

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM

Annual Financial Report

June 30, 2025



ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
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Arkansas



Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair

Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

Independent Auditor's Report

Arkansas Public Employees Retirement System
Legislative Joint Auditing Committee

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Arkansas Public Employees Retirement System, an office of Arkansas state government, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Arkansas Public Employees Retirement System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Arkansas Public Employees Retirement System as of June 30, 2025, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit 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*, 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 office, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As indicated above, the financial statements of the Arkansas Public Employees Retirement System are intended to present the financial position and the changes in financial position of only that portion of the State that is attributable to the transactions of the Arkansas Public Employees Retirement System. They do not purport to, and do not, present fairly the financial position of the State of Arkansas as of June 30, 2025, or the changes in its financial position for the year 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.

As described in Note 5 to the financial statements, in 2025 the office adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. 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 these 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 misstatements, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the office's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinion. 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 risk of material misstatements 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 office'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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the office's ability to continue as a going concern for a reasonable period of time.

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 the required supplementary information, listed in the accompanying table of 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.

The Governmental Accounting Standards Board requires that a Management's Discussion and Analysis be presented to supplement government-wide financial statements. However, as discussed in the "Emphasis of Matter" paragraph above, the financial statements of the Arkansas Public Employees Retirement System are only for the specific transactions and activity of the Agency and not for the State as a whole. Therefore, the Management's Discussion and Analysis is not required to be presented for the Arkansas Public Employees Retirement System individually. Our opinion on the basic financial statements is not affected by the omission of this information.

Other Information

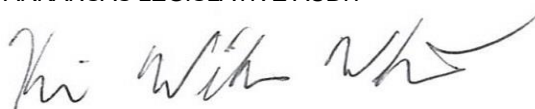
Management is responsible for the other information included in the report. The other information comprises the Schedule of Selected Information but does not include the basic financial statements, required supplementary information, and our auditor's reports thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 6, 2026, on our consideration of the office'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 the testing, and not to provide an opinion on the effectiveness of the office'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 office's internal control over financial reporting and compliance.

ARKANSAS LEGISLATIVE AUDIT

A handwritten signature in black ink, appearing to read "Kevin White" with a stylized flourish at the end.

Kevin William White, CPA, JD
Legislative Auditor

Little Rock, Arkansas
January 6, 2026
SA1037025

Arkansas

Sen. Jim Petty
Senate Chair
Sen. Jim Dotson
Senate Vice Chair



Rep. Robin Lundstrum
House Chair
Rep. RJ Hawk
House Vice Chair

Kevin William White, CPA, JD
Legislative Auditor

LEGISLATIVE JOINT AUDITING COMMITTEE ARKANSAS LEGISLATIVE AUDIT

REPORT 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

INDEPENDENT AUDITOR'S REPORT

Arkansas Public Employees Retirement System
Legislative Joint Auditing Committee

We have audited, in accordance with 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 Arkansas Public Employees Retirement System (the "Agency"), an office of Arkansas state government, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Arkansas Public Employees Retirement System's basic financial statements, and have issued our report thereon dated January 6, 2026.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 opinion on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the Schedule of Findings and Responses below as items 2025-2 and 2025-3, that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and are described below in the Schedule of Findings and Responses as item 2025-1.

SCHEDULE OF FINDINGS AND RESPONSES

2025-1

Section P1-19-4-2004 of the Department of Finance and Administration (DFA) Office of Accounting Financial Management Guide states that “the bonded disbursing officer and the public employee with supervisory fiduciary responsibility over all fiscal matters for each state agency is responsible for, and held accountable for, reporting any losses of state funds to the Chief Fiscal Officer of the State and to the Arkansas Legislative Audit (ALA). Losses include apparent unauthorized disbursements of state funds or the apparent theft or misappropriation of state funds or property.”

As required, the Arkansas Public Employees Retirement System (APERS) notified ALA of the following apparent loss of state funds and property:

- In December 2024, APERS became aware of two instances in which an employee in the APERS call center reset account credentials for a Member Self Service (MSS) account without verifying that the caller was the account holder; therefore, access was granted to an unauthorized user. Before access to the MSS account was revoked, the unauthorized user redirected one month’s benefit payment of \$2,692. As of report date, the funds had not been recovered.
- On June 13, 2025, APERS reported that a Microsoft Surface Pro 8 Tablet and keyboard valued at \$1,768 were not returned by a former employee. The proper paperwork had not been completed to assign the asset to the employee, allowing it to be overlooked during the offboarding process and collection of property. Subsequently, APERS recovered the equipment.

We recommend the Agency continue to monitor and strengthen controls related to the safeguarding of assets and data security to prevent future losses.

Management response: *This finding lists two instances. For the security incident on December 6, 2024, APERS took immediate action as soon as we became aware. We quickly identified any other possible attempts to misdirect our members' funds. Our IT and Assurance Departments, along with other agency personnel, reviewed all accounts that had been updated to deposit funds into suspicious banks. Members were contacted by phone to verify that the information was correct. Additional fraud detection processes were implemented, including compiling a list of institutions frequently used by bad actors to misdirect funds. Our software now blocks those institutions, so online changes to them are not allowed. A member may still use those institutions, but they must submit a notarized application for that change to be made. Additionally, APERS has adopted proactive measures to identify potential fraud by monthly queries for banking changes, which are reviewed by our Assurance team. Two-factor authentication was added to the Member Self Service portal to combat attempts by bad actors seeking to take control of members' accounts.*

The second incident, involving a Microsoft Surface Pro 8 tablet and keyboard that were not returned by a former employee, was resolved, and the missing equipment was recovered. This employee was a member of the Finance Team and was responsible for inventory management. The device had been assigned to this employee for a special project. Afterwards, it was to be returned to the manufacturer to address a warranty issue. In her role with Inventory, she agreed to manage the device's return to the manufacturer upon completion of her project. At the time the employee was separated from employment, IT immediately notified HR that the employee had a device in her possession that needed to be returned. Multiple attempts to recover the device were made by contacting the employee, but she repeatedly denied having it. Giving her the benefit of the doubt, we conducted several searches of APERS' offices to confirm the device wasn't present. Only after multiple attempts to recover the device and multiple searches to confirm it wasn't still in our building failed did we contact law enforcement to request an inquiry, which resulted in the device's return. This finding, as written, implies that the device wasn't recovered because the proper paperwork wasn't completed, and that APERS was unaware that the device was in her possession, which isn't the case.

2025-2

In accordance with Ark. Code Ann. § 25-1-124, APERS reported to ALA overpayments to retirees and beneficiaries of the public employees, state police, and judicial plans totaling \$261,993 for the period July 1, 2024 through June 30, 2025. Overpayments of one to two months' worth of benefits routinely occur with the public employees plan as the plan pays benefits at the beginning of the month for that month. However, ineffective internal controls allowed payments to be calculated incorrectly upon initial setup, resulting in the following excessive amounts.

- APERS overpaid a public employees plan member approximately \$42,317 by not appropriately recognizing reciprocal service as concurrent service, allowing the member to retire under normal retirement provisions versus early retirement provisions.
- APERS overpaid a judicial plan member approximately \$46,764 by not appropriately calculating the benefit under Tier I provisions, but rather using Tier II provisions, and furthermore at an inaccurate rate for Tier II.

We recommend Agency management strengthen internal controls to ensure that provisions used when establishing a member's benefit are accurate and that proper reconciliation of initial benefit calculations are performed that would identify inconsistencies. For ineligible payments made, we recommend the Agency continue to actively pursue collection.

Management response: *We acknowledge that calculating benefits for members with reciprocal service is complicated. Our Assurance team conducted an extensive audit of benefits that included reciprocal service and will audit that category annually going forward. This additional layer of review will help ensure accuracy in these complex benefit calculations.*

For the Arkansas Judicial Retirement System (AJRS) issue, Tier I is a closed population, and all Tier I members were reviewed as a result of this incident. We have strengthened internal controls to ensure that provisions used when establishing a member's benefit are accurate and that proper reconciliation of initial benefit calculations is performed, thereby identifying inconsistencies. For ineligible payments made, the agency continues to actively pursue collection.

2025-3

APERS internal controls over benefit payments were not operating effectively. ALA tested 60 members added to the benefit rolls who retired, entered the deferred retirement option program (DROP), or retired from the DROP in FY2025. For two members, differences were noted between the amount received and the amount recalculated; when combined, these differences resulted in a total overpayment of \$752 before they were corrected. One difference occurred when, despite being reconciled and finalized, incorrect earnings history was used in the final average salary calculation, allowing for a \$512 underpayment in benefits. The second difference occurred when the Agency's pension administration system, COMPASS, erroneously removed a "flag" within the system when the member was exiting the DROP. This "flag" was indicative of the member's monthly benefit being capped in accordance with IRS Title 26 Section 415 Limit, and removal of the "flag" allowed for a \$1,264 overpayment in benefits. As a result of this discovery, a query was performed to see if any other members were affected. Four additional members were affected by the 415 Limit "flag" error within the system upon DROP exit, with an additional overpayment for these four members totaling approximately \$94,000. APERS was ultimately able to negotiate with the COMPASS vendor to cover the overpayments related to this issue in the form of a service credit expected in the first quarter of 2026.

In response to a prior audit finding related to benefit overpayments, APERS implemented a procedure in January 2022, the Benefit Reconciliation Audit Report. This procedure creates a report each time the benefit payroll is generated. The report helps APERS staff verify that retirees and beneficiaries are receiving the correct annuity amount. The factors used to calculate a retiree's benefit should match the payment when the benefit payroll is generated. If a retiree's calculation factors do not match the payment stream, that member appears on the report, allowing staff to review the member's file to find the discrepancy.

ALA randomly selected two months from FY2025 to review to ensure the Benefit Reconciliation Audit Report was being reviewed and the control was operating effectively. The Agency was unable to provide evidence that the reports were being reviewed monthly, and upon questioning management, it was noted that the Agency is still working to identify an experienced team to review these reports monthly. By not reviewing the monthly Benefit Reconciliation Audit Report, the Agency could be failing to identify potential discrepancies before large overpayments or underpayments result.

We recommend Agency management strengthen internal controls regarding the calculation of benefit payments, for both initial benefit setup and upon members retiring from the DROP, to mitigate errors that, cumulatively and over the term that benefits are received, may result in material amounts owed to or by the Agency. We also recommend the Agency employ all measures to identify potential discrepancies, including effective monthly review of the Benefit Reconciliation Audit Report.

Management response: The APERS Assurance Office will begin reviewing the Benefit Reconciliation Audit Report monthly. While this report offers value, it should be noted that the report did not identify the removal of the flag for the Section 415 Limit. We are working with our pension administration system vendor, COMPASS, to enhance system controls and prevent similar errors in the future.

The agency has strengthened internal controls regarding the calculation of benefit payments, for both initial benefit set up and upon members retiring from the Deferred Retirement Option Program (DROP), to mitigate errors that, cumulatively over the term benefits are received, may result in material amounts owed to or by the agency. Benefit counselors review issues during monthly meetings as they are discovered to ensure all staff are aware of problematic calculations. We are employing all measures to identify potential discrepancies, including an effective monthly review of the Benefit Reconciliation Audit Report.

APERS negotiated with the COMPASS vendor to cover the overpayments related to the Section 415 Limit flag issue as a service credit, expected in the first quarter of 2026. This resolution demonstrates our commitment to protecting the interests of the retirement system and our members.

Agency's Response to Findings

Government Auditing Standards require the auditors to perform limited procedures on the Agency's responses to the findings identified in our audit and described in the Schedule of Findings and Responses above. The Agency's responses were not subjected to the other auditing procedures applied in the audit of the financial statements, and accordingly, we express no opinion on the responses.

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. However, pursuant to Ark. Code Ann. § 10-4-417, all reports presented to the Legislative Joint Auditing Committee are matters of public record, and distribution is not limited.

ARKANSAS LEGISLATIVE AUDIT



Tom Bullington, CPA
Deputy Legislative Auditor

Little Rock, Arkansas
January 6, 2026

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

Exhibit A

	Public Employees Retirement Plan	State Police Retirement Plan	Judicial Retirement Plan	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and cash equivalents	\$ 265,032,134	\$ 21,321,041	\$ 2,190,540	\$ 288,543,715
Receivables:				
Employer contributions	4,408,789	7,948	1,887	4,418,624
Plan member contributions	1,191,906			1,191,906
Local district judges retirement funds	3,774,742			3,774,742
Investment principal receivable	26,307,482	1,042,499	859,292	28,209,273
Accrued investment income	16,872,413	680,053	1,061,320	18,613,786
Other, net of allowance for uncollectable accounts	128,752	8	0	128,760
Total Receivables	52,684,084	1,730,508	1,922,499	56,337,091
Investments:				
U. S. Government securities	274,033,054	10,859,230	26,097,786	310,990,070
Government agency securities	303,473,068	12,025,863	31,714,885	347,213,816
Domestic equities	3,072,487,166	121,754,822	81,392,073	3,275,634,061
Domestic corporate obligations	838,792,613	33,239,210	55,504,513	927,536,336
International equities	973,198,267	38,565,363	11,038,532	1,022,802,162
International obligations	164,179,334	6,506,008	9,713,608	180,398,950
Mutual and exchange traded funds	350,534,506	13,890,787	424,415	364,849,708
Pooled investment funds	3,727,995,772	147,730,954	117,344,568	3,993,071,294
Real estate	1,467,568,130	58,155,978	25,740,694	1,551,464,802
Commercial loans	607,430	24,071	130,833	762,334
Diversified strategies	259,497,099	10,283,208		269,780,307
Private markets	233,010,379	9,233,606		242,243,985
Investment derivatives	4,165,318	165,061	294,014	4,624,393
Total Investments	11,669,542,136	462,434,161	359,395,921	12,491,372,218
Securities lending collateral:				
Tri-party repurchase agreements	119,244,745	4,725,365		123,970,110
Commercial paper	185,526,097	7,351,925		192,878,022
Corporate bonds	219,406,212	8,694,508		228,100,720
Asset-backed securities	177,043,524	7,015,783		184,059,307
Total Securities Lending Collateral	701,220,578	27,787,581		729,008,159
Other assets:				
Prepaid expenses	415,523			415,523
Capital assets, at cost, less accumulated depreciation	6,081,286			6,081,286
Total Other Assets	6,496,809			6,496,809
Total Assets	12,694,975,741	513,273,291	363,508,960	13,571,757,992
Deferred outflows of resources - related to other post employment benefits	190,880			190,880
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	12,695,166,621	513,273,291	363,508,960	13,571,948,872
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accrued expenses and other liabilities	25,616,000	1,064,007	354,729	27,034,736
Due to other agencies	10,196			10,196
Compensated absences	1,355,881			1,355,881
Post-employment benefit liability	2,715,410			2,715,410
Investment principal payable	30,253,149	1,198,855	877,710	32,329,714
Securities lending liability	701,810,369	27,810,953		729,621,322
Total Liabilities	761,761,005	30,073,815	1,232,439	793,067,259
Deferred inflows of resources - related to other post employment benefits	1,377,375			1,377,375
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	763,138,380	30,073,815	1,232,439	794,444,634
NET POSITION RESTRICTED FOR PENSIONS	\$ 11,932,028,241	\$ 483,199,476	\$ 362,276,521	\$ 12,777,504,238

The accompanying notes are an integral part of these financial statements.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2025

Exhibit B

	Public Employees Retirement Plan	State Police Retirement Plan	Judicial Retirement Plan	Total
ADDITIONS				
Contributions:				
Employer	\$ 367,602,599	\$ 12,155,840	\$ 3,489,478	\$ 383,247,917
Plan members	114,383,954	84,774	1,421,809	115,890,537
Supplemental contributions		10,387,039	6,631,480	17,018,519
Motor vehicle title fees		6,009,478		6,009,478
Designated court fees		943,282	568,010	1,511,292
Driver's license reinstatement fees		1,543,664		1,543,664
Total Contributions	<u>481,986,553</u>	<u>31,124,077</u>	<u>12,110,777</u>	<u>525,221,407</u>
Investment income:				
From investing activities:				
Net increase (decrease) in the fair value of investments	1,055,163,269	41,508,914	26,148,747	1,122,820,930
Interest and dividends	154,535,304	6,277,959	9,608,175	170,421,438
Other investment income	249,867	9,832		259,699
Total Investment Income (Loss)	<u>1,209,948,440</u>	<u>47,796,705</u>	<u>35,756,922</u>	<u>1,293,502,067</u>
Less investment expense	63,535,384	2,505,003	1,267,876	67,308,263
Net Investment Income (Loss)	<u>1,146,413,056</u>	<u>45,291,702</u>	<u>34,489,046</u>	<u>1,226,193,804</u>
From securities lending activities:				
Securities lending income	36,733,554	1,453,299		38,186,853
Less securities lending expense	33,795,249	1,337,890		35,133,139
Net Securities Lending Income	<u>2,938,305</u>	<u>115,409</u>		<u>3,053,714</u>
Other additions:				
Transfers from other public employees retirement plans	2,996,998			2,996,998
Miscellaneous additions	772,361	420	278	773,059
Total Other Additions	<u>3,769,359</u>	<u>420</u>	<u>278</u>	<u>3,770,057</u>
TOTAL ADDITIONS	<u>1,635,107,273</u>	<u>76,531,608</u>	<u>46,600,101</u>	<u>1,758,238,982</u>
DEDUCTIONS				
Benefits	713,837,983	32,580,220	18,819,129	765,237,332
Refunds of contributions	20,712,396	2,255		20,714,651
Transfers to other public employees retirement plans		170,000	115,000	285,000
Administrative expenses	13,486,135	84,328	79,503	13,649,966
TOTAL DEDUCTIONS	<u>748,036,514</u>	<u>32,836,803</u>	<u>19,013,632</u>	<u>799,886,949</u>
NET INCREASE (DECREASE) IN NET POSITION	887,070,759	43,694,805	27,586,469	958,352,033
NET POSITION - BEGINNING OF YEAR	<u>11,044,957,482</u>	<u>439,504,671</u>	<u>334,690,052</u>	<u>11,819,152,205</u>
NET POSITION - END OF YEAR	<u>\$ 11,932,028,241</u>	<u>\$ 483,199,476</u>	<u>\$ 362,276,521</u>	<u>\$ 12,777,504,238</u>

The accompanying notes are an integral part of these financial statements.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies

A. Reporting Entity/History

Act 177 of 1957, as amended, established the Arkansas Public Employees Retirement System (APERS) as an office of Arkansas state government for the purpose of providing retirement benefits for employees and various elected officials of state and local government in Arkansas. The Act also provided for the administration and control of the system to be vested in a nine-member Board of Trustees. Act 686 of 2021 expanded board membership to 13. Effective August 5, 2025, Act 589 of 2025 expanded board membership to 15. Six members are appointed by the Governor, with three members being state employees and three members being non-state employees. Each appointee shall have at least five continuous years of service with a public employer(s) that is a member of the system, and no more than one state employee or non-state employee appointed may be a retired member. The three non-state employees must consist of at least one currently elected county judge and at least one mayor. Four members are appointed by the Legislature, two each by the President Pro Tempore of the Senate and the Speaker of the House of Representatives. All four of these appointees are required to be retired members of the public employees plan, and two are required to be retired law enforcement but not from the State Police Retirement Plan. The Auditor of State, the Treasurer of State, the Secretary of the Department of Finance and Administration, the Secretary of the Department of Shared Administrative Services, and the Bank Commissioner are ex-officio members.

Act 311 of 1951, as amended, established the Arkansas State Police Retirement System (ASPRS) as an office of Arkansas state government for the purpose of providing retirement benefits for commissioned police officers of the Division of Arkansas State Police. Act 1242 of 2009 transferred all assets of ASPRS to APERS to be held in trust for the benefit of ASPRS members and established a seven-member Board of Trustees. The Board members include one active or retired member enrolled in the Tier One benefit program; one active, vested member enrolled in the Tier Two benefit program; one State Police Commissioner appointed by the Governor; and three citizens-at-large appointed by the Governor. The Chief Fiscal Officer of the State, or a designee, serves by virtue of his or her position.

Act 365 of 1953, as amended, established the Arkansas Judicial Retirement System (AJRS) as an office of Arkansas state government for the purpose of providing retirement benefits for Arkansas Chancery, Circuit, and Court of Appeals Judges and for Supreme Court Justices. Act 922 of 1983 transferred the administrative duties of AJRS to the Executive Director and administrative staff of APERS and gave AJRS the authority to establish a trust fund and initiate employer contributions into the fund. Act 240 of 1997 established a five-member Board of Trustees appointed by the Arkansas Judicial Council.

All Board members serve without compensation; however, each member is entitled to receive reimbursement for mileage and travel expenses incurred while performing official duties of their respective Board. Reimbursement shall be in an amount not to exceed that which is authorized by law as the maximum allowable travel reimbursement for state employees at the time the travel is incurred.

B. Plan Descriptions

APERS manages three defined benefit pension plans: two single-employer plans (i.e., State Police retirement plan and judicial retirement plan) and one multi-employer cost sharing plan (i.e., public employees retirement plan). On June 30, 2025, membership in each plan consisted of the following:

	Public Employees Retirement Plan	State Police Retirement Plan	Judicial Retirement Plan
Retirees and beneficiaries currently receiving benefits, including DROP participants	43,344	789	183
Terminated members entitled to but not yet receiving benefits	15,414	123	12
Active members	43,499	542	145
Total	102,257	1,454	340

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Plan Descriptions (Continued)

Public Employees Retirement Plan Description

The public employees retirement plan is a cost-sharing, multiple-employer defined benefit pension plan that covers all state employees who are not covered by another authorized plan, all county employees, municipal employees whose municipalities have elected coverage under this system, college and university employees, and certain non-teaching school employees. Benefits are also provided for governors, General Assembly members, state and county constitutional officers, and quasi-judicial members.

On June 30, 2025, the number of employers participating in the plan was as follows:

State	238
Municipal	186
County	87
Other Non-State	38
Court Clerks	33
School	15
District Judges	3
Total	600

The public employees retirement plan was established as contributory. Act 793 of 1977 allowed existing and previous members to become noncontributory members. Anyone joining after January 1, 1978, was automatically enrolled as a noncontributory member. Act 2084 of 2005 established a new contributory requirement for all covered employees first hired on or after July 1, 2005. Employees hired prior to this date that are noncontributory have the option to become a contributory member at any time.

Members are eligible for full retirement benefits (1) at any age with 28 years of credited service; (2) at age 65 with five years of actual service, except for members of the General Assembly who must have 10 years of actual service if the member only has service as a member of the General Assembly; or (3) at age 55 with 35 years of credited service as an elected official or public safety member. Members are eligible for reduced benefits (1) at any age with at least 25 years but less than 28 years of actual service or (2) at age 55 with five years of actual service. A member who is defined as a public safety member is eligible for a reduced benefit with five years of actual service if the member is within 10 years of normal retirement age. The normal retirement benefit, paid monthly, is determined based on (1) the member's final average compensation (FAC) and (2) the number of years of credited service. FAC for members first hired prior to July 1, 2022, is the average of the three highest annual compensations paid during a completed fiscal year of credited service, and for members first hired on or after July 1, 2022, FAC is the average of the five highest annual compensations. The plan also provides for disability and survivor benefits.

Under Arkansas Code, the following groups or individuals are allowed credit for years of service on a basis greater than 1:1:

Public safety members	1.5 per year for individuals employed prior to July 1, 1997
Governor	3 per year if first elected to public office prior to July 1, 1999
Elected state constitutional officers	2.5 per year if first elected to public office prior to July 1, 1999
Elected under state division	2 per year if first elected to public office prior to July 1, 1999
Local elected officials	2 per year

The benefit provisions provided by the public employees retirement plan are established by state law and may be amended only by the General Assembly. Retiree benefit increases are calculated each year on July 1 for the following 12 months.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Plan Descriptions (Continued)

Public Employees Retirement Plan Description (Continued)

The redetermined amount if first hired prior to July 1, 2022, is the amount of the benefit payable as of the immediately preceding July 1, increased by 3%. If first hired on or after July 1, 2022, the redetermined amount is the lesser of 3% or the percentage change in the Consumer Price Index for Urban Wage Earners and Clerical Workers as determined by the United States Department of Labor.

State Police Retirement Plan Description

The State Police retirement plan is a single-employer, defined benefit pension plan administered by APERS that covers all commissioned police officers of the Division of Arkansas State Police. It was established as a contributory plan but was amended by Act 793 of 1977 to allow existing and previous members to become noncontributory members. Anyone joining the system after January 1, 1978, was automatically enrolled as a noncontributory member. Act 1071 of 1997 created a Tier Two benefit program for all officers hired on or after April 3, 1997. Existing members of the plan in effect prior to this date (hereafter referred to as Tier One) had one year to elect coverage under Tier Two.

Tier One contributory members are eligible for full retirement benefits (1) at any age with 30 years of credited service or (2) at age 50 with five years of credited service. Reduced benefits are payable at any age after 20 years of credited service. The normal retirement benefit, paid monthly, is determined based on (1) the member's final average compensation (average of salary paid in the three years immediately preceding termination) and (2) the number of years and months of credited service.

Tier One noncontributory members are eligible for full retirement benefits (1) at any age with 28 years of actual service; (2) at age 52 with five years of actual service; or (3) at age 65 with five years but less than 28 years of actual service. The age requirement is reduced by one month for every two months of Public Safety service credit but not below age 52. Public Safety service credit is granted at the rate of 1.5 months of credit for each actual month of Public Safety employment. Reduced benefits are payable after five years of actual service once the covered employee is within 10 years of becoming eligible for full benefits. The normal retirement benefit, paid monthly, is determined based on (1) the member's final average compensation (an average of the highest 60 calendar months' salary) and (2) the number of years and months of credited service.

Tier Two members are eligible for full retirement benefits (1) at any age with 28 years of credited service or (2) at age 65 with five years but less than 28 years of credited service. The age requirement for Tier Two is reduced by 75% of a month for each credited month of service but not below age 55. Reduced benefits are payable after five years of actual service once the covered employee is within 10 years of becoming eligible for full benefits. The normal retirement benefit, paid monthly, is determined based on (1) the member's final average compensation (the highest 48 calendar months' salary) and (2) the number of years and months of credited service.

For all Tiers, the plan also provides for disability and survivor benefits.

The benefit provisions provided by the State Police retirement plan are established by state law and may be amended only by the General Assembly. Retiree benefit increases are calculated each year on July 1 for the following 12 months. The redetermined amount is the amount of the benefit payable as of the immediately preceding July 1, increased by 3%.

Judicial Retirement Plan Description

The judicial retirement plan is a single-employer, defined benefit pension plan administered by APERS that covers all Chancery, Circuit, and Court of Appeals Judges and Supreme Court Justices, whether elected or appointed to office.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Plan Descriptions (Continued)

Judicial Retirement Plan Description (Continued)

Act 399 of 1999 created a Tier Two benefit program for all judges or justices elected or appointed on or after July 30, 1999. Existing members of the plan in effect prior to this date (hereafter referred to as Tier One) had until the end of their current term to elect coverage under Tier Two.

Under Tier One, members are eligible for full retirement benefits (1) at any age with 20 years of credited service or (2) at age 65 with 10 years of credited service. Persons who became members after June 30, 1983, must also have at least eight years of actual service as a Supreme Court Justice or as a judge of the Circuit Courts or the Court of Appeals.

Members are eligible for reduced benefits (1) at any age if they were a member before July 1, 1983, and have at least 18 but less than 20 years of credited service or (2) are between the ages of 62 and 65 with 14 years of credited service. The normal retirement benefit, paid monthly, is 60% of the annual salary payable to the last judicial office held. For any person who was a member on or before June 30, 1983, the retirement benefits are increased or decreased as the salary for the particular judicial office is increased or decreased. For all judges or justices who were first elected or appointed on or after July 1, 1983, the redetermined amount is the amount of the benefit payable as of the immediately preceding July 1, increased by 3%. The plan also provides for disability and survivor benefits.

Under Tier Two, members are eligible for full retirement benefits (1) at any age with 20 years of actual service or (2) at age 65 with eight years of actual service. Members are eligible for reduced benefits if they are between the ages of 62 and 65 and have eight years of actual service. The normal retirement benefit, paid monthly, is 3.2% of the salary of the last judicial office held multiplied by the number of years of actual service, not to exceed 80% of the salary of the last judicial office held. Retiree benefit increases are calculated each year on July 1 for the following 12 months. The redetermined amount is the amount of the benefit payable as of the immediately preceding July 1, increased by 3%. The plan also provides for disability and survivor benefits.

The benefit provisions provided by the judicial retirement plan are established by state law and may be amended only by the General Assembly.

C. Basis of Presentation – Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances and changes therein, which are segregated for purposes of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The following types of funds are recognized in the accompanying financial statements.

Fiduciary Funds

Trust and Custodial Funds – Trust and custodial funds are used to report resources held by the Agency in a trustee capacity or as an agent for individuals, other governmental units, and other funds. These include Pension Trust Funds, Employee Health Trust Funds, Investment Trust Funds, Private-Purpose Trust Funds, and Custodial Funds. The specific activity accounted for at this Agency includes the following:

Public Employees Retirement Plan Fiduciary Pension Trust Fund
State Police Retirement Plan Fiduciary Pension Trust Fund
Judicial Retirement Plan Fiduciary Pension Trust Fund

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Basis of Accounting

Basis of accounting refers to when additions and deductions are recognized and reported in the financial statements. The economic resources measurement focus and accrual basis of accounting are used in Fiduciary Fund financial statements. Under the accrual basis, additions are recognized when earned, and deductions are recorded when incurred.

E. Cash and Cash Equivalents

Cash and cash equivalents include demand accounts, imprest accounts, cash in State Treasury, cash on deposit with investment managers, and all short-term instruments with maturities at purchase of 90 days or less. All short-term investments are stated at fair value or net asset value, as applicable.

F. Deposits and Investments

Deposits

Deposits are carried at cost and consist of cash in bank, cash on deposit with investment managers, and cash in State Treasury totaling \$131,460,587, \$5,853,672, and \$7,236,726, respectively. State Treasury Management Law governs the management of funds held in the State Treasury, and the Treasurer of State is responsible for ensuring these funds are adequately insured and collateralized.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository institution, the Agency will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. A formal policy for custodial credit risk has not been adopted by any Board of Trustees. As of June 30, 2025, none of the Agency’s bank balance of \$131,460,587 was exposed to custodial credit risk as it was fully insured by the Federal Deposit Insurance Corporation. However, as of June 30, 2025, \$5,853,672 on deposit with investment managers was exposed to custodial credit risk as it was uninsured and uncollateralized.

Investments

Ark. Code Ann. §§ 24-2-601 — 24-2-619 grants each plan’s Board of Trustees full power to invest and reinvest monies of their respective systems and to hold, purchase, sell, assign, transfer, or dispose of any of the investments or proceeds of the investments in accordance with the prudent investor rule. The Code also states each system shall seek to invest not less than 5% or more than 10% of its portfolio in Arkansas-related investments, as long as each System’s responsibility to invest in accordance with the prudent investor rule is not limited or impaired. As stated in Note 1A, all assets of ASPRS were transferred to APERS, and the Board of Trustees for APERS makes all investment decisions.

The Boards of APERS and AJRS determine specific guidelines and parameters by which each investment manager is required to invest. Asset allocation guidelines have been established as follows:

	Domestic Equity	International Equity	Fixed Income	Convertible Bonds	Real Assets	Diversified Strategies	Private Markets
<u>APERS and ASPRS</u>							
Upper Limit	41%	22%	26%	8%	21%	7%	10%
Target	36%	17%	21%	3%	16%	2%	5%
Lower Limit	31%	12%	16%	0%	11%	0%	0%
<u>AJRS</u>							
Upper Limit	42%	20%	45%	N/A	13%	N/A	N/A
Target	37%	15%	40%	N/A	8%	N/A	N/A
Lower Limit	32%	10%	35%	N/A	3%	N/A	N/A

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

The fair value measurement of investments is categorized within the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. In instances where inputs used to measure fair value fall into different levels, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The hierarchy of inputs is defined as follows:

Level 1: Unadjusted quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

Assets classified in Level 1 are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Assets classified in Level 3 are valued using an internal fair value as provided by the investment manager due to lack of an independent pricing source. Investments that are valued using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument(s) and should not be perceived as the particular investment's risk. The fair value measurement of plan investments and securities lending collateral as of June 30, 2025, is as follows:

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

	Total	Level 1	Level 2	Level 3
Investments Measured at Fair Value:				
U.S. Government securities	\$ 310,990,070	\$ 310,990,070		
Government agency securities:				
Government agency collateralized mortgage obligations	73,261,838		\$ 73,261,838	
Government agency pooled securities	273,951,979		273,951,979	
Domestic equities:				
Common stock	3,214,740,708	3,214,740,708		
Convertible preferred stock	60,699,818	46,995,250	13,704,568	
Preferred stock	193,536		193,536	
Domestic corporate obligations:				
Corporate bonds	268,787,342		268,787,342	
Convertible bonds	326,878,282		326,878,282	
Asset and mortgage-backed securities	331,870,711		331,870,711	
International equities:				
Equity securities	1,022,802,161	1,022,802,161		
International obligations:				
Corporate securities	83,713,791		83,713,791	
Convertible bonds	49,359,478		49,359,478	
Emerging markets	22,025,249		22,025,249	
Asset-backed securities	23,840,144		23,840,144	
Non-U.S. Government securities	1,460,288		1,460,288	
Mutual and exchange traded funds:				
Smaller companies international fund	180,124,573	180,124,573		
Emerging markets equity portfolio	150,890,305	150,890,305		
Floating rate bond fund	16,372,550	16,372,550		
Global bond fund	9,368,008	9,368,008		
High dividend yield ETF	7,669,857	7,669,857		
Russell 2000 ETF	160,332	160,332		
Russell 2000 value ETF	107,908	107,908		
Core S&P small-cap ETF	156,175	156,175		
Commercial loans	762,334			\$ 762,334
Investment derivatives:				
Futures	4,624,393	4,624,393		
Total Measured at Fair Value	\$ 6,434,811,830	\$ 4,965,002,290	\$ 1,469,047,206	\$ 762,334

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Investments Measured at Net Asset Value or Equivalent (NAV):	
Pooled investment funds:	
Artisan International Value Trust	\$ 810,910,962
Prudential Core Plus Bond Fund	729,455,979
Mellon S&P 500 Equity Index Fund	716,509,422
Mellon ACWI ex-US Index Fund	626,866,006
Mellon Large Cap Growth Fund	441,188,539
Acadian ACWI ex-US Small Cap Index Fund	263,269,832
Mellon Large Cap Value Index Fund	179,583,716
Mellon Short-Term Investment Sweep	143,992,530
Mellon Russell 1000 Growth Fund	60,640,742
MacKay Defensive Bond Arbitrage Fund	55,103,641
MacKay High Yield Income Fund	44,688,552
CC&L Q International Equity CIF	36,242,090
Mellon Global Real Estate Investment Trust Fund	28,611,813
Real estate:	
Invesco Core Real Estate	449,118,866
Heitman America Real Estate Trust	297,384,888
TA Realty Funds XI, XII, and XIII	117,260,440
PFI Timberfund I	97,431,405
Principal Enhanced Property	85,566,136
Carlyle Property Investors Fund	81,677,698
Clarion Lion Industrial Trust Fund	79,591,904
Starwood Distressed Opportunity Fund XII	55,488,008
IFC Core Farmland Fund	52,656,128
PGIM U.S. Agriculture Fund	45,017,235
Harrison Street Fund VIII	44,492,911
Harrison Street Fund IX	35,757,514
Heitman Value Fund IV	25,888,690
Neuberger Berman Secondary Opportunities Fund II	21,051,054
Blue Owl Digital Infrastructure III	20,940,387
Stepstone Real Estate Partners V	18,794,603
LaSalle Funds VI and VII	13,672,040
HarbourVest Infrastructure Opportunities Fund III	9,674,895
Diversified strategies:	
Blackstone Hedge Fund of Funds	269,780,307
Private markets:	
HarbourVest Dover street XI	187,357,811
Neuberger Berman fund of one	54,886,174
	<u>54,886,174</u>
Total Measured at NAV	<u>\$ 6,200,552,918</u>

	Total	Level 1	Level 2	Level 3
Securities Lending Collateral Measured at Fair Value*:				
Corporate bonds	\$ 228,100,720		\$ 228,100,720	
Commercial paper	192,878,022		192,878,022	
Asset-backed securities	184,059,307		184,059,307	
Tri-party repurchase agreements	123,970,110		123,970,110	
	<u>123,970,110</u>		<u>123,970,110</u>	
Total Securities Lending Collateral	<u>\$ 729,008,159</u>		<u>\$ 729,008,159</u>	

*Cash collateral received totaled \$729,601,601. The amount reported in the footnote above is the market value of the collateral received at June 30, 2025.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

	Fair Value	Strategy Type	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Pooled investment funds:					
Artisan International Value Trust	\$ 810,910,962	International equities	none	daily	T - 2
Prudential Core Plus Bond Fund	729,455,979	Active global fixed income	none	daily	T - 1
Mellon S&P 500 Equity Index Fund	716,509,422	S&P 500 Index	none	daily	T - 1
Mellon ACWI ex-US Index Fund	626,866,006	International equities	none	daily	T - 2
Mellon Large Cap Growth Fund	441,188,539	U.S. large cap growth stocks	none	daily	T - 1
Acadian ACWI ex-US Small Cap Index Fund	263,269,832	International equities	none	daily	T - 2
Mellon Large Cap Value Index Fund	179,583,716	U.S. large cap value	none	daily	T - 1
Mellon Short-Term Investment Sweep	143,992,530	Short-term liquidity	none	daily	N/A
Mellon Russell 1000 Growth Fund	60,640,742	U.S. large cap growth stocks	none	daily	T + 1
MacKay Defensive Bond Arbitrage Fund	55,103,641	Income oriented	none	daily	T - 1
MacKay High Yield Income Fund	44,688,552	Active high-yield fixed income	none	daily	T - 1
CC&L Q International Equity CIF	36,242,090	International equities	none	daily	T + 2
Mellon Global Real Estate Investment Trust Fund	28,611,813	Global real estate securities	none	daily	T - 1
Real estate:					
Invesco Core Real Estate	449,118,866	Core real estate	none	quarterly	T - 45
Heitman America Real Estate Trust	297,384,888	Core real estate	none	quarterly	T - 90
PFI Timberfund I	97,431,405	Timber	none	N/A	N/A
Principal Enhanced Property Fund	85,566,136	Core real estate	none	quarterly	T - 45
Carlyle Property Investors Fund	81,677,698	Core real estate	none	quarterly	T - 45
Clarion Lion Industrial Trust Fund	79,591,904	Core real estate	none	quarterly	T - 45
TA Realty Fund XIII	65,996,754	Value add real estate	\$ 5,062,500	N/A	N/A
Starwood Distressed Opportunity Fund XII	55,488,008	Value add real estate	22,500,000	N/A	N/A
International Farmland Corporation Core Farmland Fund	52,656,128	Agriculture/Farmland	none	quarterly	T - 45
TA Realty Fund XII	51,207,610	Value add real estate	none	N/A	N/A
PGIM U.S. Agriculture Fund	45,017,235	Agriculture/Farmland	none	quarterly	T - 45
Harrison Street Fund VIII	44,492,911	Value add real estate	5,318,860	N/A	N/A
Harrison Street Fund IX	35,757,514	Value add real estate	15,134,785	N/A	N/A
Heitman Value Fund IV	25,888,690	Value add real estate	4,845,619	N/A	N/A
Neuberger Berman Secondary Opportunities Fund II	21,051,054	Secondary real estate	56,221,498	N/A	N/A
Blue Owl Digital Infrastructure Fund III	20,940,387	Infrastructure	31,306,881	N/A	N/A
Stepstone Real Estate Partners V	18,794,603	Secondary real estate	58,054,264	N/A	N/A
LaSalle Fund VII	10,297,183	Value add real estate	none	N/A	N/A
HarbourVest Infrastructure Opportunities Fund III	9,674,895	Secondary infrastructure	95,000,000	N/A	N/A
LaSalle Fund VI	3,374,857	Value add real estate	none	N/A	N/A
TA Realty Fund XI	56,076	Value add real estate	none	N/A	N/A
Diversified strategies:					
Blackstone Hedge Fund of Funds	269,780,307	Fund of funds	none	quarterly	T - 45
Private Markets:					
HarbourVest Dover Street XI	187,357,811	Secondary P/E fund	256,000,000	N/A	N/A
Neuberger Berman Fund of One	54,886,174	P/E Fund of one	404,200,000	N/A	N/A
Totals	<u>\$ 6,200,552,918</u>		<u>\$ 953,644,407</u>		

Artisan International Value Trust Fund – This fund seeks to invest in high-quality, undervalued businesses that offer the potential for superior risk/reward outcomes.

Mellon S&P 500 Equity Index Fund – This is a fund of the largest 500 corporations in the U.S. equity markets.

Prudential Core Plus Bond Fund – This fund seeks excess return from multiple sources, including sector allocation and subsector and security selection. Duration, yield curve, and currency positioning are moderate. The largest component of the fund's risk budget is allocated to portfolio strategies that have consistently generated the highest return for the lowest unit of risk over time, such as sector allocation and subsector/security selection. The fund portfolios may emphasize spread product in the sector allocation process and, therefore, may hold larger-than-benchmark allocations to corporate bonds, structured product, high-yield bonds, and emerging markets debt. As a result, the strategy would likely outperform in a "risk on" environment where corporate bonds, for example, are outperforming. The reverse would also likely be true. The fund takes an actively managed, relative-value driven approach and is expected to perform best in markets with excess spread dislocations that it can capitalize on through relative value trading.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Mellon ACWI ex-US Index Fund – This fund captures large and mid-cap representation across 22 of 23 developed market (DM) countries (excluding the United States) and 24 emerging market countries (EM). The index encompasses approximately 85% of the global equity opportunity set outside the United States.

Mellon Large Cap Growth Fund – This fund invests in large, well-known companies with a total market value typically exceeding \$10 billion and exhibits characteristics associated with rapid growth.

Mellon Large Cap Value Index Fund – This fund also invests in companies typically exceeding \$10 billion; however, the fund focuses on stocks that appear to be less expensive or are growing more slowly than other large cap stocks. The philosophy is that the market may have underpriced these companies.

Mellon Short-Term Investment Sweep – Pooled cash management account used by all plans administered by APERS. The fund invests in U.S. Government and agency securities and other short-term instruments.

Acadian ACWI ex-US Small-Cap Index Fund – This fund employs a combination of top-down and bottom-up multi-factor models to construct the strategy. The top-down consists of value, growth, momentum, volatility, and macro factors. The bottom-up drives 80% of the process.

MackKey Defensive Bond Arbitrage Fund – The investment objective of this fund is to exploit different sources of return available in high-yield corporate securities in a way that generates risk-adjusted returns superior to those available from conventional high-yield securities. The investment strategy is based on the assumption and observation that numerous market inefficiencies exist throughout the capital markets (particularly in the high-yield bond markets) and that the prudent, active, and systematic exploitation of these inefficiencies can generate returns consistent with these objectives.

Mellon Russell 1000 Growth Fund – This fund seeks to match the performance and overall characteristics of the Russell 1000 Growth Index in a risk controlled, cost effective manner. The fund's approach aims to minimize tracking error, manage transaction costs, and utilize a full replication approach.

CC&L International Equity CIF – CC&L employs a systemic process to construct risk-controlled, relative value portfolios. The composition of the alpha model is dynamic and consists of fundamental factors and opportunities signals. The model is comprised of ~20% fundamental and ~80% opportunities. The portfolio holds over 1,000 names with an annual turnover of 120%-230%. It is an all cap core strategy with a value tilt.

Mellon Global Real Estate Investment Trust Fund – This REIT index fund seeks to match the performance and the characteristics of the Dow Jones U.S. Select REIT Index which tracks the performance of publicly traded REITs and REIT-like securities and is designed to serve as a proxy for direct real estate investments.

MackKey High Yield Income Fund – The high yield active core philosophy is centered on the belief that the best risk-adjusted returns and, ultimately, the best absolute returns are generated by a strategy of yield capture and error avoidance.

Real Estate – This asset class provides diversification to the total portfolio and strives to reduce total fund volatility while also enhancing the total return of the portfolio. Real estate has a low, and in some cases negative, correlation with other major investment asset classes. The following are the strategies that comprise the real estate asset class and are explained in greater detail:

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Invesco Core Real Estate (ICRE) – The ICRE strategy is a portfolio of U.S. properties diversified by property type and geographic location, with an emphasis on attractive current income returns and the opportunity for both income and capital growth. It is based on top-down economic fundamentals combined with bottom-up local market intelligence.

Heitman America Real Estate Trust (HART) – The HART strategy creates a high-quality, low-risk portfolio of stabilized income-producing assets diversified by property type and economic exposure through acquiring assets in infill locations within major metropolitan areas, focusing on strong site attributes such as proximity to amenities and transportation networks, and ensuring that assets are well constructed with features that will appeal to tenants over long periods of time.

TA Realty Funds XI, XII, and XIII – TA Realty has managed value-add, commingled real estate funds for approximately 30 years. It has investments in 35 markets and four property types: office, industrial, multifamily, and retail. The firm has developed and refined a consistent approach focused on creating diversified real estate portfolios that can generate strong cash flow, benefit from an intensive asset management approach, and result in the long-term creating of value for the life of the fund(s).

PFI Timberfund I – The Timberfund I is a managed investment that was created for the purpose of acquiring, growing, and disposing of timber, timberlands, and forest products for commercial exploitation.

Clarion Lion Industrial Trust Fund – Open-end private industrial fund that invests in warehouse and distribution facilities used by companies focused on e-commerce, logistics, and supply chain management with an emphasis on large core industrial markets throughout the United States.

International Farmland Corporation Core Farmland Fund – An agriculture fund that seeks to generate stable income and attractive risk-adjusted financial returns. The strategy has a lower correlation to other asset classes, has a lease strategy that reduces risk, and sees long-term appreciation. The strategy may enable food sourcing solutions for core fund and IFC growers.

Heitman Value Fund IV – This fund is a closed-end, commingled fund that pursues a diverse set of real estate opportunities with value-added business plans. The objective is to provide investors with attractive risk-adjusted returns by benefitting from extensive research as well as real estate and capital market expertise to identify emerging opportunities and trends before they are fully appreciated by the broader market.

Harrison Street Fund VIII & IX – The fund acquires, develops, and/or redevelops assets in the education, healthcare, life science, and storage sectors. The majority of the return is anticipated to be generated through appreciation.

PGIM U.S. Agriculture Fund – Manages over 173,000 acres with a diversified portfolio of assets with good quality soils and water security located in microclimates with favorable growing conditions. Targeted investments follow a theme of healthier lifestyles, technology efficiencies, higher productivity, competitive advantage/scale, and opportunistic.

LaSalle Funds VI and VII – The LaSalle Funds pursue non-core properties that exhibit strong fundamentals and are expected to generate both income and appreciation. The sectors focused on are office, multifamily, retail, industrial, and specialty.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Starwood Distressed Opportunity Fund XII – The Starwood strategy pursues distressed investment opportunities which are expected to arise from economic disruptions. Investments will be made across multiple sections, including multifamily, affordable housing, hotels, office, and industrial. The fund will invest primarily in the United States and Europe, and will pursue both debt and equity investments including the acquisition of distressed or nonperforming loans.

Principal Enhanced Property Fund – Open-end commingled fund. Objectives of the fund include a nationally diversified portfolio of high quality assets with a core plus investment strategy to provide a competitive market return.

Carlyle Property Investors Fund – U.S. focused core plus fund with a focus on sectors where accelerating demographic trends drive demand. Fund objectives are to target investments with a core plus return, seek attractive property rent and NOI growth, generate attractive levels of income with quarterly distributions, and construct a highly diversified portfolio by sector and geographic area.

Blackstone Hedge Fund of Funds – Blackstone manages a hedge fund-of-funds strategy through investing in other hedge funds. Their strategies will vary based on market conditions and can include fundamental equity strategies, event-driven strategies, fundamental credit strategies, credit trading strategies, distressed credit strategies, RMBS strategies, structured ABS strategies, multi-strat strategies, commodity strategies, macro rates strategies, thematic macro strategies, quantitative strategies, CTA strategies, and special situation strategies.

HarbourVest Dover Street XI – The strategy is a private equity secondaries strategy. A secondary strategy mitigates the J-curve, offers exposure to seasoned assets, offers broad diversification, can capitalize on market dislocations and offers compelling returns with lower risk.

Neuberger Berman Fund of One – This fund is structured similarly to the Blackstone Fund of Funds strategy. The system retained Neuberger Berman to manage a fund of one strategy specifically for APERS. The strategy may invest in other private equity strategies.

Neuberger Berman Real Estate Secondary Opportunities Fund II (RESOF II) – This fund primarily seeks to acquire interests in mature real estate funds from LPs who desire liquidity, as well as to recapitalize seasoned real estate funds and investments alongside incumbent third-party managers. RESOF II invests globally with a focus on the U.S. and Europe. The fund targets the middle market and employs a value-oriented approach.

Blue Owl Digital Infrastructure Fund (ODI III) – This fund focuses on developing, acquiring, and owning data centers and other connectivity related real assets to help meet the AI and cloud-driven global digital capacity needs of the world's largest technology companies, with a focus on large-scale, build-to-suit developments.

Stepstone Real Estate Partners V (SREP V) – This fund seeks to provide liquidity to managers of real estate vehicles through special situations secondaries, including recapitalizations, also referred to as “GP-led secondaries.” Stepstone partners with managers and sponsors to offer creative, flexible secondary and recapitalization solutions across global real estate markets.

HarbourVest Infrastructure Opportunities Fund IOF III – This fund targets secondary investment opportunities and is further strengthened by direct co-investments in infrastructure assets in North America and Western Europe.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Rate of Return – The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended June 30, 2025, the annual money-weighted rate of return for each plan was as follows:

Public Employees Retirement Plan	10.52%
State Police Retirement Plan	10.51%
Judicial Retirement Plan	10.30%

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Also, investments can be highly sensitive to changes in interest rates due to their terms or characteristics. A formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates has not been adopted by any Board of Trustees. The summary shown below indicates that 91.69% of plan investments and 28.47% of investments purchased with securities lending cash collateral have maturities that are one year or longer. As of June 30, 2025, the Agency has the following investment balances and segmented maturities:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 - 5	More than 5 - 10	More than 10
U.S. Government securities	\$ 310,990,070	\$ 48,050,845	\$ 37,759,569	\$ 130,134,300	\$ 95,045,356
Government agency securities	347,213,816			13,228,067	333,985,749
Domestic corporate obligations	927,536,335	26,858,812	380,079,821	171,131,525	349,466,177
International obligations	180,398,950	11,065,278	80,173,255	54,964,032	34,196,385
Mutual and exchange traded funds	25,740,559		16,372,551	9,368,008	
Pooled investment funds	973,240,701	143,992,530	99,792,192	729,455,979	
Commercial loans	762,334		762,334		
Totals	\$ 2,765,882,765	\$ 229,967,465	\$ 614,939,722	\$ 1,108,281,911	\$ 812,693,667
<u>Securities Lending Collateral</u>					
Tri-party repurchase agreements	\$ 123,970,110	\$ 123,970,110			
Corporate bonds	228,100,720	140,472,861	\$ 87,627,859		
Commercial paper	192,878,022	183,661,089	9,216,933		
Asset-backed securities	184,059,307	73,363,501	110,194,919		\$ 500,887
Totals	\$ 729,008,159	\$ 521,467,561	\$ 207,039,711	\$ 0	\$ 500,887

Mortgage-Backed Securities – As of June 30, 2025, investments that were affiliated with mortgages had a fair value of \$577,140,508.85. The overall return or yield on mortgage-backed securities depends on the amount of interest collected over the life of the security and the change in the market value. Although the full amount of principal will be received if prepaid, the interest income that would have been collected during the remaining period to maturity, net of any market adjustment, is lost. Accordingly, the yields and maturities of mortgage-backed securities generally depend on when the underlying mortgage loan principal and interest are repaid. If market rates fall below a mortgage loan's contractual rate, it is generally to the borrower's advantage to prepay the existing loan and obtain new, lower financing. In addition to changes in interest rates, mortgage loan prepayments depend on other factors, such as loan types and geographic location of the related properties.

Asset-Backed Securities – As of June 30, 2025, asset-backed securities had a fair value of \$309,843,470. Included in this amount was \$184,059,307 in securities lending collateral. Asset-backed securities represent interests in various trusts consisting of pooled financial assets other than mortgage loans conveyed by the issuing parties. The ability to recover the amount of principal invested in these securities depends on the performance and quality of the trust assets.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Domestic and International Corporate Debt – As of June 30, 2025, domestic and international corporate debt had a fair value of \$602,627,102. Included in this amount are \$268,787,342 in domestic corporate bonds, \$83,713,791 in international corporate securities, \$22,025,249 in emerging market debt, and \$228,100,720 in corporate bonds purchased with securities lending cash collateral. Corporate debt is made up of instruments issued by private corporations. They have a term maturity and can have either a fixed or variable interest rate. Variable interest rate bonds have adjustments that are made periodically and vary directly with movements in interest rates.

Convertible Corporate Bonds – As of June 30, 2025, convertible bonds had a fair value of \$376,237,760. Included in this amount are \$326,878,282 in domestic convertible bonds and \$49,359,478 in international convertible bonds. These bonds convey an option to the bondholder to exchange each bond for a specified number of shares of common stock of the corporation. Convertible bonds offer lower coupon rates and promise yields to maturity than do nonconvertible bonds. A variable coupon varies directly with movements in interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The risk is measured by the credit quality of investments in debt securities as described by nationally recognized statistical rating organizations. A formal investment policy that limits investment in debt based on their statistical rating as a means of managing exposure to credit risk has not been adopted by any Board of Trustees. The Agency's exposure to credit risk as of June 30, 2025, as rated by Standard and Poor's and Moody's Investors Service, is as follows:

Standard and Poor's		Moody's Investors Service	
Rating	Fair Value	Rating	Fair Value
AAA	\$ 9,919,166	Aaa	\$ 21,241,453
AA	679,758,403	Aa	666,990,369
A	814,808,038	A	823,731,990
BBB	287,620,638	Baa	270,727,964
BB	62,059,486	Ba	58,902,721
B	135,203,219	B	136,672,190
CCC or below	10,276,272	Caa or below	16,166,022
Not rated	766,237,543	WR	8,841,430
		Not rated	762,608,626
Total	\$ 2,765,882,765	Total	\$ 2,765,882,765
<u>Securities lending collateral</u>			
AAA	\$ 121,180,036	Aaa	\$ 87,022,082
AA	180,259,648	Aa	285,694,734
A	216,501,792	A	96,816,655
CCC or below		Caa or below	311,525
Not rated	211,066,683	P-1	32,564,903
		Not rated	226,598,260
Total	\$ 729,008,159	Total	\$ 729,008,159

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the Agency will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the respective plan, and are held by either the counterparty or the counterparty’s trust department or agent but not in the plan’s name. A formal investment policy for custodial credit risk has not been adopted by any Board of Trustees. As of June 30, 2025, no investments were exposed to custodial credit risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the Agency’s investment in a single issuer (not including investments issued or explicitly guaranteed by the U.S. Government, investments in mutual funds, external investment pools, or other pooled investments). A formal investment policy for concentration of credit risk has not been adopted by any Board of Trustees. As of June 30, 2025, no investments in any one issuer represented more than 5% of the total investments of any plan managed by APERS.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. A formal investment policy that limits investment in foreign currency has not been adopted by any Board of Trustees. As of June 30, 2025, exposure to foreign currency risk in U.S. dollars for investments and deposits is as follows:

Currency		Total Exposure	Cash Deposits	Equities	Fixed Income	Foreign Currency Contracts	Investment Principal		Accrued Income
							Receivable	Payable	
Australian Dollar	AUD	\$ 6,214,907		\$ 6,214,907					
Brazilian Real	BRL	6,232,930		6,205,027					\$ 27,903
British Pound Sterling	GBP	132,168,488	\$ 1,158	131,534,267		\$ 302,640		\$ (302,640)	633,063
Canadian Dollar	CAD	49,409,926	64,933	49,062,915					282,078
Danish Krone	DKK	29,326,853	93	28,831,792					494,968
Euro	EUR	186,841,984	182,668	182,386,016		(462,309)	\$ 362,127		4,373,482
Hong Kong Dollar	HKD	38,388,587	4,277,851	34,110,736					
Israeli Shekel	ILS	35,131,625		35,131,625					
Japanese Yen	JPY	110,432,552		109,663,004		(532,812)	5,447,569	(4,914,757)	769,548
Mexican Nuevo Peso	MXN	3,301,266		3,301,266					
Norwegian Krone	NOK	240							240
Singapore Dollar	SGD	16,565,003		16,565,003					
South Korean Won	KRW	4,764,986		4,742,658					22,328
Swedish Krona	SEK	36,473,004		36,200,332					272,672
Swiss Franc	CHF	54,168,648		52,706,994		308,202		(308,202)	1,461,654
Totals		\$ 709,420,999	\$ 4,526,703	\$ 696,656,542	\$ 0	\$ (384,279)	\$ 5,809,696	\$ (5,525,599)	\$ 8,337,936

For foreign currency contracts in the schedule above, a positive number represents the market value of contracts to purchase that currency in excess of the market value of contracts to sell that currency. A negative number, therefore, represents the market value of contracts to sell foreign currency in excess of contracts to purchase that currency.

Concentrations of Investments – Generally accepted accounting principles require each pension plan to disclose investments (other than those issued or guaranteed by the U.S. Government) in any one organization that represent 5% or more of fiduciary net position. As of June 30, 2025, no investments in any one organization made by an individual plan represented 5% or more of the fiduciary net position of that plan.

Derivatives – Derivative instruments are financial contracts or agreements whose value is derived from one or more underlying assets, reference rates, and/or financial indexes. Derivative instruments include futures contracts, forward contracts, swap contracts, option contracts, and forward foreign currency exchange. Through its external investment managers, the plans could hold such instruments.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

The external investment managers could enter into swaps and futures contracts to gain or hedge exposure to certain markets, to manage interest rate risk, and to use forward foreign exchange contracts primarily to hedge foreign currency exposure. Investments in limited partnerships and commingled or pooled funds may include derivatives that are not shown in any derivative totals. There is a risk that the counterparties to the contracts will not be able to meet the contract terms. The external investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits, and exposure monitoring procedures.

The fair value balances of derivative instruments outstanding at June 30, 2025, classified by type, and the changes in fair value of such derivative instruments for the year then ended, are as follows:

Type	Changes in Fair Value		Fair Value at June 30, 2025	
	Classification	Amount	Classification	Amount
Futures	Net increase (decrease) in the fair value of investments	\$ 1,999,157	Investment derivatives	\$ 4,624,393

Futures – A financial future is a contractual obligation to purchase or sell assets at a predetermined date and price. These contracts are traded on an organized exchange and are used to improve yield, adjust duration of the portfolio, circumvent changes in interest rates, or replicate an index. Risks associated with such contracts include movement in interest rates and the ability of the counterparty to perform. As of June 30, 2025, the fair value and notional amounts of futures are as follows:

Futures Contract	Expiration	Amount	Notional
U.S. 2-year treasury note	September 2025	\$ 1,515,015	USD \$ 315,200,000
U.S. 5-year treasury note	September 2025	451,047	USD 51,400,000
U.S. 10-year treasury note	September 2025	(47,719)	USD (7,600,000)
U.S. Ultra 10-year treasury note	September 2025	(506,541)	USD (13,900,000)
U.S. Treasury bond	September 2025	1,716,958	USD 39,500,000
U.S. Ultra bond	September 2025	1,495,633	USD 29,900,000
Total		\$ 4,624,393	

Securities Lending Transactions – The APERS Board of Trustees’ policies allow the public employees plan and the State Police plan to enter into securities lending transactions, whereby securities are lent to broker-dealers or other entities for collateral with a simultaneous agreement to return the collateral for the same securities in the future. The securities lending program is administrated by the Bank of New York-Mellon (the “Custodian”). The legal and contractual authorization for the securities lending program is contained in the Securities Lending Discretionary Agency Agreement between APERS and the Custodian. There were no restrictions on the amount of security loans that can be made, and for the year ended June 30, 2025, there were no violations of the Agency Agreement. Collateral must be provided in the amount of 102% for domestic loans and 105% for international loans. Securities on loan (Underlying Securities) to participating brokers at year-end include U.S. government securities, corporate securities, and international securities. Brokers who borrow the securities provide collateral in the form of government securities, letters of credit, and cash collateral. At year-end, there was no credit risk exposure to borrowers because the amounts owed to the borrowers exceeded the amounts the borrowers owed. The Custodian provides for full indemnification for any losses that might occur in the program due to the failure of a broker to return a security that was borrowed (and if the collateral is inadequate to replace the securities lent) or to pay the trust funds for income of the securities while on loan. Collateral securities received cannot be pledged or sold unless the borrower defaults.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Deposits and Investments (Continued)

Investments (Continued)

Cash collateral received is invested and appears as an asset on the Statement of Fiduciary Net Position. A corresponding liability is recorded, as the cash collateral must be returned to the borrower upon expiration of the loan. The loan maturity dates generally do not match the maturity dates of the investments made with cash collateral received. The cash collateral investments had a weighted average maturity of 264 days on June 30, 2025, whereas the loan maturity was 9 days.

G. Capital Assets

Capital assets purchased (or leased) with costs exceeding \$5,000 and an estimated useful life exceeding one year are reported at historical cost, including ancillary costs (such as professional fees and costs, freight costs, preparation or setup costs, and installation costs). Only leases in excess of \$25,000 (and SBITAs in excess of \$1,000,000) with non-State entities were recorded. Gifts or contributions are generally recorded in the accounts at acquisition value at the time received. Acquisition value is the market value if the Agency would have purchased the item. Depreciation is reported based on a straight-line method, with no salvage value. Estimated useful lives generally assigned are as follows:

Assets:	Years
Equipment	5-20
Intangibles	4-95
Other capital assets	10-15

Capital assets activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Fiduciary activities:				
Equipment	\$ 142,716			\$ 142,716
Intangible assets	21,239,594			21,239,594
Right-to-Use assets:				
RtU Buildings	2,973,123	\$ 780,438		3,753,561
RtU SBITAs	3,548,295			3,548,295
Less accumulated depreciation	18,773,102	3,829,778		22,602,880
Fiduciary activities, net	\$ 9,130,626	\$ (3,049,340)	\$ 0	\$ 6,081,286

H. Leases and Subscription Based Technology Arrangements (SBITAs)

The Agency has acquired property by entering into a contract that conveys control of the right-to-use another entity's nonfinancial asset which is treated as a lease under the GASB Statement No. 87. The Agency has also acquired the right-to-use another party's IT software, as specified in the contract for a period of time in an exchange or exchange-like transaction under the GASB Statement No. 96. For more information on the Agency's right-to-use assets, refer to Note 1G above. Future amounts required to pay principal and interest on lease and SBITA obligations as of June 30, 2025, were as follows:

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

H. Leases and Subscription Based Technology Arrangements (SBITAs) (Continued)

Lease Obligations Years Ending	Principal	Interest	Total
June 30, 2026	\$ 782,698	\$ 17,302	\$ 800,000
SBITA Obligations Years Ending	Principal	Interest	Total
June 30, 2026	903,725	54,251	957,976
2027	968,287	23,225	991,512
Totals	\$ 1,872,012	\$ 77,476	\$ 1,949,488

I. Compensated Absences – Employee Leave

Annual leave is earned by all full-time employees. Upon termination, employees are entitled to receive compensation for their unused accrued annual leave up to 30 days. Liabilities for compensated absences are determined at the end of the year based on current salary rates.

Sick leave is earned by all full-time employees and may be accrued up to 120 days. Compensation up to a maximum of \$7,500 for unused sick leave is payable to employees upon retirement.

Compensated absences payable attributable to this Agency's employee annual and sick leave as of June 30, 2025 and 2024, amounted to \$1,355,881 and \$540,231, respectively. The net changes to compensated absences payable during the year ended June 30, 2025, amounted to \$815,650.

J. Postemployment Benefits Other Than Pensions (OPEB)

Arkansas State Employee Health Insurance Plan (Plan)

Plan Description – The Arkansas Department of Shared Administrative Services – Employee Benefits Division (DSAS-EBD) provides medical and prescription drug benefits for eligible state employees and retirees. Policies for DSAS-EBD related to medical and prescription drug plans are established by the State Board of Finance (Board) and may include ad hoc benefit changes or annual cost redeterminations. For the current year, no ad hoc or cost redetermination changes occurred. The Constitution of Arkansas, Article 5, vests the General Assembly with legislative power to enact and amend duties of and benefit provisions of the Board and DSAS-EBD, respectively, as published in Subchapter 4, Chapter 5 of Title 21 of the Arkansas Code Annotated. DSAS-EBD is included in the State of Arkansas's Annual Comprehensive Financial Report (ACFR), which includes all applicable financial information, notes, and required supplementary information. That report may be obtained by writing to Department of Shared Administrative Services, 501 Woodlane, Suite 201, Little Rock, Arkansas 72201 or by calling 501-319-6565.

The Agency contributes to the Plan, a single employer defined benefit OPEB plan administered by DSAS-EBD, on a monthly basis. The Board establishes medical and prescription drug benefits for three classes of covered individuals: active employees, terminated employees with accumulated benefits, and retirees and beneficiaries. The Plan is established on the basis of a pay-as-you-go financing requirement, and no assets are accumulated in a trust, as defined by Governmental Accounting Standards Board (GASB) Statement No. 75. The State's annual OPEB cost for the Plan is based on an actuarially-determined calculated amount made in accordance with GASB Statement No. 75.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

J. Postemployment Benefits Other Than Pensions (OPEB) (Continued)

Arkansas State Employee Health Insurance Plan (Plan) (Continued)

Funding Policy – Employer contributions to the Plan are established by Ark. Code Ann. § 21-5-414 and may not exceed \$550 per budgeted position. Employees, retirees, and beneficiaries contribute varying amounts based on the type of coverage and inclusion of family members. Benefits for Medicare-eligible retirees are coordinated with Medicare Parts A and B, and the Plan is the secondary payer. The portion of the State’s annual OPEB liability attributable to APERS as of June 30, 2025, is \$2,715,411.

K. Contributions and Reserves

Contributions

The general financial objective of all Arkansas public employee retirement plans is to have rates of contribution that remain relatively level for Arkansas citizens from generation to generation. Any employee contributions are refundable if covered employment terminates before a monthly benefit is payable. Below are the contribution provisions for each plan.

Public Employees Retirement Plan – Contribution provisions applicable to the participating employers are established by the APERS Board of Trustees and should be based on an independent actuary’s determination of the rate required to fund the plan. The General Assembly, certain municipal and county elected officials, and certain agencies employing individuals in public safety positions must also remit additional contributions. Ark. Code Ann. § 24-4-401 requires all contributory members to contribute 5.75% of annual compensation.

Employer contribution rates during the fiscal year ended June 30, 2025, as a percentage of active member payroll, are as follows:

State, County, Municipal, and Non-State Divisions	15.32%
Wildlife Officers and Military Department Civilian	
Firefighters Subdivisions	27.32%
District Judge Division	86.42%
School Division	4.00%

State Police Retirement Plan – Employer contribution provisions for the State Police retirement plan are established by Ark. Code Ann. § 24-6-209 at 26% of active member payroll. For any remaining members still employed and covered by the Tier One contributory plan, the employee contribution rate established by Ark. Code Ann. § 24-6-208 is 9.25% of the member’s salary.

Additionally, in accordance with Ark. Code Ann. § 24-6-209(b), the State makes an annual transfer to the plan by computing the dollar amount required based on the actuarially determined employer rate in the most recent annual actuarial valuation and subtracting from that amount the employer statutory contribution and the driver’s license reinstatement fees. The State’s supplemental contribution during FY2025 under this provision of law amounted to \$10,387,038.

Judicial Retirement Plan – Employer contribution provisions for the judicial retirement plan are established by Ark. Code Ann. § 24-8-210 for Tier One and by Ark. Code Ann. § 24-8-707 for Tier Two at 12% of active member payroll. Contributory members are required to contribute 6% of their annual salary for Tier One and 5% for Tier Two. Employee contributions are no longer required for Tier One members when a judge is certified eligible for retirement or for Tier Two when a judge or justice has sufficient service to receive the maximum benefit under the plan provisions.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1: Summary of Significant Accounting Policies (Continued)

K. Contributions and Reserves

Contributions (Continued)

Additionally, in accordance with Ark. Code Ann. § 24-8-210(b), the State makes an annual transfer to the plan by computing the dollar amount required based on the actuarially determined employer rate in the most recent annual actuarial valuation and subtracting from that amount the employer statutory contribution amount and the court cost revenue received. The State's supplemental contribution during FY2025 under this provision of law amounted to \$6,631,480.

Reserves

The reserve accounts are an allocation of the net position restricted for pensions and do not limit the availability of assets to be used for existing pensions or pension administration. They are made to comply with the provisions of Arkansas Code or the decisions of plan management. The reserve balances at June 30, 2025, are as follows:

	Public Employees Retirement Plan	State Police Retirement Plan	Judicial Retirement Plan	Total
Members' deposit account reserve	\$ 759,452,232	\$ 337,598	\$ 14,908,642	\$ 774,698,472
Employer's accumulation account reserve	3,245,948,208	129,545,910	126,077,048	3,501,571,166
Retirement reserve	6,946,543,630	341,104,866	213,945,454	7,501,593,950
December 31, 2004, accrued liability reserve	19,733,851			19,733,851
Undistributed reserves	960,350,320	12,211,102	7,345,377	979,906,799
Totals	\$ 11,932,028,241	\$ 483,199,476	\$ 362,276,521	\$ 12,777,504,238

L. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a decrease of net position that applies to future periods. Thus, these items will not be recognized as an outflow of resources (a deduction) until a future period.

Deferred inflows of resources represent an increase of net position that applies to future periods. These items will not be recognized as an inflow of resources (addition) until a future period.

M. Federal Income Tax Status

During the year ended June 30, 2025, all plans qualified under 26 USC § 401(a) and were exempt from federal income taxes under 26 USC § 501(a).

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 2: Deferred Retirement Option Program (DROP)

	Deferred Retirement Option Program by Retirement Plan		
	Public Employees	State Police	
		Tier One	Tier Two
Authority for Program:	Ark. Code Ann. §§ 24-4-801 – 24-4-806	Ark. Code Ann. §§ 24-6-301 – 24-6-307	Ark. Code Ann. §§ 24-6-501 – 24-6-508
Participation Eligibility:	Members with 28 years of actual service subject to an early participation reduction of one-half of 1% for each month away from 30 years or 30 years of actual service with no reduction in benefits. Member election to enter the DROP is irrevocable, and additional service credit in any state-supported retirement system cannot be accumulated.	Members with 28 years of credited service who are eligible to receive a service retirement pension and have been approved by the ASPRS Board of Trustees. Member election to enter the DROP is irrevocable, and additional service credit in any state-supported retirement system cannot be accumulated.	Members with 28 years of actual service as a member of the Tier Two plan, including reciprocal service, who are eligible to receive a service retirement pension and have been approved by the ASPRS Board of Trustees. Member election to enter the DROP is irrevocable, and additional service credit in any state-supported retirement system cannot be accumulated.
Period of Participation:	The maximum period of participation is ten years, at which time employment must terminate.	The maximum period of participation is seven years, at which time employment with the Division of Arkansas State Police must terminate.	The maximum period of participation is seven years, at which time employment with the Division of Arkansas State Police must terminate.
Amount of Benefit Credited to the Member's Account:	Members receive 75% of their monthly retirement benefit subject to the participation reduction shown in "Participation Eligibility."	Members receive 100% of their monthly retirement benefit.	Members receive 72% of their monthly retirement benefit. (Effective 7/1/25 this changes to 100%.)
Interest Rate Credited to the Member's Account:	The interest rate is set by the APERS Board of Trustees and credited to the individual's account balance annually at the end of the fiscal year. For FY2025, the rate was 3.00%.	The interest rate is adjusted by the ASPRS Board of Trustees as needed and credited to the individual's account balance annually at the end of the fiscal year. The rate cannot be greater than 5% or less than 1%. For FY2025, the rate was 3.25%	The interest rate is adjusted by the ASPRS Board of Trustees as needed and credited to the individual's account balance annually at the end of the fiscal year. The rate cannot be greater than 5% or less than 1%. For FY2025, the rate was 3.25%.
Balance held by the Plan at June 30, 2025	\$128,387,010	\$3,797,710	\$1,032,768

Note: State law does not authorize members of the judicial retirement plan to participate in a deferred retirement option.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3: Net Pension Liability of Participating Employers

For each retirement plan, the components of the net pension liability of the participating employers at June 30, 2025, were as follows:

	Public Employees Retirement Plan	State Police Retirement Plan	Judicial Retirement Plan
Total pension liability	\$ 14,030,817,236	\$ 598,312,356	\$ 371,697,950
Less: plan net position	11,932,028,241	483,199,476	362,276,521
Employers' net pension liability	<u>\$ 2,098,788,995</u>	<u>\$ 115,112,880</u>	<u>\$ 9,421,429</u>
Plan net position as a percentage of the total pension liability	85.04%	80.76%	97.47%

Actuarial Assumptions – The total pension liability for each retirement plan was determined by an actuarial valuation as of June 30, 2025. The actuarial assumptions used in the valuation and adopted by the respective Boards of Trustees were applied to all prior periods included in the measurement. The actuarial experience study period and the significant assumptions and other inputs used to measure the total pension liability are as follows:

	Public Employees Retirement Plan	State Police Retirement Plan	Judicial Retirement Plan
Actuarial study period	7/01/2017 – 6/30/2022	7/01/2017 – 6/30/2022	7/01/2016 – 6/30/2021
Wage inflation rate	3.25%	3.25%	3.25%
Salary increases	3.25% - 11.00%	3.25% - 8.25%	3.25%
Investment rate of return*	7.00%	7.00%	5.50%

*Net of investment and administrative expenses.

Mortality Tables Public Employees Retirement Plan – The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were 114% and 132% of the PubG-2010 Amount-Weighted Below-Median Income General Retiree Mortality tables males and females, respectively. The disabled retiree mortality tables, for post-retirement disabled mortality, used in evaluating allowances to be paid were 114% and 132% of the PubNS-2010 Amount-Weighted Disabled Retiree Mortality tables for males and females, respectively. The pre-retirement mortality tables used were 75% of the PubG-2010 Amount-Weighted Below-Median General Employee Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables.

Mortality Tables State Police Retirement Plan – The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were the PubS-2010 Amount-Weighted Below-Medium Income Safety Retiree Mortality tables for healthy retirees, multiplied by 114% for males and 108% for females. The disabled retiree mortality tables, for post-retirement disabled mortality, used in evaluating allowances to be paid were the PubNS-2010 Amount-Weighted Safety Disabled Retiree Mortality tables for disabled retirees, multiplied by 114% for males and 108% for females. The pre-retirement mortality tables used was 75% of the PubS-2010 Amount-Weighted Below-Median Safety Employee Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables.

Mortality Tables Judicial Retirement Plan – The healthy retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were the PubG-2010 Above-Median Income Retiree Mortality tables for healthy retirees. The disabled retiree mortality tables, for post-retirement mortality, used in evaluating allowances to be paid were the PubNS-2010 Disabled Retiree Mortality tables for disabled retirees. The pre-retirement mortality tables used was 175% of the PubG-2010 Mortality tables for active mortality experience. Mortality rates for a particular calendar year are determined by applying the MP-2021 mortality improvement scale to the above described tables.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 3: Net Pension Liability of Participating Employers (Continued)

Long-Term Rate of Return All Retirement Plans – The long-term expected rate of return on all 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 current asset allocation percentage and by adding expected price inflation. For all plans, best estimates of arithmetic real rates of return for the 10-year period from 2025 – 2034 were based upon capital market assumptions provided by each plan’s investment consultant. For each major asset class included in the respective pension plan’s current asset allocation as of June 30, 2025, these best estimates are summarized in the following table:

Asset Allocation	Public Employees and State Police Retirement Plans		Judicial Retirement Plan	
	Target	Long-Term Expected Real Rate of Return	Target	Long-Term Expected Real Rate of Return
Broad domestic equity	39.00%	5.14%	37.00%	5.29%
International equity	17.00%	5.97%	15.00%	6.17%
Real assets	16.00%	5.00%	8.00%	4.89%
Private equity	5.00%	8.77%		
Hedge funds	2.00%	3.58%		
Domestic fixed	21.00%	3.26%	40.00%	2.50%
	<u>100.00%</u>		<u>100.00%</u>	

Discount Rate Public Employees and State Police Retirement Plans – A single discount rate of 7.00% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the public employees and State Police retirement plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Judicial Retirement Plan – A single discount rate of 5.50% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 5.50%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between the actuarially determined contribution rate and the member rate. Based on these assumptions, the judicial retirement plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability – Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the participating employers’ net pension liability by plan, calculated using the current discount rate, as well as what the participating employers’ net pension liability would be if it were calculated using a single discount rate that is 1% lower and 1% higher than the current rate:

Net Pension Liability	Sensitivity of the Net Pension Liability to Changes in the Discount Rate		
	1% Lower than Current Rate	Current Rate	1% Higher than Current Rate
Public Employees Retirement Plan - current rate 7.00%	\$ 3,916,636,354	\$ 2,098,788,995	\$ 599,773,611
State Police Retirement Plan - current rate 7.00%	190,021,062	115,112,880	52,871,040
Judicial Retirement Plan - current rate 5.50%	52,897,343	9,421,429	(27,738,753)

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 4: Required Supplementary Schedules

Detailed historical information about the pension liabilities for which the pension plan's assets are being held and managed and the significant assumptions used to measure these liabilities are required supplementary information. This required supplementary information, prepared in accordance with the parameters of GASB Statement No. 67, as amended, is included immediately following the notes to the financial statements.

NOTE 5: New Accounting Pronouncement

The Agency implemented GASB Statement No. 101, *Compensated Absences*, in the fiscal year ended June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that a liability for leave not used and leave that has been used but not yet paid, be recognized.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
TEN-YEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
PUBLIC EMPLOYEES RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 1

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	\$ 256,851,769	\$ 256,766,391	\$ 224,674,840	\$ 205,730,312	\$ 200,169,558	\$ 198,416,559	\$ 189,567,873	\$ 181,557,602	\$ 174,663,657	\$ 169,112,935
Interest	930,595,798	909,087,161	872,640,034	838,746,422	816,578,389	789,604,504	759,163,751	745,846,405	719,134,258	692,210,941
Changes in benefit terms	712,609				(5,405,298)		(62,984)			
Differences between actual and expected experience	44,136,841	(140,435,716)	170,265,906	84,323,321	(65,645,442)	2,007,866	60,093,169	(6,960,593)	62,849,281	2,912,566
Changes in assumptions			187,295,676					(180,097,868)	416,146,405	
Benefit payments, including refunds of plan member contributions	(734,559,174)	(701,829,398)	(675,607,600)	(652,863,955)	(624,006,385)	(603,290,209)	(571,592,525)	(544,595,643)	(521,962,553)	(494,105,931)
NET CHANGE IN TOTAL PENSION LIABILITY	497,737,843	323,588,438	779,268,856	475,936,100	321,690,822	386,738,720	437,169,284	195,749,903	850,831,048	370,130,511
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	13,533,079,393	13,209,490,955	12,430,222,099	11,954,285,999	11,632,595,177	11,245,856,457	10,808,687,173	10,612,937,270	9,762,106,222	9,391,975,711
TOTAL PENSION LIABILITY - END OF YEAR (A)	\$ 14,030,817,236	\$ 13,533,079,393	\$ 13,209,490,955	\$ 12,430,222,099	\$ 11,954,285,999	\$ 11,632,595,177	\$ 11,245,856,457	\$ 10,808,687,173	\$ 10,612,937,270	\$ 9,762,106,222
PLAN NET POSITION										
Contributions - employer	\$ 367,602,599	\$ 348,653,977	\$ 340,152,342	\$ 320,196,067	\$ 305,974,671	\$ 298,918,947	\$ 293,013,343	\$ 276,251,473	\$ 261,656,384	\$ 263,172,688
Contributions - plan members	114,383,954	102,239,193	93,037,947	81,213,354	75,044,922	71,470,967	68,206,685	64,708,128	58,500,339	55,912,833
Supplemental contributions				609,078	595,977	578,618	561,766	555,151	407,363	404,433
Net investment income, including securities lending activity	1,149,351,361	1,009,317,537	809,503,795	(1,192,887,342)	2,665,823,683	174,561,774	450,493,098	782,326,767	862,824,701	(4,177,314)
Benefit payments, including refunds of plan member contributions	(734,559,174)	(701,829,398)	(675,607,600)	(652,863,955)	(624,006,385)	(603,290,209)	(571,592,525)	(544,595,643)	(521,962,553)	(494,105,931)
Administrative expense	(13,486,135)	(12,169,361)	(10,465,629)	(11,401,566)	(11,305,976)	(11,624,523)	(13,566,062)	(10,864,271)	(9,068,778)	(6,929,103)
Other	3,778,154	3,441,142	4,844,905	3,519,289	4,316,124	5,067,457	3,459,222	5,573,737	5,681,184	6,238,203
NET CHANGE IN PLAN NET POSITION	887,070,759	749,653,091	561,465,760	(1,451,615,075)	2,416,443,016	(64,316,969)	230,575,527	573,955,342	658,038,640	(179,484,191)
PLAN NET POSITION - BEGINNING OF YEAR	11,044,957,482	10,295,304,391	9,733,838,631	11,185,453,706	8,769,010,690	8,833,327,659	8,602,752,132	8,028,796,790	7,370,758,150	7,550,242,341
PLAN NET POSITION - END OF YEAR (B)	\$ 11,932,028,241	\$ 11,044,957,482	\$ 10,295,304,391	\$ 9,733,838,631	\$ 11,185,453,706	\$ 8,769,010,690	\$ 8,833,327,659	\$ 8,602,752,132	\$ 8,028,796,790	\$ 7,370,758,150
PARTICIPATING EMPLOYERS' NET PENSION LIABILITY (ASSET) END OF YEAR (A) - (B)	\$ 2,098,788,995	\$ 2,488,121,911	\$ 2,914,186,564	\$ 2,696,383,468	\$ 768,832,293	\$ 2,863,584,487	\$ 2,412,528,798	\$ 2,205,935,041	\$ 2,584,140,480	\$ 2,391,348,072
Plan net position as a percentage of total pension liability	85.04%	81.61%	77.94%	78.31%	93.57%	75.38%	78.55%	79.59%	75.65%	75.50%
Covered employee payroll	\$ 2,347,361,476	\$ 2,256,616,749	\$ 2,252,048,646	\$ 2,054,188,304	\$ 1,907,642,349	\$ 1,929,343,374	\$ 1,936,042,263	\$ 1,849,202,619	\$ 1,788,074,570	\$ 1,795,174,463
Participating employers' net pension liability (asset) as a percentage of covered employee payroll	89.41%	110.26%	129.40%	131.26%	40.30%	148.42%	124.61%	119.29%	144.52%	133.21%

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
TEN-YEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
STATE POLICE RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 2

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	\$ 11,297,816	\$ 9,795,799	\$ 7,156,062	\$ 7,194,124	\$ 6,536,818	\$ 5,861,499	\$ 6,691,528	\$ 6,577,148	\$ 5,473,626	\$ 5,488,445
Interest	39,440,245	37,841,301	35,098,769	34,672,914	33,332,676	31,967,469	31,299,758	30,678,211	30,322,786	29,469,678
Changes in benefit terms	4,853,429				9,589,716	997,533				
Differences between actual and expected experience	1,228,934	6,450,634	24,739,809	(4,036,778)	(2,821,477)	7,543,752	(1,805,446)	467,389	(3,052,763)	1,757,687
Changes in assumptions			14,369,541					(4,529,133)	15,875,267	
Benefit payments, including refunds of plan member contributions	(32,582,475)	(31,410,879)	(34,560,931)	(29,149,508)	(27,294,080)	(27,934,141)	(24,930,275)	(24,185,418)	(24,631,787)	(26,035,466)
NET CHANGE IN TOTAL PENSION LIABILITY	24,237,949	22,676,855	46,803,250	8,680,752	19,343,653	18,436,112	11,255,565	9,008,197	23,987,129	10,680,344
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	574,074,407	551,397,552	504,594,302	495,913,550	476,569,897	458,133,785	446,878,220	437,870,023	413,882,894	403,202,550
TOTAL PENSION LIABILITY - END OF YEAR (A)	\$ 598,312,356	\$ 574,074,407	\$ 551,397,552	\$ 504,594,302	\$ 495,913,550	\$ 476,569,897	\$ 458,133,785	\$ 446,878,220	\$ 437,870,023	\$ 413,882,894
PLAN NET POSITION										
Contributions - employer	\$ 12,155,840	\$ 11,012,463	\$ 10,197,986	\$ 8,908,482	\$ 7,706,274	\$ 7,205,047	\$ 6,727,409	\$ 6,515,063	\$ 6,416,736	\$ 6,581,580
Contributions - plan members	84,774	8,021	54,311	140,796	40,919	93,792	27,515	133,860	43,037	30,170
Supplemental contributions	10,387,039	11,427,008	6,952,517	6,165,687	7,139,012	7,705,096	8,035,961	7,109,703	6,693,915	6,233,769
State-collected fees allocated to pension plan	8,496,424	7,137,627	6,780,424	7,478,980	7,897,440	6,869,433	6,463,108	7,245,013	6,807,370	6,867,765
Net investment income, including securities lending activity	45,407,108	39,221,918	31,210,504	(46,247,420)	101,415,222	6,700,903	17,031,483	28,823,344	31,484,258	(210,034)
Benefit payments, including refunds of plan member contributions	(32,580,220)	(31,410,879)	(34,560,931)	(29,149,508)	(27,294,080)	(27,934,141)	(24,930,275)	(24,185,418)	(24,631,787)	(26,035,466)
Administrative expense	(84,328)	(57,099)	(77,051)	(61,920)	(51,376)	(31,455)	(393,754)	(70,967)	(50,961)	(47,879)
Other	(171,832)	(169,501)	(163,396)	(167,428)	(164,008)	(164,009)	(160,686)	(157,464)	(157,463)	(157,463)
NET CHANGE IN PLAN NET POSITION	43,694,805	37,169,557	20,394,364	(52,932,331)	96,689,403	444,666	12,800,761	25,413,134	26,605,105	(6,737,558)
PLAN NET POSITION - BEGINNING OF YEAR	439,504,671	402,335,114	381,940,750	434,873,081	338,183,678	337,739,012	324,938,251	299,525,117	272,920,012	279,657,570
PLAN NET POSITION - END OF YEAR (B)	\$ 483,199,476	\$ 439,504,671	\$ 402,335,114	\$ 381,940,750	\$ 434,873,081	\$ 338,183,678	\$ 337,739,012	\$ 324,938,251	\$ 299,525,117	\$ 272,920,012
PARTICIPATING EMPLOYER'S NET PENSION LIABILITY (ASSET) END OF YEAR (A) - (B)	\$ 115,112,880	\$ 134,569,736	\$ 149,062,438	\$ 122,653,552	\$ 61,040,469	\$ 138,386,219	\$ 120,394,773	\$ 121,939,969	\$ 138,344,906	\$ 140,962,882
Plan net position as a percentage of total pension liability	80.76%	76.56%	72.97%	75.69%	87.69%	70.96%	73.72%	72.71%	68.41%	65.94%
Covered employee payroll	\$ 46,387,108	\$ 42,912,787	\$ 37,711,310	\$ 32,757,302	\$ 33,585,266	\$ 33,311,093	\$ 30,287,691	\$ 29,593,145	\$ 29,076,764	\$ 29,448,593
Participating employer's net pension liability (asset) as a percentage of covered employee payroll	248.16%	313.59%	395.27%	374.43%	181.75%	415.44%	397.50%	412.05%	475.79%	478.67%

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
TEN-YEAR SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
JUDICIAL RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 3

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
TOTAL PENSION LIABILITY										
Service cost	\$ 8,567,959	\$ 8,577,925	\$ 8,100,878	\$ 8,053,242	\$ 7,197,367	\$ 7,096,255	\$ 6,919,400	\$ 6,927,257	\$ 7,221,153	\$ 7,230,267
Interest	19,164,390	18,988,344	18,132,003	17,515,015	16,822,916	16,175,509	15,877,675	15,378,982	16,121,127	15,770,309
Changes in benefit terms										
Differences between actual and expected experience	9,215,699	(5,897,099)	6,858,147	(37,166)	3,798,212	2,340,115	(4,481,503)	(743,902)	(3,462,751)	(5,184,045)
Changes in assumptions				16,744,946					2,369,244	
Benefit payments, including refunds of plan member contributions	(18,819,130)	(18,107,583)	(17,411,833)	(17,060,242)	(15,359,618)	(13,446,760)	(13,001,793)	(12,769,175)	(12,389,433)	(12,008,338)
NET CHANGE IN TOTAL PENSION LIABILITY	18,128,918	3,561,587	15,679,195	25,215,795	12,458,877	12,165,119	5,313,779	8,793,162	9,859,340	5,808,193
TOTAL PENSION LIABILITY - BEGINNING OF YEAR	353,569,032	350,007,445	334,328,250	309,112,455	296,653,578	284,488,459	279,174,680	270,381,518	260,522,178	254,713,985
TOTAL PENSION LIABILITY - END OF YEAR (A)	\$ 371,697,950	\$ 353,569,032	\$ 350,007,445	\$ 334,328,250	\$ 309,112,455	\$ 296,653,578	\$ 284,488,459	\$ 279,174,680	\$ 270,381,518	\$ 260,522,178
PLAN NET POSITION										
Contributions - employer	\$ 3,489,478	\$ 3,447,299	\$ 3,139,441	\$ 3,254,366	\$ 2,879,859	\$ 3,034,573	\$ 2,712,974	\$ 2,759,107	\$ 2,687,850	\$ 2,675,356
Contributions - plan members	1,421,809	1,307,899	1,267,952	1,300,942	1,117,205	1,138,323	1,030,430	1,016,180	1,062,471	1,025,141
Supplemental contributions	6,631,480	6,413,036	4,903,105	5,438,254	5,158,514	5,143,150	5,009,400	5,075,248	5,210,693	2,285,337
State-collected fees allocated to pension plan	568,010	406,259	188,083	270,839	171,520	394,974	511,585	586,818	586,818	586,818
Net investment income	34,489,046	33,277,652	19,323,746	(43,073,793)	72,229,463	17,435,283	14,655,822	19,162,125	28,044,871	(1,744,076)
Benefit payments, including refunds of plan member contributions	(18,819,129)	(18,107,583)	(17,411,833)	(17,060,242)	(15,359,618)	(13,446,760)	(13,001,793)	(12,769,175)	(12,389,433)	(12,008,338)
Administrative expense	(79,502)	(34,589)	(57,276)	(50,407)	(33,298)	(30,039)	(37,011)	(34,009)	(60,401)	(50,119)
Other	(114,724)	(114,725)	(113,596)	(113,708)	(111,852)	(111,852)	(110,050)	(107,812)	(108,790)	(108,301)
NET CHANGE IN PLAN NET POSITION	27,586,468	26,595,248	11,239,622	(50,033,749)	66,051,793	13,557,652	10,771,357	15,688,482	25,034,079	(7,338,182)
PLAN NET POSITION - BEGINNING OF YEAR	334,690,053	308,094,805	296,855,183	346,888,932	280,837,139	267,279,487	256,508,130	240,819,648	215,785,569	223,123,751
PLAN NET POSITION - END OF YEAR (B)	\$ 362,276,521	\$ 334,690,053	\$ 308,094,805	\$ 296,855,183	\$ 346,888,932	\$ 280,837,139	\$ 267,279,487	\$ 256,508,130	\$ 240,819,648	\$ 215,785,569
PARTICIPATING EMPLOYER'S NET PENSION LIABILITY (ASSET) END OF YEAR (A) - (B)	\$ 9,421,429	\$ 18,878,979	\$ 41,912,640	\$ 37,473,067	\$ (37,776,477)	\$ 15,816,439	\$ 17,208,972	\$ 22,666,550	\$ 29,561,870	\$ 44,736,609
Plan net position as a percentage of total pension liability	97.47%	94.66%	88.03%	88.79%	112.22%	94.67%	93.95%	91.88%	89.07%	82.83%
Covered employee payroll	\$ 29,793,631	\$ 28,123,486	\$ 27,529,347	\$ 26,259,112	\$ 25,479,456	\$ 24,586,078	\$ 23,602,735	\$ 23,434,639	\$ 22,917,870	\$ 22,308,000
Participating employer's net pension liability (asset) as a percentage of covered employee payroll	31.62%	67.13%	152.25%	142.71%	-148.26%	64.33%	72.91%	96.72%	128.99%	200.54%

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
 TEN-YEAR SCHEDULE OF CONTRIBUTIONS – PUBLIC EMPLOYEES RETIREMENT PLAN
 FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 4

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially-determined contribution	\$ 359,615,778	\$ 345,713,686	\$ 345,013,853	\$ 314,701,648	\$ 292,250,808	\$ 295,575,405	\$ 296,601,675	\$ 272,757,386	\$ 259,270,813	\$ 260,300,297
Actual contributions	367,431,001	348,652,316	340,147,228	320,768,737	306,480,848	299,443,847	293,501,408	276,784,232	261,830,210	263,181,645
Contribution deficiency (excess)	<u>\$ (7,815,223)</u>	<u>\$ (2,938,630)</u>	<u>\$ 4,866,625</u>	<u>\$ (6,067,089)</u>	<u>\$ (14,230,040)</u>	<u>\$ (3,868,442)</u>	<u>\$ 3,100,267</u>	<u>\$ (4,026,846)</u>	<u>\$ (2,559,397)</u>	<u>\$ (2,881,348)</u>
Covered employee payroll	\$2,347,361,476	\$2,256,616,749	\$2,252,048,646	\$2,054,188,304	\$1,907,642,349	\$1,929,343,374	\$1,936,042,263	\$1,849,202,619	\$1,788,074,570	\$1,795,174,463
Actual contributions as a percentage of covered employee payroll	15.65%	15.45%	15.10%	15.62%	16.07%	15.52%	15.16%	14.97%	14.64%	14.66%

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
TEN-YEAR SCHEDULE OF CONTRIBUTIONS – STATE POLICE RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 5

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially-determined contribution	\$ 24,121,296	\$ 24,284,346	\$ 18,297,528	\$ 15,903,670	\$ 16,742,255	\$ 16,885,393	\$ 15,576,959	\$ 15,391,395	\$ 14,122,584	\$ 14,285,512
Actual contributions:										
Employer*	11,216,999	10,186,180	10,185,428	7,546,134	7,697,245	7,161,287	6,687,160	6,461,032	6,409,203	6,587,211
Annual transfer from the State	10,387,038	11,427,008	6,952,517	6,165,687	7,139,012	7,705,096	8,035,961	7,109,703	6,693,915	6,233,769
Driver's license reinstatement fees	1,543,664	1,547,229	1,629,988	1,793,447	2,361,709	1,458,873	1,014,554	1,606,181	1,164,959	1,231,566
Total Actual Contributions	23,147,701	23,160,417	18,767,933	15,505,268	17,197,966	16,325,256	15,737,675	15,176,916	14,268,077	14,052,546
Contribution deficiency (excess)	\$ 973,595	\$ 1,123,929	\$ (470,405)	\$ 398,402	\$ (455,711)	\$ 560,137	\$ (160,716)	\$ 214,479	\$ (145,493)	\$ 232,966
Covered employee payroll	\$ 46,387,108	\$ 42,912,787	\$ 37,711,310	\$ 32,757,302	\$ 33,585,266	\$ 33,311,093	\$ 30,287,691	\$ 29,593,145	\$ 29,076,764	\$ 29,448,593
Actual contributions as a percentage of covered employee payroll	49.90%	53.97%	49.77%	47.33%	51.21%	49.01%	51.96%	51.29%	49.07%	47.72%

*The employer contribution rate is established by Arkansas Code at 26% of active member payroll.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
TEN-YEAR SCHEDULE OF CONTRIBUTIONS – JUDICIAL RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 6

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially-determined contribution	\$ 11,184,529	\$10,166,640	\$ 8,770,850	\$ 9,017,379	\$ 8,879,590	\$ 8,826,402	\$ 8,466,301	\$ 8,757,525	\$ 8,706,499	\$ 5,597,077
Actual contributions:										
Employer*	3,489,478	3,447,299	3,139,441	3,254,366	2,879,859	3,034,573	2,712,974	2,759,107	2,687,850	2,675,356
Annual transfer from the State	6,631,480	6,413,035	4,903,105	5,438,254	5,158,514	5,143,150	5,009,400	5,075,248	5,210,693	2,285,337
Designated court fees	568,010	406,259	188,083	270,839	171,520	394,974	511,585	586,818	586,818	586,818
Total Actual Contributions	<u>10,688,968</u>	<u>10,266,593</u>	<u>8,230,629</u>	<u>8,963,459</u>	<u>8,209,893</u>	<u>8,572,697</u>	<u>8,233,959</u>	<u>8,421,173</u>	<u>8,485,361</u>	<u>5,547,511</u>
Contribution deficiency (excess)	<u>\$ 495,561</u>	<u>\$ (99,953)</u>	<u>\$ 540,221</u>	<u>\$ 53,920</u>	<u>\$ 669,697</u>	<u>\$ 253,705</u>	<u>\$ 232,342</u>	<u>\$ 336,352</u>	<u>\$ 221,138</u>	<u>\$ 49,566</u>
Covered employee payroll	\$ 29,793,631	\$28,123,486	\$27,529,347	\$26,259,112	\$25,479,456	\$24,586,078	\$23,602,735	\$23,434,639	\$22,917,870	\$22,308,000
Actual contributions as a percentage of covered employee payroll	35.88%	36.51%	29.90%	34.13%	32.22%	34.87%	34.89%	35.93%	37.03%	24.87%

*The employer contribution rate is established by Arkansas Code at 12% of active member payroll.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM Schedule 7
TEN-YEAR SCHEDULE OF INVESTMENT RETURNS – PUBLIC EMPLOYEES RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2025	10.52%
2024	9.92%
2023	8.43%
2022	-10.81%
2021	30.83%
2020	2.00%
2019	5.31%
2018	9.89%
2017	11.89%
2016	-0.06%

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
TEN-YEAR SCHEDULE OF INVESTMENT RETURNS – STATE POLICE RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 8

	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2025	10.51%
2024	9.94%
2023	8.40%
2022	-10.82%
2021	30.59%
2020	2.03%
2019	5.36%
2018	9.82%
2017	11.82%
2016	-0.08%

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
TEN-YEAR SCHEDULE OF INVESTMENT RETURNS – JUDICIAL RETIREMENT PLAN
FOR THE TEN-YEAR PERIOD ENDED JUNE 30, 2025

Schedule 9

	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense</u>
2025	10.30%
2024	10.81%
2023	6.54%
2022	-12.44%
2021	25.72%
2020	6.51%
2019	5.72%
2018	7.94%
2017	12.93%
2016	-0.79%

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 1: Summary of Significant Information Related to Required Supplementary Schedules

A. Changes in Benefit Terms

Public Employees Retirement Plan – Effective July 1, 2025, Act 364 of 2025 changed the dependent child age from 18 to 23 without the full-time student requirement.

State Police Retirement Plan – Effective July 1, 2025, Act 364 of 2025 changed the dependent child age from 18 to 23 without the full-time student requirement, and Act 672 of 2025 changed the Tier Two DROP account deposit from 72% to 100% of the monthly retirement benefits that would have been payable.

Judicial Retirement Plan – No changes in benefit terms.

B. Changes in Assumptions

Public Employees Retirement Plan – No changes in economic or non-economic assumptions.

State Police Retirement Plan – No changes in economic or non-economic assumptions.

Judicial Retirement Plan – No changes in economic or non-economic assumptions.

All actuarial reports are available through APERS website at www.apers.org; by writing to APERS at 124 West Capitol, Suite 400, Little Rock, Arkansas 72201; or by calling 501-682-7800.

C. Method and Assumptions Used in Calculations of Actuarially-determined Contributions

The following actuarial methods and assumptions were used to determine contribution rates reported in the schedule of contributions:

	Public Employees Retirement Plan	State Police Retirement Plan	Judicial Retirement Plan
Actuarially-determined contribution rate:	15.32%	52.00%*	37.54%*
Valuation date:	June 30, 2022	June 30, 2024	June 30, 2023
Actuarial cost method:	Entry age normal	Entry age normal	Entry age normal
Amortization method:	Level percent of payroll	Level percent of payroll	Level percent of payroll
Remaining amortization period:	14 year	15 year	Multiple period of 9 - 20 years
Asset valuation method:	4-year smoothed market	4-year smoothed market	4-year smoothed market with 25% corridor
Actuarial assumptions:			
Investment rate of return:	7.15%	7.00%	5.50%
Projected salary increases:	3.25 - 9.85%	4.05 - 8.25%	3.25%
Price inflation rate:	2.50%	2.50%	2.50%
Mortality table:	RP-2006 Mortality Tables	PubS-2010 Mortality Tables	PubG-2010 Mortality Tables

* The employer contribution rates for the State Police retirement plan and the judicial retirement plan are established by Arkansas Code at 26% and 12%, respectively.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

NOTE 2: Differences between Exhibits and Required Supplementary Information

The purpose of the contribution-related schedules for each retirement plan shown at Schedules 4 – 6 is to present the trend of employers' contributions in relation to employers' actuarially-determined contributions. The employer contributions reported in Exhibit B include amounts submitted by employers for prior-year corrections and other immaterial amounts and may not agree with the schedule of contributions.

ARKANSAS PUBLIC EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF SELECTED INFORMATION
JUNE 30, 2025
(UNAUDITED)

Schedule 10

	For the Year Ended June 30,				
	2025	2024	2023	2022	2021
Total Assets	\$ 13,571,757,992	\$ 12,549,690,788	\$ 11,671,456,094	\$ 11,045,604,760	\$ 12,860,498,091
Total Deferred Outflows of Resources	190,880	366,758	656,073	989,044	1,254,987
Total Liabilities	793,067,259	729,375,624	664,523,184	633,409,316	894,013,344
Total Deferred Inflows of Resources	1,377,375	1,529,717	1,854,673	549,924	524,015
Net Position Restricted for Pensions	12,777,504,238	11,819,152,205	11,005,734,310	10,412,634,564	11,967,215,719
Total Additions	1,758,238,982	1,577,305,649	1,331,560,923	(843,319,201)	3,257,849,157
Total Deductions	799,886,949	763,887,754	738,461,177	711,261,954	678,664,945