Duty Related" disability and $1,200 per year for "Non-duty Related" disability.
Withdrawal Benefits	If termination occurs after seven years of service (five years of service for members hired prior to January 1, 2015), a member is entitled to a retirement allowance commencing on his Early Retirement Date or later, up to his Normal Retirement Date, based on his years of Creditable Service and Final Compensation as of his termination date provided he has not withdrawn his Member Contributions.
Death Benefit Before Retirement	Not married or not completed 7 years of service (5 years of service if hired prior to January 1, 2015) Beneficiary will receive a refund of the member's contributions with interest. Married with 7 years of service (5 years of service if hired prior to January 1, 2015) The surviving spouse of a member may elect to receive the survivor's portion of the benefit that would have been payable if the member had survived to his earliest retirement date and elected the 100% Joint & Survivor option in lieu of a refund of the member's contribution account.
Post-retirement Death	An amount determined in accordance with the optional form of payment elected at retirement, but not less than the accumulated value of the member's contributions with interest less actual payments made.

Appendix I

Plan Risks (ASOP 51 Compliance)

Risk may be broadly defined as the chance an outcome or result will differ from the expected outcome or result. In the context of defined benefit pension plans risk is the potential for the future financial condition of the plan to deviate from that expected due to future actual experience different from assumed or expected experience. ASOP 51 requires the actuary to identify and assess risks that may reasonably be expected to impact the plan. Some of the more significant risks are described below. Please let us know if you would like us to quantify or model these risks or any others in more detail.

A. Investment Risk

Investment risk is the risk that actual investment returns differ from the assumed rate of return. Investment returns can be very volatile. Even if the assumed rate of return is realized over the long term, this volatility can lead to significant swings in the plan's funded status and contribution requirement from year to year. Furthermore there is the risk that the assumed rate of return may not be realized.

The assumed rate of return for the plan was 7.50% for 2024. Investment returns below the assumed rate of return increase plan costs and decrease the plan's funded status while investment returns in excess of the assumed rate of return decrease plan costs and improve the plan's funded status.

B. Interest Rate Risk

Interest rate risk is the risk that future interest rates differ from expected interest rates. The interest rate is used to discount future expected benefit payments in order to determine a plan's liability as of the measurement date. Higher interest rates result in lower liabilities and lower interest rates result in higher liabilities.

The liability of your plan has a duration of 9.72 as of December 31, 2024. This means a 1% change in interest rates would result in approximately a 10% change in liability. A 1% increase in interest rates would lower plan liability and vice versa.

C. Asset/Liability Mismatch Risk

Asset/Liability mismatch risk is the risk that changes in future asset values are not matched by changes in the value of plan liabilities. Both assets and liabilities are sensitive to interest rates however the same change in interest rates may have differing impact on assets versus liabilities both in terms of direction and magnitude. Matching the duration of interest rate sensitive assets in the plan's portfolio with the duration of the plan's liabilities (see Interest Rate Risk above) is a method that can be employed to protect the plan's funded status from interest rate fluctuations.

Appendix I

Plan Risks (ASOP 51 Compliance)

D. Longevity Risk

Longevity risk is the risk that mortality experience will be different than expected. Since the plan is not large enough to have credible mortality experience, standard tables are used. The standard tables are comprised of "base rates" and a mortality improvement projection scale which anticipates continued improvement in mortality in the future. If plan participants live longer than expected, the cost of providing lifetime benefits increases and vice versa.

E. Contribution Risk

Contribution risk is the risk that required contributions as determined by the actuary are not made. A comparison of the actuarially determined contribution (ADC) to employer contributions actually made may be found in Table 12.

F. Plan Maturity Measures

Plan maturity measures are ratios intended to measure the maturity level of a plan. As a plan becomes more mature contribution requirements become more sensitive to investment volatility and more conservative investment strategies may be considered. A high ratio indicates a mature plan.

1. Ratio of retired life liability to total liability: 0.61

   A high ratio of retired life liability to total liability indicates a larger proportion of the liability is due to "fixed" benefit amounts. As a result, attempts to mitigate fluctuating contribution requirements through plan amendments affecting future benefit accruals will have less of an impact.

2. Ratio of net cash flow to market value of assets: (0.02)

   Net cash flow represents contributions received for the year less benefit payments and expenses. Investment income is excluded. A large negative ratio indicates a significant percentage of the assumed rate of return must be realized to cover the annual cash outflow.

3. Ratio of benefit payments to contributions: 1.22

   A high ratio of benefit payments to contributions indicates the extent to which investment return is relied upon to improve the funded status and reduce future costs. A fully funded plan would expect benefit payments to equal or exceed contributions.

Appendix II

LOW-DEFAULT-RISK OBLIGATION MEASURE (LDROM) - (ASOP 4 COMPLIANCE)

The LDROM helps understand the cost of investing in an all-bond portfolio and significantly lowering expected long-term investment returns. The funded status and Actuarially Determined Contributions are determined using the expected return on assets which reflects the actual investment portfolio. Benefit security for members of the plan relies on a combination of the assets in the plan, the investment returns generated on those assets, and the promise of future contributions from the plan sponsors.

Since the assets are not invested in an all-bond portfolio, the LDROM does not indicate the funding status or progress, nor provide information on necessary plan contributions or the security of participant benefits. The difference between the plan's Actuarial Accrued Liability and the LDROM can be thought of as representing the expected taxpayer savings from investing in the plan's diversified portfolio compared to investing only in high quality bonds.

Type of Member	Valuation AAL	LDROM 12/31/2024 Treasury Rates
Retirees and Beneficiaries	370,817,766	459,963,807
Disabled Members	779,601	941,030
Terminated Members	21,889,342	31,226,445
Active Members	218,636,448	317,170,543
Total	612,123,157	809,301,825

The single interest rate used for the LDROM liabilities shown above is 4.85% and is based on comparing expected cash flows under the System to the Treasury Nominal Coupon-Issue Yield Curve as of December 31, 2024.

Appendix III

Data Tables

Exhibit A	Summary of Membership Data as of December 31, 2024
Exhibit B	20 Year Benefit Payment Projections
Exhibit C	Age and Service Distributions
Exhibit D	Age, Salary and Service Distributions
Exhibit E	Average Benefits for Service Retirement
Exhibit F	Average Benefits for Survivor Beneficiary
Exhibit G	Average Benefits for Disability Retirement
Exhibit H	Average Benefits for Vested Terminations
Exhibit I	Average Benefits for Portables

EXHIBIT A

Summary of Membership Data
December 31, 2024
Active Members

Item	Male	Female	Total
Number of Members	1,098	505	1,603
Annual Salaries	$94,653,192	$41,265,006	$135,918,198
Average Age	46.4	46.0	46.3
Average Service	10.2	9.5	10.0

EXHIBIT A
(continued)

Summary of Membership Data
December 31, 2024
Retirees and Beneficiaries

Item	Number	Annual Annuities	Average Annuities
Retired Members	1,441	$35,977,455	$24,967
Survivor Annuitants	182	$2,893,074	$15,896
Disabled Annuitants	7	$97,389	$13,913
Total Annuitants	1,630	$38,967,918	$23,907

EXHIBIT A
(continued)

Summary of Membership Data
December 31, 2024
Vested Terminations and Portables

Item	Number	Annual Annuities	Average Annuities
Vested Terminations	84	$1,387,871	$16,522
Portables*	85	$893,912	$10,517

* Annuity amounts are estimates based on last known earnings projected to retirement. Actual annuity amounts will be calculated using actual earnings at retirement.

EXHIBIT B

20 Year Benefit Payment Projection
December 31, 2024
Spokane Employees' Retirement System

Year Ended December 31	Current and Future Retirees	Current Retirees Only
2025	$43,750,925	$38,691,669
2026	45,336,316	38,070,391
2027	46,878,907	37,407,679
2028	48,408,696	36,701,648
2029	49,803,301	35,950,054
2030	51,053,365	35,150,391
2031	52,243,303	34,304,174
2032	53,393,475	33,412,235
2033	54,400,756	32,472,277
2034	55,325,311	31,484,561
2035	56,357,342	30,453,011
2036	57,299,078	29,370,665
2037	58,258,136	28,246,909
2038	59,192,788	27,077,549
2039	59,966,111	25,846,290
2040	60,697,723	24,579,451
2041	61,326,499	23,314,055
2042	61,931,041	22,008,566
2043	62,468,429	20,691,290
2044	62,858,871	19,379,073

EXHIBIT C

Age and Service Distribution
December 31, 2024
Spokane Employees' Retirement System

Attained Age	Years of Creditable Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	Total
Under 25	8	28	1	0	0	0	0	0	0	0	37
25 to 29	22	50	9	0	0	0	0	0	0	0	81
30 to 34	32	86	59	5	0	0	0	0	0	0	182
35 to 39	15	77	75	23	12	0	0	0	0	0	202
40 to 44	14	79	73	28	43	5	0	0	0	0	242
45 to 49	18	55	56	40	42	26	5	0	0	0	242
50 to 54	10	51	47	34	36	24	15	1	0	0	218
55 to 59	6	28	34	21	33	23	23	16	5	1	190
60 to 64	2	21	27	22	25	18	18	17	2	1	153
65 to 69	1	3	7	6	5	8	2	4	4	1	41
70 & Up	0	2	1	2	1	1	0	2	2	4	15
Total	128	480	389	181	197	105	63	40	13	7	1,603
Freq. Pct.	8.0%	29.9%	24.3%	11.3%	12.3%	6.6%	3.9%	2.5%	0.8%	0.4%	100.0%

EXHIBIT D

Age, Salary and Service Distribution
December 31, 2024
Spokane Employees' Retirement System

Attained Age	Years of Creditable Service										
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & Up	Total
Under 25	391,048	1,466,657	79,829	0	0	0	0	0	0	0	1,937,533
25 to 29	1,115,738	3,104,657	750,314	0	0	0	0	0	0	0	4,970,709
30 to 34	1,955,337	5,981,351	5,170,916	483,173	0	0	0	0	0	0	13,590,777
35 to 39	953,238	5,333,434	6,656,144	2,325,058	989,561	0	0	0	0	0	16,257,435
40 to 44	882,044	6,008,971	6,965,177	3,017,772	4,072,457	516,068	0	0	0	0	21,462,488
45 to 49	1,184,252	4,307,700	5,172,248	4,266,556	4,062,505	2,437,556	456,537	0	0	0	21,887,353
50 to 54	567,827	3,934,965	4,673,544	3,232,096	3,445,053	2,375,635	1,564,217	65,872	0	0	19,859,209
55 to 59	322,854	1,784,528	3,156,419	1,873,715	3,158,377	2,293,428	2,350,765	1,529,529	379,730	99,008	16,948,352
60 to 64	96,939	1,577,368	2,274,519	2,255,008	2,478,887	1,566,911	1,802,053	1,715,228	184,699	89,271	14,040,883
65 to 69	23,533	206,801	752,437	592,933	492,940	834,279	164,018	331,360	324,194	62,044	3,784,541
70 & Up	0	99,431	66,970	194,932	79,201	62,590	0	128,738	144,069	402,986	1,178,917
Total	7,492,809	33,805,863	35,718,517	18,241,242	18,778,981	10,086,467	6,337,590	3,770,727	1,032,692	653,310	135,918,198
Freq. Pct.	5.5%	24.9%	26.3%	13.3%	13.8%	7.4%	4.7%	2.8%	0.8%	0.5%	100.0%
Avg. Sal.	58,538	70,429	91,821	100,780	95,325	96,062	100,597	94,268	79,438	93,330	84,790

EXHIBIT E

Average Benefits for Service Retirement
December 31, 2024
Spokane Employees' Retirement System

Attained Age	Male		Female		Total	
	Number	Avg. Ben.	Number	Avg. Ben.	Number	Avg. Ben.
Under 50	0	0	0	0	0	0
50 to 54	27	28,363	17	30,214	44	29,078
55 to 59	54	29,866	29	27,373	83	28,995
60 to 64	105	32,516	66	27,157	171	30,448
65 to 69	182	30,286	127	25,881	309	28,475
70 to 74	206	28,215	138	20,716	344	25,207
75 to 79	173	24,571	96	16,296	269	21,618
80 to 84	75	21,814	55	13,506	130	18,299
85 to 89	29	22,559	31	12,922	60	17,580
90 to 94	13	14,454	9	9,285	22	12,340
95 & Up	3	15,932	6	7,782	9	10,499
Total	867	27,559	574	21,051	1,441	24,967
Average Age	71.4		72.0		71.6	
Freq. Pct.	60.2%		39.8%		100.0%	

EXHIBIT F

Average Benefits for Survivor Beneficiary
December 31, 2024
Spokane Employees' Retirement System

Attained Age	Male		Female		Total	
	Number	Avg. Ben.	Number	Avg. Ben.	Number	Avg. Ben.
Under 50	0	0	2	20,778	2	20,778
50 to 54	0	0	1	37,749	1	37,749
55 to 59	0	0	3	26,109	3	26,109
60 to 64	1	11,020	7	22,496	8	21,062
65 to 69	2	10,654	27	19,652	29	19,031
70 to 74	3	14,549	38	20,446	41	20,014
75 to 79	4	10,315	22	14,620	26	13,958
80 to 84	0	0	28	13,994	28	13,994
85 to 89	2	8,348	22	8,954	24	8,903
90 to 94	1	12,922	13	13,336	14	13,306
95 & Up	0	0	6	6,628	6	6,628
Total	13	11,296	169	16,250	182	15,896
Average Age	76.9		77.2		77.2	
Freq. Pct.	7.1%		92.9%		100.0%	

EXHIBIT G

Average Benefits for Disability Retirement
December 31, 2024
Spokane Employees' Retirement System

Attained Age	Male		Female		Total	
	Number	Avg. Ben.	Number	Avg. Ben.	Number	Avg. Ben.
Under 50	0	0	0	0	0	0
50 to 54	0	0	0	0	0	0
55 to 59	1	18,583	1	19,080	2	18,831
60 to 64	0	0	0	0	0	0
65 to 69	2	12,845	0	0	2	12,845
70 to 74	0	0	1	7,844	1	7,844
75 to 79	1	13,295	1	12,898	2	13,096
80 to 84	0	0	0	0	0	0
85 to 89	0	0	0	0	0	0
90 to 94	0	0	0	0	0	0
95 & Up	0	0	0	0	0	0
Total	4	14,392	3	13,274	7	13,913
Average Age	68.7		70.6		69.5	
Freq. Pct.	57.1%		42.9%		100.0%	

EXHIBIT H

Average Benefits for Vested Terminations
December 31, 2024
Spokane Employees' Retirement System

Attained Age	Male		Female		Total	
	Number	Avg. Ben.	Number	Avg. Ben.	Number	Avg. Ben.
Under 30	0	0	0	0	0	0
30 to 34	0	0	0	0	0	0
35 to 39	7	11,678	5	14,098	12	12,686
40 to 44	13	19,123	6	10,099	19	16,273
45 to 49	11	24,447	19	16,426	30	19,367
50 to 54	6	15,128	1	35,754	7	18,075
55 to 59	5	15,781	3	11,914	8	14,331
60 to 64	6	13,926	1	16,342	7	14,271
65 & Up	0	0	1	4,363	1	4,363
Total	48	17,760	36	14,872	84	16,522
Average Age	48.3		47.6		48.0	
Freq. Pct.	57.1%		42.9%		100.0%	

EXHIBIT I

Average Benefits for Portables
December 31, 2024
Spokane Employees' Retirement System

Attained Age	Male		Female		Total	
	Number	Avg. Ben.*	Number	Avg. Ben.*	Number	Avg. Ben.*
Under 30	0	0	2	1,810	2	1,810
30 to 34	0	0	2	2,560	2	2,560
35 to 39	5	4,086	8	5,052	13	4,680
40 to 44	6	20,717	11	7,441	17	12,127
45 to 49	7	14,158	4	22,787	11	17,296
50 to 54	7	11,087	3	14,476	10	12,104
55 to 59	9	6,832	9	18,952	18	12,892
60 to 64	5	4,087	5	5,187	10	4,637
65 & Up	1	4,128	1	24,330	2	14,229
Total	40	10,187	45	10,809	85	10,517
Average Age	51.1		47.3		49.1	
Freq. Pct.	47.1%		52.9%		100.0%	

* Annuity amounts are estimates based on last known earnings projected to retirement. Actual annuity amounts will be calculated using actual earnings at retirement.

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Statistical Section

Schedule of Revenues by Source

Fiscal Year	Employer Contribution	Employer Contributions	Member Contributions	Net Investment Income	Total Revenues
2015	8.25%	7,398,945	7,402,905	(3,228,439)	11,573,411
2016	8.25%	7,586,362	7,586,362	16,802,274	31,974,998
2017 [1]	8.25%	8,113,319	8,113,319	43,085,572	59,312,210
2018 [2]	9.00%	9,187,420	9,188,781	(18,715,945)	(339,744)
2019 [3]	9.25%	9,824,717	9,827,760	50,166,728	69,819,205
2020 [4]	9.75%	10,659,281	10,659,281	33,795,088	55,113,650
2021 [5]	10.00%	11,519,708	11,519,708	46,166,835	69,206,251
2022	10.25%	11,863,726	11,931,102	(50,241,335)	(26,446,507)
2023	10.25%	13,446,610	13,459,279	42,225,848	69,131,737
2024 [6]	11.00%	15,870,598	15,870,598	32,597,269	64,338,465

[1] Effective December 17, 2017, the annual Contribution Rate changed from 8.25% to 9.00%. 8.25% represents the average rate of contributions received during 2017.

[2] Effective December 16, 2018, the annual Contribution Rate changed from 9.00% to 9.25%. 9.00% represents the average rate of contributions received during 2018.

[3] Effective December 15, 2019, the annual Contribution Rate changed from 9.25% to 9.75%. 9.25% represents the average rate of contributions received during 2019.

[4] Effective December 27, 2020, the annual Contribution Rate changed from 9.75% to 10.0%. 9.75% represents the average rate of contributions received during 2020.

[5] Effective December 26, 2021, the annual Contribution Rate changed from 10.0% to 10.25%. 10.0% represents the average rate of contributions received during 2021.

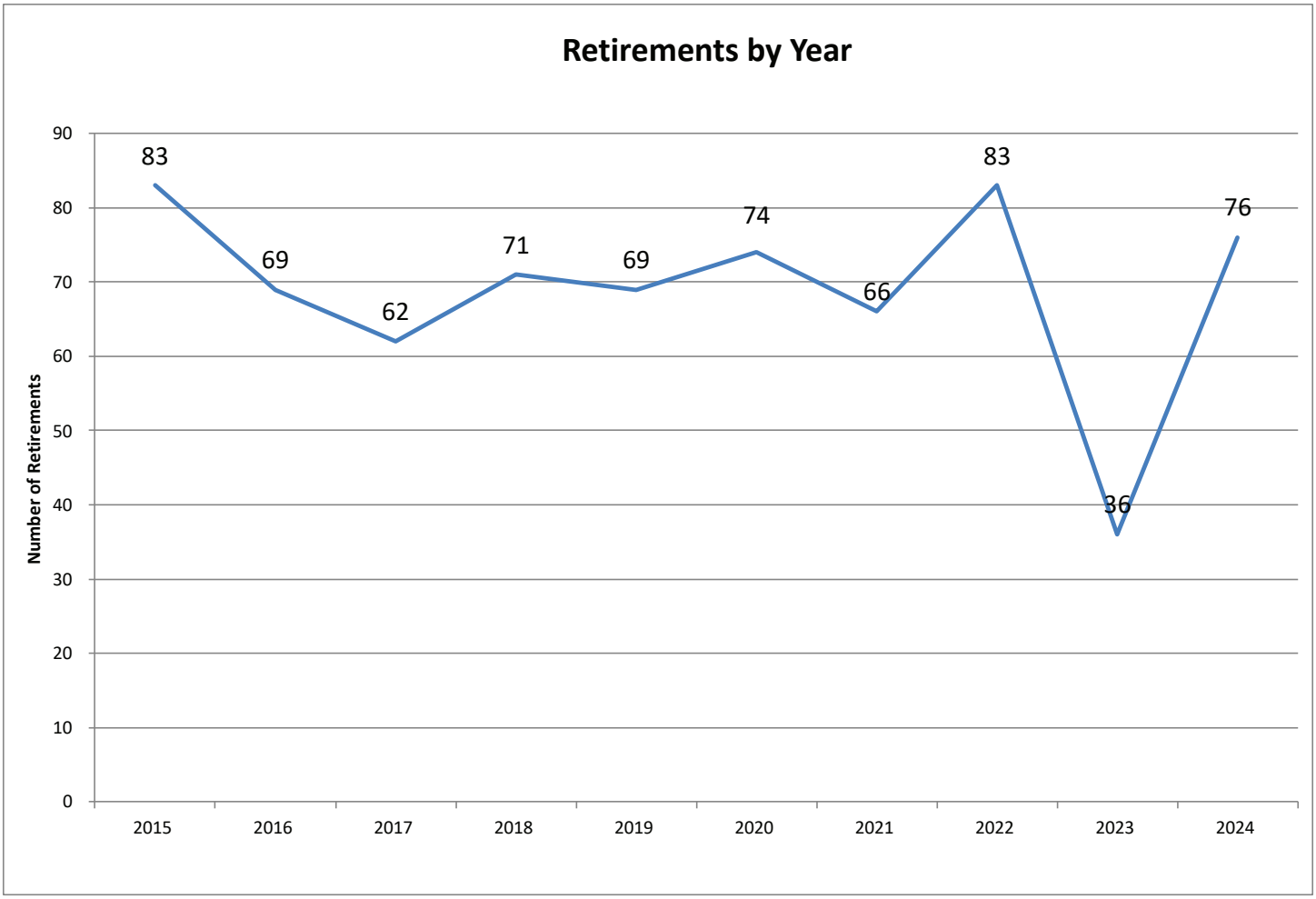
[6] Effective December 24, 2023, the annual Contribution Rate changed from 10.25% to 11.0%.

Schedule of Expenses by Type

Fiscal Year	Benefits	Refunds	Net Administrative	Total Expenses
2015	23,959,198	637,822	447,921	25,044,941
2016	25,737,515	729,741	477,252	26,944,508
2017	26,891,785	551,908	563,078	28,006,771
2018	28,309,344	554,422	554,484	29,418,250
2019	30,055,864	544,438	555,763	31,156,065
2020	31,595,115	513,758	619,135	32,728,008
2021	33,256,350	741,019	603,645	34,601,014
2022	35,057,797	1,210,280	679,519	36,947,596
2023	36,088,238	1,378,166	572,501	38,038,905
2024	37,787,161	956,431	485,504	39,229,096

Schedule of Benefit Expenses by Type

Year	Service Retiree Benefits	Survivor Benefits	Disability Retiree Benefits	Refunds	Total
2015	22,192,756	1,641,114	125,328	637,822	24,597,020
2016	23,765,713	1,846,474	125,328	729,741	26,467,256
2017	24,852,640	1,913,817	125,328	551,908	27,443,693
2018	26,202,801	1,981,215	125,328	554,422	28,863,766
2019	27,788,707	2,142,993	124,164	544,438	30,600,302
2020	29,378,701	2,101,834	114,580	513,758	32,108,873
2021	30,993,999	2,147,773	114,580	741,019	33,997,371
2022	32,696,266	2,246,952	114,580	1,210,280	36,268,077
2023	33,622,180	2,356,445	109,613	1,378,166	37,466,404
2024	35,144,451	2,545,321	97,389	956,431	38,743,592



Retirements During 2024

Name	Department	Position	Date Retired	Option	Serv Yrs	Age
Ammann, Wendy S.	Police	Public Records Specialist	3/30/2024	E	21.1	64
Atwood, Jeremy J. *	Combined Communications Center	Fire Communication Center Division Chief-Civilian	3/1/2024	ST	20.8	52
Baker, Leslie I.	Police	Public Records Specialist	11/5/2024	C15	12.6	70
Beal, Douglas J.	Water	Water Service Specialist	2/2/2024	D	33.7	65
Beeler, Michael J.	Solid Waste Management	Refuse Collector II	6/8/2024	ST	22.3	62
Biehl, Dawn M.	Police	Police Records Specialist	10/3/2024	C5	23.4	62
Binsfield, Troy G.	Streets	Street Maintenance Operator I	5/31/2024	E	25.1	64
Brooks, Kevan T. #	Accounting	Senior Accountant	5/1/2024	ST	24.2	59
Brown, Virgil W. *	Water	Laborer II	9/1/2024	E	10.7	50
Cannon, Michael A.	Advanced Wastewater Treatment	Wastewater Treatment Plant Manager	6/4/2024	E	32.9	63
Chan Palmer, Shukwo M. *	Information Techonolgy	Supervisory Analyst	10/1/2024	E	7.9	50
Chavez-Muramatsu, Mary F.	Legal	Assistant City Attorney IV	12/3/2024	D	17.9	62
Christiansen, Theresa A.	Public Works & Utilities	Utilities Account Services Specialist	10/12/2024	E	33.3	61
Cline, Carl S.	Water Division	Laborer II	5/2/2024	E	16.6	68
Culton, Richard B. #	CD/HS Operations	Community Housing & Human Service Operation Manager	5/4/2024	E	1.5	67
Davis, Leonard S.	Accounting	Senior Accountant	12/3/2024	E	24.0	70
Doidge, Dennis C.	Water	Certified Water Hydroelectric Plant Operator	9/8/2024	ST	9.8	54
Duffey, Daniel E.	Stormwater	Wastewater Supervisor	2/2/2024	E	30.1	62
Duncan, Tamra	Solid Waste Management	Clerk III	4/13/2024	ST	33.8	67
Edgerton, Greg S.	Advanced Wastewater Treatment	Wastewater Treatment Plant Maintenance Mechnic	1/5/2204	ST	43.0	65
Elkins, Jeffrey G. *	Advanced Wastewater Treatment	Wastewater Treatment Plant Operator III	4/1/2024	E	15.2	50
Ervin, Robert I.	Streets	Engineering Technician III	7/6/2024	ST	8.9	70
Espinoza, Frank B.	Reprographics	Reprographics Equipment Technician	1/6/2024	E	7.1	67
Evans, Rita D.	Water	Inventory Control Specialist	4/2/2024	ST	25.6	63
Faulkner, Jason H. *	Accounting	Division Accountant	8/1/2024	E	5.9	50
Finch, Eric S.	Information Techonolgy	Chief Information & Technology Officer	3/2/2024	E	8.9	58
Forsyth, Robert J.	Information Techonolgy	Information Systems Analyst II	12/3/2024	ST	31.9	58
Franetich, Raymond J.	Solid Waste Management	Refuse Collector III	5/22/2024	E	35.7	58
Gilbert, Craig M.*	Advanced Wastewater Treatment	Laborer II	10/1/2024	E	12.4	53
Giles, Murray D.	Development Services Center	Deputy Building Official	7/6/2024	ST	10.7	63
Gleason, Beth A.	Police	Police Records Specialist	4/6/2024	C5	19.1	64
Goodman, Kim A.	Engineering Services	Clerk III	4/27/2024	ST	29.5	69
Graff, Joel T.	Engineering Services	Principal Engineer	8/3/2024	E	19.4	56
Grimes, John S.	Solid Waste Management	Radio Operator II	4/2/2024	E	30.0	68
Hopkins, Kenneth J.	Water	Certified Water Hydroelectric Plant Operator	4/12/2024	E	21.8	58
Howell, Federick L.	Sewer Maintenance	Waste Water Specialist	1/6/2024	E	34.3	64
Hurt, Allison J. ^	Solid Waste Management	Refuse Collector III	5/23/2024	E	19.5	50
Isayev, Mychael E. *	Public Safety Personnel	Police Radio Dispatcher I	6/1/2024	E	20.5	51
Jones, Amy K. *	Human Services	Human Services Assistant	9/1/2024	ST	5.9	52
Kells, Patricia H.	Development Services Center	Traffic Engineer Assistant	12/3/2024	ST	30.1	65
Lacroix, Christopher R.	Solid Waste	Refuse Collector III	4/2/2024	D	33.5	64
Lewis, John R.	Parks and Recreation	Irrigation Specialist	4/2/2024	E	34.5	65
Logan, Deborah L.	Code Enforcement	Certified Enforcement Specialist	4/3/2024	ST	30.4	62
Lowdon, Michael D.	Sewer Maintenance	Wastewater Collection & Maintenance Superintendent	12/3/2024	ST	30.8	62
Major, Kristine M.	Solid Waste Disposal	Education Coordinator	3/9/2024	ST	14.0	64
McCarrey, Shelley A.	Information Techonolgy	Office Supervisor	8/3/2024	ST	32.2	63
McCollough, Gregory S.	Advanced Wastewater Treatment	Stationary Engineer	1/13/2024	E	10.1	63
McIntosh, Seth A.	Water Division	Water System/Hydroelectric Plant Manager	6/21/2024	ST	25.9	50
McIntyre, Lawrence E.	Sewer Maintenance	Wastewater Specialist	7/6/2024	E	21.6	65
Miller, Zane E. *	Solid Waste Management	Refuse Collector III	3/1/2024	E	7.1	54
Nygren, Kelli L. #	Police	Clerk II	4/1/2024	ST	7.2	64
Obenland, Steven R.	Solid Waste Disposal	Landfill/Transfer Station Foreperson	2/2/2024	E	35.1	60
O'Byrne, Stephanie L.	Parks and Recreation	Gardner II	3/1/2024	ST	36.6	65
Orlob, Kimberley K.	Accounting	Accounting Manager	12/3/2024	ST	24.2	52
Parker, Daniel B.	Community Development/Human Services	Business System Analyst II	2/3/2024	E	10.4	69
Polson, Daniel T.	Code Enforcement	Certified Enforcement Specialist	9/14/2024	ST	29.0	63
Potter Jr., Robert G.	Information Techonolgy	Information Systems Specialist II	8/2/2024	ST	23.8	70
Prahl, Rebecca L. *	Public Defender	Public Defender II	7/1/2024	E	8.7	60
Pratt, Robert L.	Solid Waste Disposal	WTE Operations Superintendent	12/3/2024	E	10.0	56
Reiss, Tonya M.	Water	Water Superintendent	12/3/2024	E	27.3	52
Richman, James A.	Legal	Assistant City Attorney IV	8/3/2024	E	26.0	63
Robson, Lura L.	Water	Clerk III	1/20/2024	ST	25.0	65
Schultz, Dina M.	Police	Police Radio Dispatcher III	3/1/2024	C15	23.2	54
Seals, Kevin M.	Advanced Wastewater Treatment	Wastewater Treatment Plant Operator III	5/10/2024	D	18.1	64
Serbousek, Mark M.	Engineering Services	Bridge Engineer	12/3/2024	ST	31.5	62
Sloon, Michael A. #	Information Techonolgy	Director of Management Information Services	10/2/2024	E	15.5	65
Smith, Lisa K.	Police	Senior Public Safety Systems Analyst	12/3/2024	E	21.6	63
Smith, Thomas M.	Development Services Center	Certified Elevator Inspector	2/3/2024	ST	12.5	70
Song, Samuel H. *	Parks and Recreation	Assistant Parks & Recreation Department Manager	5/1/2024	E	9.7	50
Stratton, Karen J. *	Council	Council Member	7/1/2024	ST	18.4	65
Terhaar, John T. *	Asset Management Fund Operations	Electrician	4/1/2024	E	7.4	65
Terry, Keith D. *	Engineering Services	Engineering Technician III	5/1/2024	E	19.5	58
Thurston, Laura C.	EMS	Office Manager	12/3/2024	D	29.7	61
Vigeland, Kelle R. #	Solid Waste Disposal	Waste to Energy Environmental Manager	1/1/2024	E	5.4	61
Warren, Cornelius F.	Advanced Wastewater Treatment	WasteWater Treatment Plant Maintence Mechanic	2/24/2024	ST	19.4	67
Wong, Daniel E.	Advanced Wastewater Treatment	Senior Business Analyst	1/20/2024	E	35.6	58

* Retired as vested employee # Retired under membership through Portability ^ Retired as spouse of deceased vested employee

Retiree Deaths During 2024

Name	Date Retired	Date of Death	Age	Retirement Option
Ableman, Arland D.	12/3/2005	6/21/2024	70	ST
Chandler, David W.	6/12/2010	11/22/2024	72	E
Clavel, Ron L.	1/19/2023	7/14/2024	73	E
Combs, Richard L.	11/14/1998	10/12/2024	82	E
Cossairt, Lynda R.	1/9/2000	3/9/2024	79	ST
Cottam, Joy-Lyn	12/24/2011	1/14/2024	80	E
Cubbage, Ronald L.	2/2/1999	3/10/2024	77	ST
Cummings, Donald C.	9/26/1991	10/21/2024	83	C-15
Daling, Daniel J.	9/6/2016	1/5/2024	70	ST
Engle, Robert R.	3/31/1991	12/29/2024	98	D
Granlund, Clinton E.	1/16/1992	3/29/2024	98	E
Hansford, Linda O.	4/2/2006	5/23/2024	83	ST
Hirata, Lili M.	12/9/2005	7/17/2024	92	D
Hubbard, Dennis W.	8/14/2010	6/28/2024	77	E
Huff, Bill B.	5/2/2005	1/10/2024	86	ST
Jackson-Avery, Ann C.	5/2/2204	6/21/2024	71	ST
King, William D.	1/29/1986	11/26/2024	91	A
Krohn, Marie	6/20/2017	1/31/2024	74	ST
Lesher, Richard A.	7/9/1997	4/21/2024	91	E
Love, Charles R.	4/2/1992	4/1/2024	82	E
Marx, Patricia E.	10/14/1998	10/4/2024	80	ST
Meredith, Kathy L.	1/19/2023	7/14/2024	71	ST
Munro, Janet E.	8/18/1999	4/24/2024	81	E
Murphy, Marvin W.	11/4/1994	1/8/2024	83	ST
Murry Connie L.	4/17/1993	12/29/24	81	E
Nielsen, Karen M.	10/6/2005	8/6/2024	68	ST
Peterson, Paul R.	11/6/2017	4/27/2024	73	ST
Pippenger, Shirley M.	6/2/2018	6/27/24	75	A
Pope, Allen L.	3/3/2020	6/9/2024	69	E
Pounds, Druzena M.	1/26/2023	2/5/2024	90	E
Procopio, Louis	5/2/1995	7/20/2024	79	E
Rissler, John L.	10/11/1996	7/17/2024	88	E
Rizzuti, Greta M.	2/24/2007	8/6/2024	88	E
Robb Jr, George G.	3/20/2020	11/22/2024	76	E
Robole, Debra D.	1/1/2020	5/17/2024	69	E
Schenk, Andrew E.	7/1/2019	3/15/2024	54	E
Swanson, Carol J.	2/3/2007	8/31/2024	88	E
Wagner, Walter L.	3/4/2003	4/3/2024	87	E
Wolcott, Deborah D.	6/5/2004	5/31/2024	71	E
Wolf, Georgia J.	11/16/2015	12/17/2024	88	D

Active Member Deaths During 2024

Name	Department	Date of Death	Age	Years of Service
Hunt, Becka J	Information Technology	9/12/2024	50	6.7
Raynor, Jeffrey L	Advanced Wastewater Treatment	4/13/2024	61	7.7

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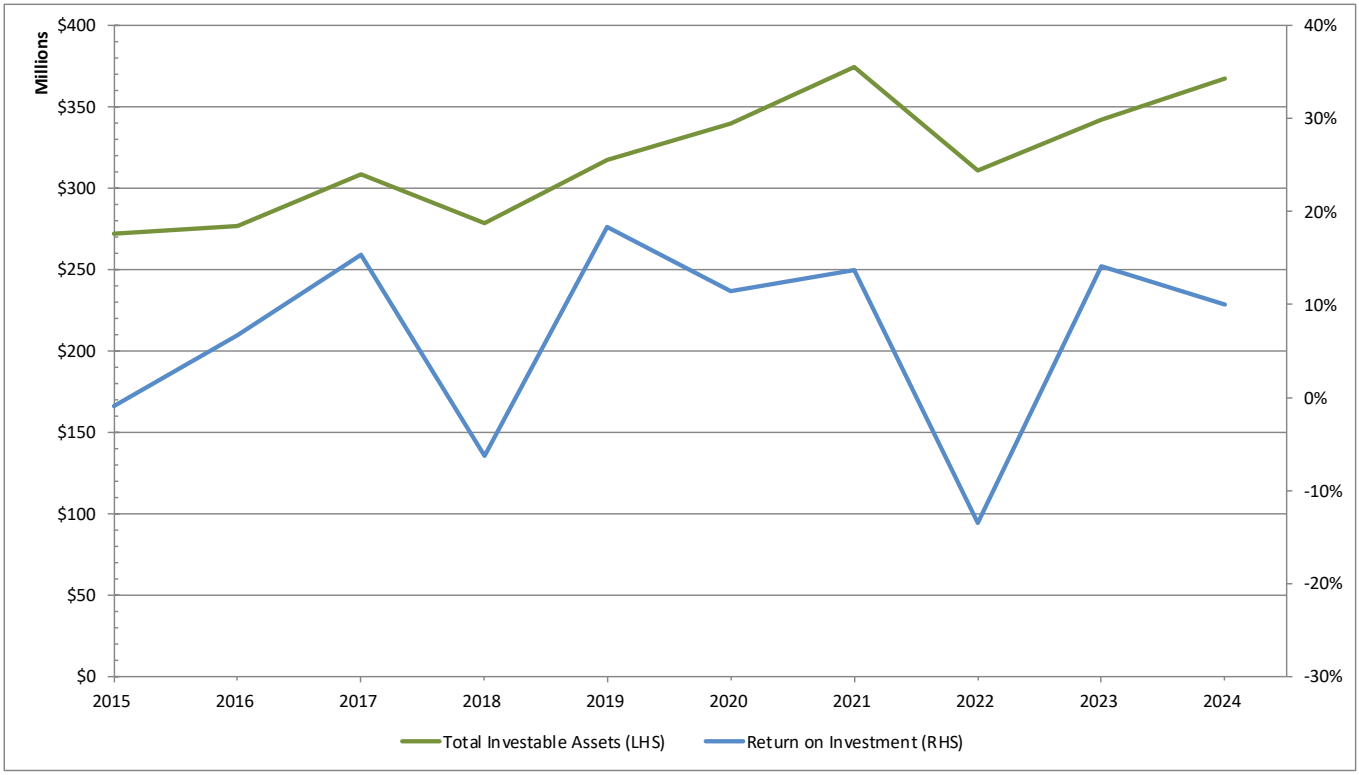
Investment Section

Total Retirement Assets

A 10 year look



Schedule of Investment Results

	Market Value of Investments	Net Investment Income	Investment Rate of Return (net of fees)
2015	272,332,285	(3,228,439)	-0.94%
2016	276,992,752	16,802,274	6.71%
2017	308,520,137	43,084,584	15.40%
2018	278,768,297	(18,715,945)	-6.27%
2019	317,470,461	50,166,728	18.35%
2020	339,886,455	33,795,088	11.47%
2021	374,540,809	46,166,835	13.67%
2022	311,156,246	(50,241,335)	-13.50%
2023	342,331,066	42,225,848	14.10%
2024	367,464,874	32,597,269	10.00%

Investments Listed by Type

As of December 31, 2024

Capital Preservation:	
Cash Held by Treasurer	$258,353
Fidelity Institutional Government Money Market	3,403,053
Segal Bryant Core	38,141,859
Loomis Sayles Core Plus	32,263,768
Hotchkis & Wiley High Yield	16,938,095
BlackRock High Yield CIT	6,732,321
Polar Long/Short Fund	10,609,549
Millennium International	500,000
Domestic Equities:	
SSGA S&P 500 Strategy Index	43,133,208
SSGA Russell 1000 Growth	14,658,788
Boston Partners LC Value	5,099,096
Columbia Dividend Income	5,127,774
SSGA Russell 2500 Index	19,210,778
Allspring Special SCV	6,901,100
Earnest Partners S/M Core	5,825,573
International Equities:	
Artisan International Value	16,619,970
EuroPacific Growth	15,728,085
Victory Trivalent Small Cap	9,855,393
SSGA MSCI EAFE Index	10,708,603
Emerging Markets:	
ABS Emerging Markets Strategic Portfolio	549,137
SSGA MSCI EM International	11,437,547
GQG Partners	4,582,324
Real Estate:	
Morrison Street Fund VI	5,880,522
Morrison Street Fund VII	5,268,238
Morrison Street Income Fund	2,425,900
Morgan Stanley PRIME Fund	6,719,380
Principal (REITs)	8,549,044
Private Credit:	
Royalty Opportunities I	229,045
Royalty Opportunities II	51,387
Blue Owl Asset	1,992,691
Apollos Debt Solutions	3,991,085
Equity Hedge:	
Weatherlow Offshore	25,122,185
WMQS Global Equity	5,132,980
Equity Return:	
Beach Point	12,178,329
Contrarian Capital Fund I	1,996,833
Master Limited Partnerships:	
Tortoise Energy Infrastructure	8,894,537
Special Opportunities:	
Contrarian Emerging Markets	386,066
Total Cash and Investments	$367,102,596

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