

*A Pension Trust Fund of the State of Minnesota*

2017

# Employer and Non-Employer GASB 68 Schedules & Notes



Teachers  
Retirement  
Association

for fiscal year ended June 30, 2017





REBECCA OTTO  
STATE AUDITOR

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Teachers Retirement Association  
St. Paul, Minnesota

### Report on the Schedules

We have audited the accompanying schedule of employer and non-employer allocations of the Teachers Retirement Association as of and for the year ended June 30, 2017, and the related notes. We have also audited the total for all entities of the columns titled net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense (specified column totals) included in the accompanying schedule of pension amounts by entity, current reporting period only, of the Teachers Retirement Association as of and for the year ended June 30, 2017, and the related notes.

### *Management's Responsibility for the Schedules*

Management is responsible for the preparation and fair presentation of these schedules in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express opinions on the schedule of employer and non-employer allocations and the specified column totals included in the schedule of pension amounts by entity, current reporting period only, based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer and non-employer allocations and specified column totals included in the schedule of pension amounts by entity, current reporting period only, are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer and non-employer allocations and the specified column totals included in the schedule of pension amounts by entity, current reporting period only. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer and non-employer allocations and the specified column totals included in the schedule of pension amounts by entity, current reporting period only, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the schedule of employer and non-employer allocations and the specified column totals included in the schedule of pension amounts by entity, current reporting period only, 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 Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of employer and non-employer allocations and the specified column totals included in the schedule of pension amounts by entity, current reporting period only.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the schedules referred to above present fairly, in all material respects, the employer and non-employer allocations and the net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total pension expense for the total of all participating entities of the Teachers Retirement Association as of and for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

### **Restriction on Use**

This report is intended solely for the information and use of management, the Board of Trustees, Teachers Retirement Association employer and non-employer entities, and their auditors, and is not intended to be, and should not be, used by anyone other than those specified parties.



REBECCA OTTO  
STATE AUDITOR



GREG HIERLINGER, CPA  
DEPUTY STATE AUDITOR

April 17, 2018

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
00001	Aitkin - ISD #1	422,156	0.1046%
00002	Hill City - ISD #2	136,806	0.0339%
00004	McGregor - ISD #4	172,100	0.0426%
00006	South St Paul Special School Dist #6	1,481,247	0.3669%
00011	Anoka-Hennepin - ISD #11	16,763,614	4.1522%
00012	Centennial - ISD #12	2,195,689	0.5438%
00013	Columbia Heights - ISD #13	1,347,240	0.3337%
00014	Fridley - ISD #14	1,327,009	0.3287%
00015	St Francis - ISD #15	1,870,639	0.4633%
00016	Spring Lake Park - ISD #16	1,900,565	0.4707%
00022	Detroit Lakes - ISD #22	1,223,106	0.3029%
00023	Frazee-Vergas Public Schools	347,193	0.0860%
00031	Bemidji - ISD #31	1,992,449	0.4935%
00032	Blackduck - ISD #32	215,150	0.0533%
00036	Kelliher - ISD #36	132,795	0.0329%
00038	Red Lake - ISD #38	818,596	0.2028%
00047	Sauk Rapids - ISD #47	1,507,428	0.3734%
00051	Foley - ISD #51	648,637	0.1607%
00075	St Clair - ISD #75	229,019	0.0567%
00077	Mankato - ISD #77	3,362,715	0.8329%
00081	Comfrey Public School ISD #81	74,749	0.0185%
00084	Sleepy Eye - ISD #84	206,671	0.0512%
00085	Springfield - ISD #85	216,600	0.0536%
00088	New Ulm - ISD #88	727,359	0.1802%
00091	Barnum - ISD #91	303,965	0.0753%
00093	Carlton - ISD #93	162,656	0.0403%
00094	Cloquet - ISD #94	1,009,313	0.2500%
00095	Cromwell - ISD #95	109,405	0.0271%
00097	Moose Lake - ISD #97	237,577	0.0588%
00099	Esko - ISD #99	409,433	0.1014%
00100	Wrenshall - ISD #100	132,702	0.0329%
00108	Central School District - ISD #108	353,942	0.0877%
00110	Waconia - ISD #110	1,444,727	0.3578%
00111	Watertown-Mayer - ISD #111	534,393	0.1324%
00112	Eastern Carver County Schools - ISD #112	4,171,447	1.0332%
00113	Walker-Hackensack - ISD #113	306,989	0.0760%
00115	Cass Lake - ISD #115	569,072	0.1410%
00116	Pillager - ISD #116	325,075	0.0805%
00118	Northland Community Schools - ISD # 118	173,261	0.0429%
00129	Montevideo - ISD #129	590,228	0.1462%
00138	North Branch - ISD #138	1,035,381	0.2565%
00139	Rush City - ISD #139	514,845	0.1275%
00146	Barnesville - ISD #146	288,448	0.0714%
00150	Hawley - ISD #150	356,035	0.0882%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
00152	Moorhead - ISD #152	2,408,395	0.5965%
00162	Bagley - ISD #162	330,242	0.0818%
00166	Cook County - ISD #166	182,542	0.0452%
00173	Mountain Lake - ISD #173	187,693	0.0465%
00177	Windom - ISD #177	408,677	0.1012%
00181	Brainerd - ISD #181	2,584,892	0.6402%
00182	Crosby-Ironton - ISD #182	368,159	0.0912%
00186	Pequot Lakes - ISD #186	530,196	0.1313%
00191	Burnsville - ISD #191	4,281,779	1.0605%
00192	Farmington - ISD #192	2,741,004	0.6789%
00194	Lakeville - ISD #194	4,267,233	1.0569%
00195	Randolph - ISD #195	209,836	0.0520%
00196	Rosemount-Apple Valley-Eagan - ISD #196	12,726,144	3.1521%
00197	West St Paul - ISD #197	2,315,827	0.5736%
00199	Inver Grove Heights - ISD #199	1,414,664	0.3504%
00200	Hastings - ISD #200	1,640,693	0.4064%
00203	Hayfield - ISD #203	254,445	0.0630%
00204	Kasson-Mantorville - ISD #204	663,076	0.1642%
00206	Alexandria - ISD #206	1,537,688	0.3809%
00213	Osakis - ISD #213	271,350	0.0672%
00227	Chatfield - ISD #227	294,797	0.0730%
00229	Lanesboro - ISD #229	110,852	0.0275%
00238	Mabel-Canton - ISD #238	95,921	0.0238%
00239	Rushford - ISD #239	254,628	0.0631%
00241	Albert Lea - ISD #241	1,501,784	0.3720%
00242	Alden - ISD #242	176,834	0.0438%
00246	Central MN ERDC # 246	11,354	0.0028%
00252	Cannon Falls - ISD #252	374,759	0.0928%
00253	Goodhue - ISD #253	205,861	0.0510%
00255	Pine Island - ISD #255	451,566	0.1118%
00256	Red Wing - ISD #256	938,915	0.2326%
00261	Ashby - ISD #261	84,832	0.0210%
00264	Herman - ISD #264	59,752	0.0148%
00270	Hopkins - ISD #270	3,395,599	0.8411%
00271	Bloomington - ISD #271	5,069,032	1.2555%
00272	Eden Prairie - ISD #272	4,082,606	1.0112%
00273	Edina - ISD #273	3,824,586	0.9473%
00276	Minnetonka - ISD #276	4,484,917	1.1109%
00277	Westonka - ISD #277	942,196	0.2334%
00278	Orono - ISD #278	1,203,484	0.2981%
00279	Osseo - ISD #279	9,551,553	2.3658%
00280	Richfield - ISD #280	2,011,593	0.4982%
00281	Robbinsdale - ISD #281	5,824,347	1.4426%
00282	St Anthony - ISD #282	676,778	0.1676%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
00283	St Louis Park - ISD #283	2,231,373	0.5527%
00284	Wayzata - ISD #284	4,742,719	1.1747%
00286	Brooklyn Center - ISD #286	935,455	0.2317%
00287	Interm School District #287	2,176,824	0.5392%
00288	Southwest Metro Intermediate District	41,739	0.0103%
00294	Houston - ISD #294	541,952	0.1342%
00297	Spring Grove - ISD #297	128,562	0.0318%
00299	Caledonia - ISD #299	255,255	0.0632%
00300	LaCrescent - ISD #300	391,416	0.0969%
00306	Laporte - ISD #306	97,645	0.0242%
00308	Nevis - ISD #308	204,310	0.0506%
00309	Park Rapids - ISD #309	546,510	0.1354%
00314	Braham - ISD #314	254,110	0.0629%
00316	Greenway Schools - ISD #316	364,058	0.0902%
00317	Deer River - ISD #317	403,610	0.1000%
00318	Grand Rapids - ISD #318	1,564,407	0.3875%
00319	Nashwauk-Keewatin - ISD #319	231,585	0.0574%
00330	Heron Lake-Okabena - ISD #330	121,350	0.0301%
00332	Mora - ISD #332	621,211	0.1539%
00333	Ogilvie - ISD #333	183,051	0.0453%
00345	New London-Spicer - ISD #345	547,758	0.1357%
00347	Willmar - ISD #347	1,635,193	0.4050%
00356	Lancaster - ISD #356	72,428	0.0179%
00361	International Falls - ISD #361	367,031	0.0909%
00362	Littlefork - Big Falls - ISD #362	116,401	0.0288%
00363	So Koochiching-Rainy River - ISD #363	154,139	0.0382%
00378	Dawson - ISD #378	216,376	0.0536%
00381	Lake Superior - ISD #381	583,675	0.1446%
00382	Northwest Reg Intradst Council # 382	53,123	0.0132%
00390	Lake of the Woods - ISD #390	180,078	0.0446%
00391	Cleveland - ISD #391	148,640	0.0368%
00397	Lake Agassiz Spec Ed Coop # 397	61,104	0.0151%
00398	Midwest Spec Ed Coop # 398	69,408	0.0172%
00402	Hendricks - ISD #402	70,128	0.0174%
00403	Ivanhoe - ISD #403	32,631	0.0081%
00404	Lake Benton - ISD #404	47,231	0.0117%
00413	Marshall - ISD #413	1,006,013	0.2492%
00414	Minneota - ISD #414	176,468	0.0437%
00415	Lynd - ISD #415	73,394	0.0182%
00423	Hutchinson - ISD #423	1,081,678	0.2679%
00424	Lester Prairie - ISD #424	147,928	0.0366%
00432	Mahnomen - ISD #432	257,498	0.0638%
00435	Waubun - ISD #435	264,808	0.0656%
00441	Marshall County Central - ISD #441	149,119	0.0369%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
00447	Grygla - ISD #447	85,819	0.0213%
00458	Truman - ISD #458	89,080	0.0221%
00463	Eden Valley - Watkins - ISD #463	320,699	0.0794%
00465	Litchfield - ISD #465	537,415	0.1331%
00466	Dassel-Cokato - ISD #466	776,281	0.1923%
00473	Isle - ISD #473	148,207	0.0367%
00477	Princeton - ISD #477	1,121,975	0.2779%
00480	Onamia - ISD #480	272,513	0.0675%
00482	Little Falls - ISD #482	992,913	0.2459%
00484	Pierz - ISD #484	377,246	0.0934%
00485	Royalton - ISD #485	271,676	0.0673%
00486	Swanville - ISD #486	102,978	0.0255%
00487	Upsala - ISD #487	111,555	0.0276%
00492	Austin - ISD #492	1,982,493	0.4910%
00495	Grand Meadow - ISD #495	168,610	0.0418%
00497	Lyle - ISD #497	97,726	0.0242%
00499	LeRoy - ISD #499	117,066	0.0290%
00500	Southland - ISD #500	186,107	0.0461%
00505	Fulda - ISD #505	151,398	0.0375%
00507	Nicollet - ISD #507	134,154	0.0332%
00508	St Peter - ISD #508	737,070	0.1826%
00511	Adrian - ISD #511	174,924	0.0433%
00514	Ellsworth - ISD #514	68,087	0.0169%
00518	Worthington - ISD #518	1,242,259	0.3077%
00531	Byron - ISD #531	694,912	0.1721%
00533	Dover-Eyota - ISD #533	373,283	0.0925%
00534	Stewartville - ISD #534	656,598	0.1626%
00535	Rochester - ISD #535	7,343,605	1.8189%
00542	Battle Lake Public Schools - ISD # 542	158,301	0.0392%
00544	Fergus Falls - ISD #544	833,753	0.2065%
00545	Henning - ISD #545	136,648	0.0338%
00547	Parkers Prairie - ISD #547	183,602	0.0455%
00548	Pelican Rapids - ISD #548	354,146	0.0877%
00549	Perham - ISD #549	492,569	0.1220%
00550	Underwood - ISD #550	179,728	0.0445%
00553	New York Mills - ISD #553	227,016	0.0562%
00561	Goodridge - ISD #561	88,805	0.0220%
00564	Thief River Falls Public Schools # 564	717,065	0.1776%
00577	Willow River - ISD #577	166,293	0.0412%
00578	Pine City - ISD #578	608,876	0.1508%
00581	Edgerton - ISD #581	159,844	0.0396%
00592	Climax - ISD #592	86,125	0.0213%
00593	Crookston - ISD #593	455,590	0.1128%
00595	East Grand Forks - ISD #595	630,123	0.1561%



Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
00599	Fertile-Beltrami - ISD #599	173,094	0.0429%
00600	Fisher - ISD #600	97,596	0.0242%
00601	Fosston - ISD #601	250,316	0.0620%
00621	Mounds View - ISD #621	4,747,125	1.1758%
00622	North St Paul-Maplewood - ISD #622	4,324,600	1.0712%
00623	Roseville - ISD #623	3,467,713	0.8589%
00624	White Bear Lake - ISD #624	3,705,829	0.9179%
00630	Red Lake Falls - ISD #630	156,674	0.0388%
00635	Milroy - ISD #635	13,239	0.0033%
00640	Wabasso - ISD #640	143,065	0.0354%
00656	Faribault - ISD #656	1,577,831	0.3908%
00659	Northfield - ISD #659	1,793,467	0.4442%
00671	Hills-Beaver Creek - ISD #671	121,814	0.0302%
00676	Badger - ISD #676	96,581	0.0239%
00682	Roseau - ISD #682	406,816	0.1008%
00690	Warroad - ISD #690	347,922	0.0862%
00695	Chisholm - ISD #695	265,479	0.0658%
00696	Ely - ISD #696	198,098	0.0491%
00698	Floodwood - ISD #698	108,748	0.0269%
00700	Hermantown - ISD #700	664,227	0.1645%
00701	Hibbing - ISD #701	848,169	0.2101%
00704	Proctor - ISD #704	689,124	0.1707%
00706	Virginia - ISD #706	585,462	0.1450%
00707	Nett Lake - ISD #707	49,064	0.0122%
00709	Duluth - ISD #709	3,582,569	0.8874%
00712	Mountain Iron-Buhl - ISD #712	192,750	0.0477%
00716	Belle Plaine - ISD #716	559,875	0.1387%
00717	Jordan - ISD #717	717,025	0.1776%
00719	Prior Lake - ISD #719	2,996,241	0.7421%
00720	Shakopee - ISD #720	3,448,359	0.8541%
00721	New Prague - ISD #721	1,469,296	0.3639%
00726	Becker - ISD #726	1,006,789	0.2494%
00727	Big Lake - ISD #727	1,052,333	0.2607%
00728	Elk River - ISD #728	4,837,432	1.1982%
00738	Holdingford - ISD #738	324,257	0.0803%
00739	Kimball - ISD #739	246,222	0.0610%
00740	Melrose - ISD #740	458,610	0.1136%
00741	Paynesville - ISD #741	366,477	0.0908%
00742	St Cloud - ISD #742	4,695,229	1.1630%
00743	Sauk Centre - ISD #743	369,823	0.0916%
00745	Albany - ISD #745	712,683	0.1765%
00748	Sartell - ISD #748	1,347,856	0.3338%
00750	Rocori - ISD #750	733,348	0.1816%
00756	Blooming Prairie - ISD #756	285,139	0.0706%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
00761	Owatonna - ISD #761	1,864,392	0.4618%
00763	Medford - ISD #763	273,172	0.0677%
00768	Hancock - ISD #768	110,958	0.0275%
00771	Chokio-Alberta - ISD #771	73,480	0.0182%
00775	Kerkhoven-Murdock-Sunburg - ISD #775	224,460	0.0556%
00777	Benson - ISD #777	326,651	0.0809%
00786	Bertha-Hewitt - ISD #786	158,663	0.0393%
00787	Browerville - ISD #787	176,514	0.0437%
00801	Browns Valley - ISD #801	53,628	0.0133%
00803	Wheaton - ISD #803	162,518	0.0403%
00811	Wabasha-Kellogg - ISD #811	225,756	0.0559%
00813	Lake City - ISD #813	437,912	0.1085%
00815	Prinsburg - ISD #815	15,414	0.0038%
00818	Verndale - ISD #818	179,599	0.0445%
00820	Sebeka - ISD #820	203,334	0.0504%
00821	Menahga - ISD #821	288,286	0.0714%
00829	Waseca - ISD #829	670,688	0.1661%
00831	Forest Lake - ISD #831	2,470,411	0.6119%
00832	Mahtomedi - ISD #832	1,362,739	0.3375%
00833	South Washington County - ISD #833	8,114,210	2.0098%
00834	Stillwater - ISD #834	3,107,587	0.7697%
00836	Butterfield - ISD #836	84,459	0.0209%
00837	Madelia - ISD #837	189,917	0.0470%
00840	St James - ISD #840	357,237	0.0885%
00846	Breckenridge - ISD #846	251,903	0.0624%
00850	Rothsay - ISD #850	88,088	0.0218%
00852	Campbell-Tintah - ISD #852	65,973	0.0163%
00857	Lewiston - ISD #857	282,924	0.0701%
00858	St Charles - ISD #858	359,689	0.0891%
00861	Winona Area Public Schools - ISD #861	1,342,095	0.3324%
00876	Annandale - ISD #876	635,490	0.1574%
00877	Buffalo - ISD #877	2,151,580	0.5329%
00879	Delano - ISD #879	829,605	0.2055%
00881	Maple Lake - ISD #881	299,710	0.0742%
00882	Monticello - ISD #882	1,870,475	0.4633%
00883	Rockford - ISD #883	532,330	0.1319%
00885	St Michael - ISD #885	2,111,297	0.5229%
00891	Canby - ISD #891	183,727	0.0455%
00911	Cambridge-Isanti - ISD #911	1,993,892	0.4939%
00912	Milaca - ISD #912	702,386	0.1740%
00914	Ulen - Hitterdal - ISD #914	113,399	0.0281%
00915	Southern Plains #915	197,780	0.0490%
00916	NE Metro Interm School Dist #916	1,344,487	0.3330%
00917	Interm School District #917	867,669	0.2149%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
00920	Metro ECSU # 920	32,166	0.0080%
00921	Southeast Service Coop # 921	49,198	0.0122%
00922	South Central Serv Coop # 922	50,607	0.0125%
00923	Resource Training and Solutions # 923	65,705	0.0163%
00924	North Central Service Coop # 924	56,310	0.0139%
00925	TIES # 925	46,673	0.0116%
00926	Lakes Country Serv Coop # 926	114,269	0.0283%
00927	Northeast Service Coop # 927	6,518	0.0016%
00928	Northwest MN Service Co-op # 928	87,807	0.0217%
00935	Fergus Falls Spec Ed Coop # 935	143,462	0.0355%
00938	Meeker & Wright Spec Ed Coop #938	280,585	0.0695%
00966	Wright Technical Ctr # 966	104,933	0.0260%
00978	MN Valley Coop Ctr #978	86,220	0.0214%
00985	Pine to Prairie Coop Ctr # 985	-	0.0000%
00991	SW/W Central Service Cooperative # 991	720,550	0.1785%
00997	Area Special Educ Coop # 997	124,516	0.0308%
00998	Bemidji Reg Interdist Council # 998	280,371	0.0694%
02071	Lake Crystal-Wellcome Memorial ISD #2071	287,827	0.0713%
02125	Triton Schools - ISD #2125	391,535	0.0970%
02134	United South Central - ISD #2134	274,919	0.0681%
02135	Maple River - ISD #2135	334,575	0.0829%
02137	Kingsland - ISD #2137	200,515	0.0497%
02142	St Louis County Schools - ISD # 2142	776,665	0.1924%
02143	Waterville-Elysian-Morristown ISD #2143	316,857	0.0785%
02144	Chisago Lakes Area - ISD #2144	1,210,446	0.2998%
02149	Minnewaska Area - ISD #2149	469,187	0.1162%
02154	Eveleth-Gilbert - ISD #2154	335,758	0.0832%
02155	Wadena-Deer Creek - ISD #2155	354,425	0.0878%
02159	Buffalo Lake-Hector - ISD #2159	178,627	0.0442%
02164	Dilworth-Glyndon-Felton - ISD #2164	609,044	0.1509%
02165	Hinckley-Finlayson - ISD #2165	352,213	0.0872%
02167	Lakeview - ISD #2167	235,534	0.0583%
02168	NRHEG - ISD #2168	319,715	0.0792%
02169	Murray County Central - ISD #2169	269,646	0.0668%
02170	Staples-Motley - ISD #2170	398,235	0.0986%
02171	Kittson Central - ISD #2171	115,501	0.0286%
02172	Kenyon-Wanamingo - ISD #2172	273,949	0.0679%
02174	Pine River-Backus - ISD #2174	334,943	0.0830%
02176	Warren-Alvarado-Oslo - ISD #2176	188,847	0.0468%
02180	MACCRAY - ISD #2180	259,495	0.0643%
02184	Luverne - ISD #2184	464,920	0.1152%
02190	Yellow Medicine East - ISD #2190	201,336	0.0499%
02198	Fillmore Central - ISD #2198	206,969	0.0513%
02215	Norman County East - ISD #2215	109,439	0.0271%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
02310	Sibley East - ISD #2310	430,123	0.1065%
02311	Clearbrook-Gonvick - ISD #2311	147,560	0.0365%
02342	West Central Area - ISD #2342	267,693	0.0663%
02358	Tri-County - ISD #2358	94,043	0.0233%
02364	Belgrade-Brooten-Elrosa - ISD #2364	240,164	0.0595%
02365	Gibbon-Fairfax-Winthrop - ISD #2365	287,772	0.0713%
02396	Atwater-Cosmos-Grove City - ISD #2396	335,931	0.0832%
02397	Le Sueur-Henderson - ISD #2397	333,937	0.0827%
02448	Martin County West - ISD #2448	264,475	0.0655%
02527	Norman County West - ISD #2527	109,533	0.0271%
02534	BOLD - ISD #2534	244,179	0.0605%
02536	Granada-Huntley-E Chain - ISD #2536	88,793	0.0220%
02580	East Central - ISD #2580	283,000	0.0701%
02609	Win-E-Mac - ISD #2609	145,987	0.0362%
02683	Greenbush-Middle River - ISD #2683	171,772	0.0425%
02687	Howard Lake-Waverly-Winsted - ISD #2687	427,441	0.1059%
02689	Pipestone Area Schools - ISD #2689	396,123	0.0981%
02711	Mesabi East - ISD #2711	306,326	0.0759%
02752	Fairmont-Ceylon - ISD #2752	569,723	0.1411%
02753	Long Prairie-Grey Eagle - ISD #2753	339,723	0.0841%
02754	Cedar Mountain - ISD #2754	162,851	0.0403%
02759	Eagle Valley - ISD #2759	57,481	0.0142%
02769	Morris Area Schools - ISD #2769	363,711	0.0901%
02805	Zumbrota-Mazeppa - ISD #2805	398,260	0.0986%
02835	Janesville-Waldorf-Pemberton - ISD #2835	229,280	0.0568%
02853	Lac qui Parle Valley - ISD #2853	338,757	0.0839%
02854	Ada-Borup - ISD #2854	187,519	0.0464%
02856	Stephen-Argyle - ISD #2856	126,383	0.0313%
02859	Glencoe-Silver Lake - ISD #2859	550,200	0.1363%
02860	Blue Earth Area Public Schools # 2860	464,189	0.1150%
02884	Red Rock Central - ISD #2884	152,175	0.0377%
02886	Glenville-Emmons - ISD #2886	97,020	0.0240%
02888	Clinton-Graceville-Beardsley - ISD #2888	128,175	0.0317%
02889	Lake Park-Audubon District - ISD #2889	234,412	0.0581%
02890	Renville County West - ISD #2890	225,652	0.0559%
02895	Jackson County Central Schools ISD #2895	506,058	0.1253%
02897	Redwood Area Schools - ISD # 2897	438,365	0.1086%
02898	Westbrook-Walnut Grove Public School2898	170,604	0.0423%
02899	Plainview-Elgin-Millville ISD #2899	508,964	0.1261%
02902	RTR Public School #2902	168,285	0.0417%
02903	Ortonville Public School #2903	203,676	0.0504%
02904	Tracy Area School District #2904	272,078	0.0674%
02905	Tri-City United ISD #2905	651,676	0.1614%
02906	Red Lake County Central - ISD #2906	155,060	0.0384%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
02907	Round Lake/Brewster - ISD #2907	79,350	0.0197%
02908	Brandon/Evansville - ISD #2908	145,102	0.0359%
03333	Pine Point - ISD #3333	47,580	0.0118%
04000	City Academy	44,556	0.0110%
04001	Bluffview Montessori	55,632	0.0138%
04003	New Heights School	50,075	0.0124%
04004	Cedar-Riverside Community School	75,135	0.0186%
04005	Metro Deaf School	179,453	0.0444%
04007	New Country Charter School	66,104	0.0164%
04008	PACT Charter School	169,656	0.0420%
04011	Athlos Leadership Academy	245,353	0.0608%
04015	Community of Peace	285,400	0.0707%
04016	World Learner School	59,912	0.0148%
04017	MN Transitions Charter School	421,319	0.1044%
04018	Achieve Language Academy	146,675	0.0363%
04020	Duluth Edison Charter School	532,402	0.1319%
04025	Cyber Village Academy	95,067	0.0235%
04026	ECHO Charter School	46,330	0.0115%
04027	Higher Ground	164,712	0.0408%
04029	St Paul City School	149,008	0.0369%
04030	Odyssey Academy	80,780	0.0200%
04031	Jennings Experiential High School	24,414	0.0060%
04032	Harvest Preparatory Academy	118,984	0.0295%
04035	Life Prep Academy	108,502	0.0269%
04036	Face to Face Academy	40,242	0.0100%
04038	Sojourner Truth Academy	149,888	0.0371%
04039	High School for Recording Arts	65,434	0.0162%
04042	Twin Cities Academy	7,893	0.0020%
04043	Math & Science Academy	135,763	0.0336%
04049	Northwest Passage High School	61,276	0.0152%
04050	Lafayette Charter School	26,540	0.0066%
04053	North Lakes Academy	137,521	0.0341%
04054	LaCrescent Montessori Academy	22,256	0.0055%
04055	Nerstrand Elementary School	37,654	0.0093%
04056	Rochester Off-Campus Charter HS	35,783	0.0089%
04057	El Colegio Charter School	42,770	0.0106%
04058	Schoolcraft Learning Community	55,362	0.0137%
04059	Crosslake Community School	67,404	0.0167%
04064	Riverway Learning Community	32,812	0.0081%
04066	Kato Public Charter School	30,909	0.0077%
04067	Aurora Charter School	125,422	0.0311%
04068	Excell Academy for Higher Learning	124,735	0.0309%
04070	HOPE Community Academy	172,844	0.0428%
04073	Academia Cesar Chavez	129,847	0.0322%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
04074	AFSA High School	134,839	0.0334%
04075	Avalon School	99,395	0.0246%
04077	Twin Cities International Elem. School	191,505	0.0474%
04078	MN International Middle School	113,004	0.0280%
04079	Friendship Academy of Fine Arts	37,195	0.0092%
04080	Pillager Area Charter School	16,587	0.0041%
04081	Discovery Public School of Faribault	21,398	0.0053%
04082	BlueSky Charter School	218,961	0.0542%
04083	Ridgeway Community School	27,650	0.0068%
04084	North Shore Community School	98,394	0.0244%
04085	Harbor City International	83,778	0.0208%
04087	SAGE Academy	30,965	0.0077%
04088	Urban Academy	85,658	0.0212%
04089	New City School	77,296	0.0191%
04090	Prairie Creek Community School	59,752	0.0148%
04091	Arcadia Charter School	50,551	0.0125%
04092	Watershed High School	24,783	0.0061%
04093	New Century Charter School	38,343	0.0095%
04095	Trio Wolf Creek Distance Learning	58,998	0.0146%
04097	Partnership Academy, Inc.	143,537	0.0356%
04098	Nova Classical Academy	273,336	0.0677%
04100	Great Expectations School	31,460	0.0078%
04102	Mn Internship Center	140,059	0.0347%
04103	Hmong Academy	461,502	0.1143%
04104	Paladin Academy (Liberty High School)	71,093	0.0176%
04105	Great River School	137,493	0.0341%
04106	Trek North High School	99,072	0.0245%
04107	Voyageurs Expeditionary School	45,848	0.0114%
04110	Main Street School of Performing Arts	103,826	0.0257%
04111	Augsburg Academy for Health Careers	41,884	0.0104%
04112	St Paul Conservatory for Performing Arts	167,378	0.0415%
04113	Fraser Academy	105,076	0.0260%
04115	Minneapolis Academy	4,116	0.0010%
04116	Lakes International Language Academy	274,641	0.0680%
04118	Kaleidoscope Charter School	198,618	0.0492%
04119	Academic Arts High School	37,392	0.0093%
04120	St Croix Preparatory School	303,903	0.0753%
04121	UBAH Medical Academy	118,451	0.0293%
04122	Eagle Ridge Academy	318,743	0.0789%
04124	Beacon Academy	136,909	0.0339%
04126	Prairie Seeds Academy	202,460	0.0501%
04127	TEAM Academy	50,107	0.0124%
04131	Lighthouse Academy of Nations	97,248	0.0241%
04132	Twin Cities Academy High School	160,780	0.0398%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
04135	Rochester Math and Science Academy	95,307	0.0236%
04137	Swan River Montessori	54,250	0.0134%
04138	MILROY Area Charter School	13,088	0.0032%
04139	LoveWorks Academy	39,251	0.0097%
04140	Yinghua Academy	199,313	0.0494%
04141	Paideia Academy	5,602	0.0014%
04142	Stride Academy	206,924	0.0513%
04143	New Millennium Academy	192,704	0.0477%
04144	Green Isle Community School	16,726	0.0041%
04145	Birch Grove Charter School	12,480	0.0031%
04146	Northern Lights Community School	50,619	0.0125%
04150	Minnesota Online High School	62,062	0.0154%
04151	EdVisions Off-Campus Charter School	43,645	0.0108%
04152	Twin Cities German Immersion School	165,698	0.0410%
04153	Dugsi Academy	122,546	0.0304%
04155	Naytahwaush Community School	58,090	0.0144%
04159	Seven Hills Classical	252,758	0.0626%
04160	Spectrum HS	194,260	0.0481%
04161	New Discoveries Montessori Academy	65,498	0.0162%
04162	Southside Family Charter School	41,418	0.0103%
04163	Learning for Leadership CS	79,276	0.0196%
04164	Laura Jeffrey Academy	57,798	0.0143%
04166	East Range Academy of Tech and Science	56,559	0.0140%
04167	International Spanish Language Academy	77,793	0.0193%
04168	Glacial Hills Elementary School	47,240	0.0117%
04169	Stonebridge Community School	105,106	0.0260%
04170	Hiawatha Academies	466,209	0.1155%
04171	Noble Academy	170,751	0.0423%
04172	Clarkfield Area Charter School	21,309	0.0053%
04177	Minisinaakwaang Leadership Academy	14,426	0.0036%
04178	Lincoln International Charter School	53,407	0.0132%
04181	Community School of Excellence	267,500	0.0663%
04183	Lionsgate Academy	268,732	0.0666%
04184	Aspen Academy	151,371	0.0375%
04185	DaVinci Academy of Art and Science	127,953	0.0317%
04186	Global Academy, Inc.	179,156	0.0444%
04187	Natural Science Academy	18,586	0.0046%
04188	Cologne Academy	208,055	0.0515%
04189	Bright Water Elementary Charter School	52,423	0.0130%
04190	River's Edge Academy	31,863	0.0079%
04191	KIPP Minnesota	120,955	0.0300%
04192	Best Academy	246,528	0.0611%
04193	College Prep Elementary	127,204	0.0315%
04194	Cannon River STEM School	98,120	0.0243%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
04195	Oshki Ogimaag Charter School	18,178	0.0045%
04198	Discovery Woods Montessori	28,587	0.0071%
04199	Parnassus Preparatory School	259,915	0.0644%
04200	Step Academy	76,622	0.0190%
04201	Cornerstone Montessori Elementary School	32,496	0.0080%
04203	Minneapolis College Preparatory School	6,187	0.0015%
04204	Rochester STEM Academy	31,015	0.0077%
04205	Hennepin Elementary School	116,724	0.0289%
04207	Vermilion Country School	15,994	0.0040%
04208	Nasha Shkola Charter School	38,138	0.0094%
04209	Mastery School	76,728	0.0190%
04210	Upper Mississippi Academy	92,573	0.0229%
04212	West Side Summit Charter School	48,520	0.0120%
04213	Prodeo Academy	101,778	0.0252%
04215	Sejong Academy	41,383	0.0102%
04216	Freedom Academy	10,626	0.0026%
04217	Technical Academies of Minnesota	37,658	0.0093%
04218	Venture Academy	112,493	0.0279%
04219	Northeast College Prep Charter School	92,632	0.0229%
04220	Agamim Hebrew Language School	43,450	0.0108%
04221	Discovery Charter School	39,989	0.0099%
04223	Saint Cloud Math and Science Academy	58,622	0.0145%
04224	Star of the North Academy	42,362	0.0105%
04225	Universal Academy Charter School	54,065	0.0134%
04226	Bdote Learning Center	32,394	0.0080%
04227	Art and Science Academy	88,971	0.0220%
04228	Woodbury Leadership Academy	63,841	0.0158%
04229	Jane Goodall Environmental Sciences Acad	32,462	0.0080%
04230	Minnesota Early Learning Academy	64,596	0.0160%
04231	Minnesota Math and Science Academy	129,475	0.0321%
04232	Summit Charter School	22,694	0.0056%
04233	Level Up Academy Charter School	32,014	0.0079%
04235	Flex Academy of Minnesota	24,917	0.0062%
04237	Metropolitan Education for Future Employ	34,131	0.0085%
04238	Rochester Beacon Academy	75,267	0.0186%
04239	TESFA International School	47,043	0.0117%
04240	New Century Academy	25,656	0.0064%
04243	North Metro Flex Academy	40,667	0.0101%
04243	FIT Academy	3,703	0.0009%
04246	Big Picture Twin Cities-Phillips Community School	5,141	0.0013%
04248	TRUTH Preparatory	43,132	0.0107%
04249	Sankofa Underground North Academy	14,620	0.0036%
04250	Athlos Academy of St Cloud	108,583	0.0269%
04251	Apex Academy	1,272	0.0003%



Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
05001	MN Family Career & Comm Leaders of Amer	5,905	0.0015%
05002	MN Business Professionals of America	2,081	0.0005%
05003	SkillsUSA Minnesota	4,409	0.0011%
05004	MN Delta Epsilon / DECA	2,063	0.0005%
06004	Freshwater Education Dist # 6004	311,257	0.0771%
06012	Zumbro Education District # 6012	218,354	0.0541%
06013	Hiawatha Valley Ed Dist # 6013	238,697	0.0591%
06014	Runestone Area Education Dist # 6014	130,821	0.0324%
06017	MN Transitions - Connections Academy	256,320	0.0635%
06026	W Central Education Dist # 6026	120,119	0.0298%
06027	MN Valley Educ Dist # 6027	175,733	0.0435%
06049	Riverbend Educational Dist # 6049	188,996	0.0468%
06051	Goodhue County Ed Dist # 6051	295,873	0.0733%
06067	East Metro Integration District	25,548	0.0063%
06070	Itasca Area Schools Collaborative	32,847	0.0081%
06076	Northland Learning Center - ISD # 6076	191,870	0.0475%
06078	Northwest Suburban ISD 6078	8,137	0.0020%
06080	Minnesota's Digital Academy	18,152	0.0045%
06083	Southern Minnesota Education Consortium	39,126	0.0097%
06088	Southwest Metro Educational Cooperative	434,880	0.1077%
06383	Benton-Stearns Educ Dist # 6383	225,209	0.0558%
06979	Midstate Educational Dist # 6979	129,190	0.0320%
8800037	Dept of Education	690,317	0.1710%
8825000	Perpich Center for Arts Education	190,263	0.0471%
8837001	Minnesota State Academies	249,886	0.0619%
9700004	Education Minnesota 09700004	21,537	0.0053%
10100011	System Office 101-11	206,751	0.0512%
10100012	Bemidji State Univ 101-12	438,549	0.1086%
10100013	Minnesota State Univ, Mankato 101-13	715,058	0.1771%
10100014	Minnesota St. University Moorhead 101-14	380,463	0.0942%
10100015	St Cloud State Univ 101-15	813,049	0.2014%
10100016	Southwest Minnesota State Univ 101-16	213,768	0.0529%
10100017	Winona State Univ 101-17	811,340	0.2010%
10100018	Metropolitan State Univ 101-18	519,796	0.1287%
10100020	Alexandria Tech College 101-20	342,247	0.0848%
10100021	Anoka Technical College 101-21	165,519	0.0410%
10100022	Central Lakes College 101-22	365,724	0.0906%
10100023	Dakota County Tech College 101-23	264,125	0.0654%
10100024	Lake Superior College 101-24	294,609	0.0730%
10100025	Hennepin Tech College 101-25	604,509	0.1497%
10100026	Ridgewater College 101-26	484,036	0.1199%
10100027	Minneapolis Comm & Tech College 101-27	521,349	0.1291%
10100028	Century Comm and Tech College 101-28	717,534	0.1777%
10100029	Northwest Tech College - Bemidj 101-29	89,468	0.0222%

Teachers Retirement Association  
Schedule of Employer and Non-Employer Allocations  
As of and for the Year Ended June 30, 2017

ID	Entity	Employer Contributions	Entity Allocation Percentage
10100030	Pine Tech College 101-30	143,212	0.0355%
10100031	Mesabi Range Comm & Tech College 101-31	196,768	0.0487%
10100032	Hibbing Comm College 101-32	242,868	0.0602%
10100033	Minnesota State College-SE Tech 101-33	248,718	0.0616%
10100034	Riverland Community College 101-34	295,699	0.0732%
10100035	South Central College 101-35	375,214	0.0929%
10100036	Minnesota West Comm &Tech College 101-36	315,576	0.0782%
10100037	St Cloud Tech College 101-37	467,282	0.1157%
10100038	St Paul College 101-38	397,568	0.0985%
10100039	Northeast Service Unit 101-39	18,406	0.0046%
10100040	Fond duLac Tribal and Comm College101-40	100,137	0.0248%
10100041	North Hennepin Comm College 101-41	434,538	0.1076%
10100042	Northland Community &Tech College 101-42	285,924	0.0708%
10100043	Normandale Community College 101-43	450,298	0.1115%
10100044	Inver Hills Community College 101-44	277,147	0.0686%
10100045	Itasca Community College 101-45	158,529	0.0393%
10100046	Rainy River Community College 101-46	34,870	0.0086%
10100048	Rochester Comm & Tech College 101-48	426,037	0.1055%
10100049	Anoka-Ramsey Comm College 101-49	483,597	0.1198%
10100050	Vermilion Comm College 101-50	83,638	0.0207%
10100051	MN State Comm and Tech College 101-51	469,565	0.1163%
S0001	Minneapolis - Special School Dist #1	31,435,583	7.7869%
CITY	City of Minneapolis	2,250,000	0.5573%
MSPSD	Msp School District	2,250,000	0.5573%
STATE	State of MN	31,087,410	7.7000%
	Total All	403,732,797	100.0000%























**Teachers Retirement Association**  
**Notes to the Schedule of Employer and Non-Employer Allocations and**  
**Schedule of Pension Amounts by Entity, Current Reporting Period Only**  
**for the Fiscal Year Ended June 30, 2017**

**NOTE 1: PLAN DESCRIPTION**

**A. Organization**

The Teachers Retirement Association (TRA) is an administrator of a multiple employer, cost-sharing defined benefit retirement fund. TRA administers a Basic Plan (without Social Security coverage) and a Coordinated Plan (with Social Security coverage) in accordance with Minnesota Statutes, Chapters 354 and 356. TRA is a separate statutory entity and is administered by a Board of Trustees. The Board consists of four active members, one retired member and three statutory officials.

**B. Participating employers and direct aid contributions**

Teachers employed in Minnesota's public elementary and secondary schools, charter schools, and certain educational institutions maintained by the state (except those teachers employed by the city of St. Paul and by the University of Minnesota system) are required to be TRA members. State university, community college, and technical college teachers first employed by the Minnesota State system may elect TRA coverage within one year of eligible employment. Alternatively, these teachers may elect coverage through the Defined Contribution Retirement Plan (DCR) administered by Minnesota State.

TRA serves 593 employer units. During the fiscal year TRA received direct aid contributions from the following sources: State of Minnesota \$31,087,410; City of Minneapolis \$2,250,000; and Minneapolis School District \$2,250,000. The direct aid is a result of the Minneapolis Teachers Retirement Fund Association merger into TRA in 2006 and the Duluth Teachers' Retirement Fund Association merger into TRA in 2015. These contributions meet the requirements for a special funding situation under GASB Statement 68, paragraph 15.

**NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES**

**A. Basis of presentation and basis of accounting**

1. Employers participating in TRA's cost-sharing multiple-employer defined benefit plan are required to report pension information in their financial statements for fiscal periods beginning after June 15, 2014, in accordance with Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting* and the *Financial Reporting for Pensions*. The *Schedule of Employer and Non-Employer Allocations and Schedule of Pension Amounts by Entity, Current Reporting Period Only*, provide entities with the required information for financial reporting.
2. The underlying financial information used to prepare the pension schedules is based on TRA's financial statements, which are prepared on the accrual basis of accounting. The financial statements are prepared in accordance with accounting principles generally accepted

in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

3. The preparation of the pension schedules requires management to make a number of estimates and assumptions relating to the reported amounts. Due to the inherent nature and uncertainty of these estimates, actual results could differ, and the differences may be material.
4. Employer contributions with the employer paid dates that fall within TRA's fiscal year ending June 30, 2017, are used as the basis for determining each entity's proportionate share of the collective pension amounts reported in the *Schedule of Employer and Non-Employer Allocations*.
5. The *Schedule of Pension Amounts by Entity, Current Reporting Period Only*, presents deferred inflows of resources, deferred outflows of resources, and pension expense for the current reporting period (measurement period) only. In addition to the current period amounts reported on this schedule, entities need to account for deferred inflows of resources and deferred outflows of resources related to pensions from prior reporting periods and continue to amortize those amounts against pension expense (based on previously established amortization periods) in their financial statements in accordance with generally accepted accounting principles.
  - a. TRA calculated the deferred inflows of resources and deferred outflows of resources related to pensions for the change in proportion percentage from the end of the prior measurement period (June 30, 2016) to the end of the current measurement period (June 30, 2017) for the net pension liability only. Entities are responsible for accounting for the impact of the change in proportion from the prior measurement date to the current measurement date on deferred inflows of resources and deferred outflows of resources related to pensions and amortizing those amounts over the average estimated remaining service lives of all plan members, except for investment gains and losses, which should be amortized over five years.
  - b. TRA determined that the difference between employer and non-employer actual contributions and the contributions used in the proportionate share percentage calculation (the miscellaneous contributions not representative of future contribution efforts as further explained in Note 2.B.) were not material in the aggregate or to individual entities. Therefore, TRA did not include these differences as deferred inflows or outflows of resources related to pensions in the *Schedule of Pension Amounts by Entity, Current Reporting Period Only*.

- c. The following tables reflect the amortization of collective deferred outflows and inflows of resources related to pensions for the current reporting period only.

**Deferred outflows of resources**

The only deferred outflows arising in fiscal year ending June 30, 2017 relate to changes in proportion.

**Deferred inflows of resources**

*(dollars in thousands)*

	<b><u>Difference between expected and actual experience</u></b>	<b><u>Changes of Assumptions</u></b>	<b><u>Differences between projected and actual investment earnings</u></b>
Amortization period	6 years	6 years	5 years
Current period additions	\$ 167,572	3,355,602	1,341,340
Amortized in period ending June 30,			
2017	27,929	559,267	268,268
2018	27,929	559,267	268,268
2019	27,929	559,267	268,268
2020	27,929	559,267	268,268
2021	27,929	559,267	268,268
2022	27,927	559,267	-

6. The components of the calculation of the net pension liability of TRA for participating employers and the special funding contributors (non-employer contributing entities) as of June 30, 2017, calculated in accordance with GASB Statement No. 67, are shown below (in thousands).

Total pension liability (A)	\$41,219,904
Plan fiduciary net position (B)	<u>\$21,258,090</u>
Net pension liability (A-B)	\$19,961,814
Plan fiduciary net position as a percentage of the total pension liability (B/A)	51.57%

The total pension liability is calculated by TRA's actuary.

**B. Reconciliation of financial statement employer contributions to total contributions reported on the *Schedule of Employer and Non-Employer Allocations***

While GASB 68 allows the employer's proportionate share of the collective pension amounts to be based on historical employer contributions, it encourages the use of the employer's projected long-term contributions effort to the retirement plan. Therefore, the employer's proportionate share reported in the *Schedule of Employer and Non-Employer Allocations* is calculated using historical employer contributions, with two adjustments to employer contributions that are not reflective of future contributions. The following is a reconciliation of employer contributions in TRA's Comprehensive Annual Financial Report (CAFR) "Statement of Changes in Fiduciary Net Position" to the contributions used in the *Schedule of Employer and Non-Employer Allocations*.

*(dollars in thousands)*

Employer contributions reported in TRA's CAFR, Statement of Changes in Fiduciary Net Position	\$367,791
Add employer contributions not related to future contribution efforts	810
Deduct TRA's contributions not included in allocation	<u>(456)</u>
Total employer contributions	\$368,145
Total non-employer contributions	<u>35,588</u>
Total contributions reported in the <i>Schedule of Employer and Non-Employer Allocations</i>	<u>\$403,733</u>



**NOTE 3: ACTUARIAL METHODS AND ASSUMPTIONS**

The total pension liability in the June 30, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

<b>Key Methods and Assumptions Used in Valuation of Total Pension Liability</b>	
<b>Actuarial Information</b>	
Valuation date	July 1, 2017
Experience study	June 5, 2015 November 6, 2017 (economic assumptions)
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Investment rate of return	5.12%, from the Single Equivalent Interest Rate calculation
Price inflation	2.50%
Wage growth rate	2.85% for 10 years and 3.25%, thereafter
Projected salary increase	2.85 to 8.85% for 10 years and 3.25 – 9.25%, thereafter
Cost of living adjustment	2.0%
Mortality assumptions	
Pre-retirement:	RP- 2014 white collar employee table, male rates set back six years and female rates set back five years. Generational projection uses the MP-2015 scale.
Post-retirement:	RP-2014 white collar annuitant table, male rates set back three years and female rates set back three years, with further adjustments of the rates. Generational projection uses the MP-2015 scale.
Post-disability:	RP-2014 disabled retiree mortality table, without adjustment.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The total pension liability (TPL) is calculated using a discount rate called the Single Equivalent Interest Rate (SEIR). The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. On that basis, TRA’s Fiduciary Net Position (FNP) was projected to be depleted in 2053 and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. There was a change in the Municipal Bond Index Rate from 3.01 percent on the Prior Measurement Date to 3.56 percent on the current Measurement Date.

The long-term expected rate of return of 7.50 percent on plan investments was applied to periods before 2053 and the Municipal Bond Index Rate of 3.56 percent was applied to periods on and after 2053, resulting in an SEIR of 5.12 percent.

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic stocks	39%	5.10%
International stocks	19%	5.00
Bonds	20%	0.75
Alternative assets	20%	5.90
Unallocated cash	<u>2%</u>	0.00
<b>Total</b>	<b><u>100%</u></b>	

The following presents the net pension liability of TRA calculated using the discount rate of 5.12 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.12 percent) or one percentage point higher (6.12 percent) than the current rate.

<b>Sensitivity of Net Pension Liability (NPL) to Changes in the Discount Rate</b> <i>(dollars in thousands)</i>			
	<b>1% Decrease (4.12%)</b>	<b>Current Discount Rate (5.12%)</b>	<b>1% Increase (6.12%)</b>
NPL	\$26,345,748	\$19,961,814	\$14,759,381

The TRA actuary has determined the average of the expected remaining service lives of all members for fiscal year 2017 to be six years. The *Differences Between Expected and Actual Experience, Changes of Assumptions, and Changes in Proportion* use this amortization period of six years in the schedule presented. The amortization period for *Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments* is five years as required by GASB 68.

#### NOTE 4: PENSION EXPENSE

The components of pension expense reported in the *Schedule of Pension Amounts by Entity, Current Reporting Period Only*, for the period ending June 30, 2017, are presented below.

*(dollars in thousands)*

Service cost	\$ 1,267,304
Interest on the total pension liability	1,975,771
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(27,929)
Expensed portion of current-period changes of assumptions	(559,267)
Member contributions	(361,175)
Projected earnings on plan investments	(1,513,878)
Expensed portion of current-period differences between actual and projected earnings on plan investments	(268,268)
Administrative expense	11,702
Other	<u>(2,404)</u>
Total pension expense	\$ 521,856
Less TRA employer contributions and miscellaneous adjustments	<u>(456)</u>
<b>Pension expense – Schedule Of Pension Amounts By Entity, Current Reporting Period Only</b>	<b><u><u>\$ 521,400</u></u></b>

#### NOTE 5: ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION

Additional financial information supporting the preparation of the *Schedule of Employer and Non-Employer Allocations* and the *Schedule of Pension Amounts by Entity, Current Reporting Period Only* is located in TRA's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. The supporting actuarial information can be found in the GASB 67-68 report. Both reports can be obtained at <https://MinnesotaTRA.org/FORMSPUB/eepubs.html>