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GASB STATEMENT NO. 68 REPORT
FOR THE
TEACHERS RETIREMENT SYSTEM
OF THE COMMONWEALTH OF KENTUCKY
PREPARED AS OF JUNE 30, 2014





Cavanaugh Macdonald

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The experience and dedication you deserve

August 14, 2015

Board of Trustees
Teachers Retirement System of the
Commonwealth of Kentucky
479 Versailles Road
Frankfort, KY 40601-3800

Members of the Board:

Presented in this report is information to assist the Teachers Retirement System of the Commonwealth of Kentucky (KTRS) in meeting the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 68 and to identify the information to be provided by the actuary, Cavanaugh Macdonald Consulting (CMC). This report has been prepared as of June 30, 2014 (the Measurement Date).

GASB Statement Number 68 establishes accounting and financial reporting requirements for governmental employers that provide pension benefits to their employees through a trust.

The annual actuarial valuation used as a basis for much of the information presented in this report was performed as of June 30, 2013. The valuation was based upon data, furnished by the KTRS staff, for active, inactive and retired members along with pertinent financial information. While not verifying data at the source, the actuary performed tests for consistency and reasonableness.

The actuarial calculations were performed by qualified actuaries according to generally accepted actuarial principles and practices, as well as in conformity with Actuarial Standards of Practice issued by the Actuarial Standards Board. The calculations are based on the current provisions of the Plan, and on actuarial assumptions that are, internally consistent and individually reasonable based on the actual experience of the Plan. In addition, the calculations were completed in compliance with the laws governing the Plan and, in our opinion, meet the requirements of GASB 68. The undersigned are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

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Board of Trustees
August 14, 2015
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These results are only for financial reporting and may not be appropriate for funding purposes or other types of analysis. Calculations for purposes other than satisfying the requirements of GASB 67 and GASB 68 may produce significantly different results. Future actuarial results may differ significantly from the current results presented in this report due to such factors as changes in plan experience or changes in economic or demographic assumptions.

Sincerely yours,

A handwritten signature in blue ink, appearing to read 'Edward Macdonald', written in a cursive style.

Edward A. Macdonald, ASA, FCA, MAAA
President

A handwritten signature in blue ink, appearing to read 'Edward J. Koebel', written in a cursive style.

Edward J. Koebel, EA, FCA, MAAA
Principal and Consulting Actuary

EAM/EJK



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**REPORT OF THE ANNUAL GASB STATEMENT NO. 68
REQUIRED INFORMATION FOR THE
EMPLOYERS PARTICIPATING IN THE TEACHERS RETIREMENT SYSTEM OF THE
COMMONWEALTH OF KENTUCKY**

PREPARED AS OF JUNE 30, 2014

SECTION I – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), *Accounting and Financial Reporting For Pensions* in June 2012. GASB 68's effective date is for an employer's fiscal year beginning after June 15, 2014. The Teachers Retirement System of the Commonwealth of Kentucky (KTRS) is a cost-sharing multiple employer defined benefit pension plan.

This report, prepared as of June 30, 2014 (the Measurement Date), presents information to assist the employers participating in KTRS in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2015 (Reporting Date). Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of KTRS as of June 30, 2013. The results of that valuation were detailed in a report dated December 6, 2013.

GASB 68 replaces GASB 27, and represents a significant departure from the requirements of the prior statement. GASB 27 required employers providing benefits through pension plans to report items consistent with the results of the plan's actuarial valuations, as long as those valuations met certain parameters. GASB 68 creates disclosure and reporting requirements that may or may not be consistent with the basis used for funding the Plan.

Two major changes in GASB 68 are the requirements to include a proportionate share of a Net Pension Liability (NPL) and to recognize a proportionate share of a Pension Expense (PE) in the financial statements of each of the participating employers and non-employer contributing entities.

The NPL shown in the GASB Statement No. 67 Report for the Teachers Retirement System of the Commonwealth of Kentucky Prepared as of June 30, 2014 and submitted December 11, 2014 is the collective NPL used for purposes of GASB 68. Please refer to that report for the derivation of the collective NPL.

Pension Expense includes amounts for service cost (the normal cost under the Entry Age Normal actuarial cost method for the year), interest on the Total Pension Liability (TPL), changes in benefit structure, amortization of increases/decreases in liability due to actuarial experience and actuarial assumption changes, and amortization of investment gains/losses. The actuarial experience and assumption change impacts are amortized over the average expected remaining service life of the Plan membership as of the Measurement Date, and investment gains/losses are amortized over five years. The development of the collective PE is shown in Section IV.

The unamortized portions of each year's experience, assumption changes and investment gains/losses are used to develop deferred inflows and outflows, which also must be included in the employer's financial statements. The development of the collective deferred inflows and outflows is shown in Section IV.



These collective amounts have been allocated based on actual contributions made to KTRS during the measurement period to determine the proportionate share to each participating employer. In addition, KTRS receives contributions directly from the State of Kentucky for all participating employers. These employers are considered to be in a special funding situation as defined by GASB 68 and the State is treated as a non-employer contributing entity in KTRS. Schedule A of this report shows the total amount of employer contributions for the year ending June 30, 2014 from each participating employer, the amount of contributions from the State associated with each employer in special funding situation and the total amount of State contributions. Schedule A also shows the proportionate share percentages that have been determined based on these contributions.

Based on these percentages we have determined the proportionate share amounts of the NPL, PE and Deferred Inflows and Outflows for each participating employer. These amounts are shown in Schedule B. The proportionate share amounts of each of these items associated with each employer in a special funding situation, and the total proportionate share amounts of each item for the State are also provided.

Section II of this report is a summary of the principal results of the collective amounts under GASB 68. Section III provides the results of all the necessary calculations, presented in the order laid out in GASB 68 for note disclosure and Required Supplementary Information (RSI).



SECTION II - SUMMARY OF COLLECTIVE AMOUNTS
(\$ IN THOUSANDS)

	2014
Valuation Date:	June 30, 2013
Prior Measurement Date:	June 30, 2013
Measurement Date:	June 30, 2014
Reporting Date:	June 30, 2015
Membership Data:	
Retirees and Survivors	47,406
Terminated Vested Employees	7,194
Inactive Nonvested Members	22,848
Active Members	<u>74,831</u>
Total Membership	152,279
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.50%
Municipal Bond Index Rate at Prior Measurement Date	4.27%
Municipal Bond Index Rate at Measurement Date	4.35%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	2036
Single Equivalent Interest Rate at Prior Measurement Date	5.16%
Single Equivalent Interest Rate at Measurement Date	5.23%
Net Pension Liability:	
Total Pension Liability (TPL)	\$ 39,684,776
Fiduciary Net Position (FNP)	<u>18,092,571</u>
Net Pension Liability (NPL = TPL – FNP)	\$ 21,592,205
FNP as a percentage of TPL	45.59%
Pension Expense (PE):	\$1,058,061
Deferred Outflows of Resources:	\$0
Deferred Inflows of Resources:	\$1,593,982



SECTION III – NOTES TO THE FINANCIAL STATEMENTS

The material presented herein will follow the order presented in GASB 68. Paragraph numbers are provided for ease of reference. Amounts are shown in aggregate. Please refer to Schedule B of this report for the proportionate share of certain pension amounts as required by GASB 68.

Paragraphs 77 and 78(a)-(e): These paragraphs require information to be disclosed regarding the actuarial assumptions used to measure the TPL. The complete set of actuarial assumptions utilized in developing the TPL are outlined in Schedule C. The TPL was determined by an actuarial valuation as of June 30, 2013, using the following key actuarial assumptions:

Inflation	3.50 percent
Salary increases, including inflation	4.00 – 8.20 percent
Long-Term Investment Rate of Return, net of pension plan investment expense, including inflation	7.50 percent
Municipal Bond Index Rate	
Prior Measurement Date	4.27 percent
Measurement Date	4.35 percent
Year FNP is projected to be depleted	2036
Single Equivalent Interest Rate, net of pension plan investment expense, including inflation	
Prior Measurement Date	5.16 percent
Measurement Date	5.23 percent
Post-Retirement Benefit Increases	1.50% annually

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on a projection of Scale AA to 2020 with a set back of 1 year for females.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2005 – June 30, 2010 adopted by the Board on December 19, 2011.

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



The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as provided by KTRS's investment consultant, are summarized in the following table

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	45.0%	6.4%
Non U.S. Equity	17.0%	6.5%
Fixed Income	24.0%	1.6%
High Yield Bonds	4.0%	3.1%
Real Estate	4.0%	5.8%
Alternatives	4.0%	6.8%
Cash	2.0%	1.5%
Total	100.00%	

Discount rate. The discount rate used to measure the TPL as of the Measurement Date was 5.23%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 67. We assumed that Plan member contributions will be made at the current contribution rates and that Employer contributions will be made at statutorily required rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members until the 2036 plan year and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. On the Prior Measurement Date, the long-term expected rate of return of 7.50% on Plan investments was applied to periods before 2036 and the Municipal Bond Index Rate of 4.27% was applied to periods on or after 2036, resulting in an SEIR of 5.16%. There was a change in the Municipal Bond Index Rate from the Prior Measurement Date to the Measurement Date, so as required under GASB 68, the SEIR at the Measurement Date of 5.23% was calculated using the Municipal Bond Index Rate as of the Measurement Date (4.35%). This change in the discount rate is considered a change in actuarial assumptions under GASB 68.

Paragraph 78 (g): This paragraph requires disclosure of the sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the System, calculated using the discount rate of 5.23 percent, as well as what the System's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.23 percent) or 1-percentage-point higher (6.23 percent) than the current rate (\$ thousands):

	1% Decrease (4.23%)	Current Discount Rate (5.23%)	1% Increase (6.23%)
System's net pension liability	\$27,122,688	\$21,592,205	\$17,028,040



Paragraph 80(a): This paragraph requires disclosure of the employer's proportionate share of the collective NPL and if an employer has a special funding situation the portion of the non-employer contributing entities' proportional share of the collective NPL that is associated with the employer. These amounts are shown in Schedule B.

Paragraph 80(b): This paragraph requires disclosure of the employer's proportion (percentage) of the collective NPL and the changes in proportion since the prior measurement date. These amounts are shown for all entities in Schedule A.

Paragraph 80(c): June 30, 2013 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2014 using standard roll forward techniques. The procedure used to determine the TPL as of June 30, 2014 is shown on page 6 of the GASB 67 report for KTRS submitted on December 11, 2014.

Paragraph 80(g): Please see Section IV of this report for the development of the collective pension expense. The PE for each employer is shown in Schedule B.

Paragraph 80(h): Since certain expense items are amortized over closed periods each year, the deferred portions of these items must be tracked annually. If the amounts serve to reduce pension expense they are labeled deferred inflows. If they will increase pension expense they are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive Plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five year period.



The table below provides a summary of the collective deferred inflows and outflows as of the Measurement Date. The allocation of the collective deferred inflows and outflows is provided in Schedule B.

	Collective Deferred Outflows of Resources (\$ thousands)	Collective Deferred Inflows of Resources (\$ thousands)
Differences between expected and actual experience	\$0	\$0
Changes of actuarial assumptions or other inputs	0	292,174
Net difference between projected and actual earnings on plan investments	<u>0</u>	<u>1,301,808</u>
Total	<u>\$0</u>	<u>\$1,593,982</u>

Paragraph 80(i): Collective amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Amounts to be Recognized in Fiscal Years Following the Reporting Date:	
Year 1	\$386,321
Year 2	386,321
Year 3	386,321
Year 4	386,321
Year 5	48,698
Thereafter	<u>0</u>

Paragraph 80(j): The amount of revenue recognized for the support provided by non-employer contributing entities for the participating employers is provided in Schedule B.

Paragraphs 81(a)-(b): CMC was not required to supply this information.



SECTION IV – PENSION EXPENSE

As noted earlier, the collective Pension Expense (PE) consists of a number of different items. GASB 68 refers to the first as Service Cost which is the Normal Cost using the Entry Age Normal actuarial funding method. The second item is interest on the beginning Total Pension Liability (TPL) and the cash flow during the year at the 7.50% rate of return in effect as of the previous measurement date.

The next three items refer to any changes that occurred in the TPL due to:

- benefit changes, or
- actual versus expected experience, or
- changes in actuarial assumptions.

Benefit changes, which are reflected immediately in PE, can be positive, if there is a benefit improvement for existing Plan members, or negative if there is a benefit reduction. For the year ended June 30, 2014, there were no benefit changes to be recognized.

The next item to be recognized is the portion of current year changes in TPL due to actual versus expected Plan experience for the year. The portion to recognize in the current year is determined by spreading the total change over the average expected remaining service life of the entire Plan membership determined at the beginning of the year. The average expected remaining service life of active members is the average number of years the active members are expected to remain active. For the year ended June 30, 2014, the average expected remaining service life for the active members is 11.7 years. The average expected remaining service life of the inactive members is, of course, zero. Therefore, the number of years to use for the amortization is the weighted average for all active and inactive members, or 5.8 years. Since this is the first year of implementation of GASB 68 and roll-forward procedures were used to determine the TPL at the measurement date, there were no changes due to actual versus expected experience to be recognized for the year.

The last item under changes in TPL are changes in actuarial assumptions. There was a change in assumptions since the last measurement date due to the change in the Municipal Bond Index Rate. Changes in actuarial assumptions are recognized over the average expected remaining service life of the plan membership.

Member contributions for the year and projected earnings on the Fiduciary Net Position (FNP), again at the discount rate used to calculate the liabilities, are subtracted from the amount determined thus far. One-fifth of current period differences between projected and actual investment earnings on the FNP are recognized in the pension expense. The amount to be recognized due to investment experience for the year is \$325,452,000.

The current year portions of previously determined experience, assumption and earnings amounts, recognized as deferred outflows and inflows (see Section V) are included also. Deferred outflows are added to the PE while deferred inflows are subtracted from the PE. Since this is the first year of implementation of GASB 68, there were no deferred inflows or outflows at the beginning of the year. Finally, administrative expenses and other miscellaneous items are included.



The calculation of the Collective Pension Expense determined as of the measurement date is shown in the following table:

Collective Pension Expense Determined as of the Measurement Date (\$ thousands)	
Service Cost at end of year	\$1,002,338
Interest on the TPL and net cash flow	1,956,610
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	0
Expensed portion of current-period changes of assumptions	(60,869)
Member contributions	(304,982)
Projected earnings on plan investments	(1,175,989)
Expensed portion of current-period differences between projected and actual earnings on plan investments	(325,452)
Administrative expense	7,956
Other	(41,551)
Recognition of beginning deferred outflows of resources as pension expense	0
Recognition of beginning deferred inflows of resources as pension expense	<u>0</u>
Collective Pension Expense	<u>\$1,058,061</u>



SECTION V – REQUIRED SUPPLEMENTAL INFORMATION

Paragraphs 82:

Changes of benefit terms. None

Changes of assumptions. In the 2011 valuation and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2011. In the 2011 valuation, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In the 2011 valuation, the Board adopted an interest smoothing methodology to calculate liabilities for purposes of determining the actuarially determined contributions.



SCHEDULE A

**Teachers Retirement System of the Commonwealth of Kentucky
Schedule of Employer Allocations as of June 30, 2014**

Code	University Employers	<u>Contributions</u>			<u>Allocation Percentage</u>		
		Employer	State	Total	Employer	State	Total
263	Eastern Kentucky University	\$8,529,378	\$967,817	\$9,497,195	22.7300%	2.5791%	25.3091%
266	Kentucky State University	2,338,266	265,320	2,603,586	6.2313%	0.7071%	6.9384%
269	Morehead State University	4,770,111	541,258	5,311,369	12.7119%	1.4424%	14.1543%
270	Murray State University	5,519,075	626,242	6,145,317	14.7078%	1.6689%	16.3767%
273	Western Kentucky University	9,717,683	1,102,652	10,820,335	25.8966%	2.9385%	28.8351%
500	KCTCS Central Office - University	<u>2,826,282</u>	<u>320,694</u>	<u>3,146,976</u>	<u>7.5318%</u>	<u>0.8546%</u>	<u>8.3864%</u>
	Total University Contributions	<u>\$33,700,795</u>	<u>\$3,823,983</u>	<u>\$37,524,778</u>	<u>89.8094%</u>	<u>10.1906%</u>	<u>100.0000%</u>



SCHEDULE A (continued)

Code	Non-University Employers - Other	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
400	KCTCS Central Office	\$3,077,360	\$643,422	\$3,720,782	0.6355%	0.1329%	0.7684%
801	KY High School Athletic Association	79,845	16,694	96,539	0.0165%	0.0034%	0.0199%
805	KY School Boards Association	192,035	40,151	232,186	0.0397%	0.0083%	0.0480%
806	KY Education Association	23,613	4,937	28,550	0.0049%	0.0010%	0.0059%
807	KY Academic Association	15,122	3,162	18,284	0.0031%	0.0007%	0.0038%
809	Jefferson County Teachers' Association	<u>6,622</u>	<u>1,385</u>	<u>8,007</u>	<u>0.0014%</u>	<u>0.0003%</u>	<u>0.0017%</u>
	Total – Other Employers Contributions	<u>\$3,394,597</u>	<u>\$709,751</u>	<u>\$4,104,348</u>	<u>0.7011%</u>	<u>0.1466%</u>	<u>0.8477%</u>

Code	Non-University Employers - State Agencies	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
301	Technical Education District - Madisonville	\$466,462	\$97,529	\$563,991	0.0963%	0.0201%	0.1164%
302	Technical Education District - Bowling Green	601,568	125,777	727,345	0.1242%	0.0260%	0.1502%
303	Technical Education District - Elizabethtown	501,386	104,831	606,217	0.1035%	0.0216%	0.1251%
304	Technical Education District - Frankfort	776,530	162,359	938,889	0.1604%	0.0335%	0.1939%
305	Technical Education District - Hazard	708,935	148,226	857,161	0.1464%	0.0306%	0.1770%
308	Adult Council on Post Secondary Education	78,143	16,338	94,481	0.0161%	0.0034%	0.0195%
316	Office of Career and Technical Education	12,025	2,514	14,539	0.0025%	0.0005%	0.0030%
317	Office of Secretary of Workforce Investment	17,077	3,570	20,647	0.0035%	0.0007%	0.0042%
318	Department for Vocational Rehabilitation	1,231,941	257,577	1,489,518	0.2544%	0.0532%	0.3076%
320	School for the Blind	370,159	77,394	447,553	0.0764%	0.0160%	0.0924%
330	School for the Deaf	516,135	107,915	624,050	0.1066%	0.0223%	0.1289%
345	Department of Education	1,805,266	377,449	2,182,715	0.3728%	0.0779%	0.4507%
728	Department of Corrections	10,639	2,224	12,863	0.0022%	0.0005%	0.0027%
896	Education Professional Standards Board	<u>132,519</u>	<u>27,707</u>	<u>160,226</u>	<u>0.0274%</u>	<u>0.0057%</u>	<u>0.0331%</u>
	Total – State Agencies Contributions	<u>\$7,228,785</u>	<u>\$1,511,410</u>	<u>\$8,740,195</u>	<u>1.4927%</u>	<u>0.3120%</u>	<u>1.8047%</u>



SCHEDULE A (continued)

Code	Non-University Employers - Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
1	Adair County Schools	\$ -	\$1,673,820	\$1,673,820	0.0000%	0.3457%	0.3457%
2	Allen County Schools	-	1,824,544	1,824,544	0.0000%	0.3768%	0.3768%
3	Anderson County Schools	-	2,271,565	2,271,565	0.0000%	0.4691%	0.4691%
4	Ballard County Schools	-	873,829	873,829	0.0000%	0.1804%	0.1804%
5	Barren County Schools	-	3,107,717	3,107,717	0.0000%	0.6418%	0.6418%
6	Bath County Schools	-	1,303,439	1,303,439	0.0000%	0.2692%	0.2692%
7	Bell County Schools	-	1,885,680	1,885,680	0.0000%	0.3894%	0.3894%
8	Boone County Schools	-	13,066,425	13,066,425	0.0000%	2.6983%	2.6983%
9	Bourbon County Schools	-	1,869,405	1,869,405	0.0000%	0.3860%	0.3860%
10	Boyd County Schools	-	2,258,288	2,258,288	0.0000%	0.4663%	0.4663%
11	Boyle County Schools	-	1,798,351	1,798,351	0.0000%	0.3714%	0.3714%
12	Bracken County Schools	-	751,033	751,033	0.0000%	0.1551%	0.1551%
13	Breathitt County Schools	-	1,491,201	1,491,201	0.0000%	0.3079%	0.3079%
14	Breckinridge County Schools	-	1,843,843	1,843,843	0.0000%	0.3808%	0.3808%
15	Bullitt County Schools	-	8,109,886	8,109,886	0.0000%	1.6747%	1.6747%
16	Butler County Schools	-	1,312,947	1,312,947	0.0000%	0.2711%	0.2711%
17	Caldwell County Schools	-	1,160,477	1,160,477	0.0000%	0.2396%	0.2396%
18	Calloway County Schools	-	2,142,054	2,142,054	0.0000%	0.4423%	0.4423%
19	Campbell County Schools	-	3,034,926	3,034,926	0.0000%	0.6267%	0.6267%
20	Carlisle County Schools	-	555,757	555,757	0.0000%	0.1148%	0.1148%
21	Carroll County Schools	-	1,429,448	1,429,448	0.0000%	0.2952%	0.2952%
22	Carter County Schools	-	2,919,581	2,919,581	0.0000%	0.6029%	0.6029%
23	Casey County Schools	-	1,468,735	1,468,735	0.0000%	0.3033%	0.3033%
24	Christian County Schools	-	5,794,561	5,794,561	0.0000%	1.1966%	1.1966%
25	Clark County Schools	-	3,498,656	3,498,656	0.0000%	0.7225%	0.7225%
26	Clay County Schools	-	2,517,294	2,517,294	0.0000%	0.5198%	0.5198%
27	Clinton County Schools	-	1,149,381	1,149,381	0.0000%	0.2374%	0.2374%
28	Crittenden County Schools	-	790,864	790,864	0.0000%	0.1633%	0.1633%
29	Cumberland County Schools	-	729,369	729,369	0.0000%	0.1506%	0.1506%
30	Daviess County Schools	-	7,504,722	7,504,722	0.0000%	1.5498%	1.5498%
31	Edmonson County Schools	-	1,224,882	1,224,882	0.0000%	0.2529%	0.2529%
32	Elliott County Schools	-	716,938	716,938	0.0000%	0.1481%	0.1481%
33	Estill County Schools	-	1,671,871	1,671,871	0.0000%	0.3452%	0.3452%
34	Fayette County Schools	-	33,899,399	33,899,399	0.0000%	7.0004%	7.0004%
35	Fleming County Schools	-	1,484,787	1,484,787	0.0000%	0.3066%	0.3066%
36	Floyd County Schools	-	4,080,473	4,080,473	0.0000%	0.8426%	0.8426%
37	Franklin County Schools	-	3,797,598	3,797,598	0.0000%	0.7842%	0.7842%



SCHEDULE A (continued)

Code	Non-University Employers - Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
38	Fulton County Schools	-	401,788	401,788	0.0000%	0.0830%	0.0830%
39	Gallatin County Schools	-	1,055,308	1,055,308	0.0000%	0.2179%	0.2179%
40	Garrard County Schools	-	1,627,196	1,627,196	0.0000%	0.3360%	0.3360%
41	Grant County Schools	-	2,257,153	2,257,153	0.0000%	0.4661%	0.4661%
42	Graves County Schools	-	2,714,315	2,714,315	0.0000%	0.5605%	0.5605%
43	Grayson County Schools	-	2,649,201	2,649,201	0.0000%	0.5471%	0.5471%
44	Green County Schools	-	1,159,144	1,159,144	0.0000%	0.2394%	0.2394%
45	Greenup County Schools	-	1,760,415	1,760,415	0.0000%	0.3635%	0.3635%
46	Hancock County Schools	-	1,118,328	1,118,328	0.0000%	0.2309%	0.2309%
47	Hardin County Schools	-	9,502,890	9,502,890	0.0000%	1.9624%	1.9624%
48	Harlan County Schools	-	2,533,939	2,533,939	0.0000%	0.5233%	0.5233%
49	Harrison County Schools	-	1,830,889	1,830,889	0.0000%	0.3781%	0.3781%
50	Hart County Schools	-	1,771,344	1,771,344	0.0000%	0.3658%	0.3658%
51	Henderson County Schools	-	5,245,511	5,245,511	0.0000%	1.0832%	1.0832%
52	Henry County Schools	-	1,387,645	1,387,645	0.0000%	0.2866%	0.2866%
53	Hickman County Schools	-	559,015	559,015	0.0000%	0.1154%	0.1154%
54	Hopkins County Schools	-	4,514,075	4,514,075	0.0000%	0.9322%	0.9322%
55	Jackson County Schools	-	1,544,963	1,544,963	0.0000%	0.3190%	0.3190%
56	Jefferson County Schools	-	86,611,458	86,611,458	0.0000%	17.8857%	17.8857%
57	Jessamine County Schools	-	5,057,486	5,057,486	0.0000%	1.0444%	1.0444%
58	Johnson County Schools	-	2,565,564	2,565,564	0.0000%	0.5298%	0.5298%
59	Kenton County Schools	-	9,475,940	9,475,940	0.0000%	1.9568%	1.9568%
60	Knott Counts Schools	-	1,728,062	1,728,062	0.0000%	0.3569%	0.3569%
61	Knox County Schools	-	3,188,146	3,188,146	0.0000%	0.6584%	0.6584%
62	Larue County Schools	-	1,607,858	1,607,858	0.0000%	0.3320%	0.3320%
63	Laurel County Schools	-	5,595,663	5,595,663	0.0000%	1.1555%	1.1555%
64	Lawrence County Schools	-	1,618,491	1,618,491	0.0000%	0.3342%	0.3342%
65	Lee County Schools	-	661,419	661,419	0.0000%	0.1366%	0.1366%
66	Leslie County Schools	-	1,340,604	1,340,604	0.0000%	0.2768%	0.2768%
67	Letcher County Schools	-	2,151,685	2,151,685	0.0000%	0.4443%	0.4443%
68	Lewis County Schools	-	1,515,902	1,515,902	0.0000%	0.3130%	0.3130%
69	Lincoln County Schools	-	2,535,623	2,535,623	0.0000%	0.5236%	0.5236%
70	Livingston County Schools	-	881,707	881,707	0.0000%	0.1821%	0.1821%
71	Logan County Schools	-	2,249,227	2,249,227	0.0000%	0.4645%	0.4645%
72	Lyon County Schools	-	562,630	562,630	0.0000%	0.1162%	0.1162%
73	Madison County Schools	-	6,642,517	6,642,517	0.0000%	1.3717%	1.3717%
74	Magoffin County Schools	-	1,573,224	1,573,224	0.0000%	0.3249%	0.3249%
75	Marion County Schools	-	2,135,267	2,135,267	0.0000%	0.4409%	0.4409%



SCHEDULE A (continued)

Code	Non-University Employers - Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
76	Marshall County Schools	-	3,058,113	3,058,113	0.0000%	0.6315%	0.6315%
77	Martin County Schools	-	1,370,634	1,370,634	0.0000%	0.2830%	0.2830%
78	Mason County Schools	-	1,908,790	1,908,790	0.0000%	0.3942%	0.3942%
79	McCracken County Schools	-	4,239,759	4,239,759	0.0000%	0.8755%	0.8755%
80	McCreary County Schools	-	2,014,137	2,014,137	0.0000%	0.4159%	0.4159%
81	McLean County Schools	-	1,056,247	1,056,247	0.0000%	0.2181%	0.2181%
82	Meade County Schools	-	2,955,499	2,955,499	0.0000%	0.6103%	0.6103%
83	Menifee County Schools	-	709,930	709,930	0.0000%	0.1466%	0.1466%
84	Mercer County Schools	-	1,987,627	1,987,627	0.0000%	0.4105%	0.4105%
85	Metcalf County Schools	-	1,133,207	1,133,207	0.0000%	0.2340%	0.2340%
86	Monroe County Schools	-	1,335,562	1,335,562	0.0000%	0.2758%	0.2758%
87	Montgomery County Schools	-	3,123,085	3,123,085	0.0000%	0.6449%	0.6449%
88	Morgan County Schools	-	1,242,173	1,242,173	0.0000%	0.2565%	0.2565%
89	Muhlenberg County Schools	-	4,013,994	4,013,994	0.0000%	0.8289%	0.8289%
90	Nelson County Schools	-	2,898,331	2,898,331	0.0000%	0.5985%	0.5985%
91	Nicholas County Schools	-	679,881	679,881	0.0000%	0.1404%	0.1404%
92	Ohio County Schools	-	2,445,603	2,445,603	0.0000%	0.5050%	0.5050%
93	Oldham County Schools	-	7,706,732	7,706,732	0.0000%	1.5915%	1.5915%
94	Owen County Schools	-	1,088,675	1,088,675	0.0000%	0.2248%	0.2248%
95	Owsley County Schools	-	554,375	554,375	0.0000%	0.1145%	0.1145%
96	Pendleton County Schools	-	1,546,461	1,546,461	0.0000%	0.3194%	0.3194%
97	Perry County Schools	-	2,741,341	2,741,341	0.0000%	0.5661%	0.5661%
98	Pike County Schools	-	6,138,176	6,138,176	0.0000%	1.2676%	1.2676%
99	Powell County Schools	-	1,541,642	1,541,642	0.0000%	0.3184%	0.3184%
100	Pulaski County Schools	-	4,912,766	4,912,766	0.0000%	1.0145%	1.0145%
101	Robertson County Schools	-	245,525	245,525	0.0000%	0.0507%	0.0507%
102	Rockcastle County Schools	-	1,906,615	1,906,615	0.0000%	0.3937%	0.3937%
103	Rowan County Schools	-	1,926,901	1,926,901	0.0000%	0.3979%	0.3979%
104	Russell County Schools	-	1,941,325	1,941,325	0.0000%	0.4009%	0.4009%
105	Scott County Schools	-	5,304,543	5,304,543	0.0000%	1.0954%	1.0954%
106	Shelby County Schools	-	4,913,094	4,913,094	0.0000%	1.0146%	1.0146%
107	Simpson County Schools	-	1,857,802	1,857,802	0.0000%	0.3836%	0.3836%
108	Spencer County Schools	-	1,666,114	1,666,114	0.0000%	0.3441%	0.3441%
109	Taylor County Schools	-	1,667,575	1,667,575	0.0000%	0.3444%	0.3444%
110	Todd County Schools	-	1,249,329	1,249,329	0.0000%	0.2580%	0.2580%
111	Trigg County Schools	-	1,414,068	1,414,068	0.0000%	0.2920%	0.2920%
112	Trimble County Schools	-	896,545	896,545	0.0000%	0.1851%	0.1851%
113	Union County Schools	-	1,539,806	1,539,806	0.0000%	0.3180%	0.3180%



SCHEDULE A (continued)

Code	Non-University Employers - Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
114	Warren County Schools	-	8,126,457	8,126,457	0.0000%	1.6782%	1.6782%
115	Washington County Schools	-	1,091,944	1,091,944	0.0000%	0.2255%	0.2255%
116	Wayne County Schools	-	2,100,075	2,100,075	0.0000%	0.4337%	0.4337%
117	Webster County Schools	-	1,327,195	1,327,195	0.0000%	0.2741%	0.2741%
118	Whitley County Schools	-	3,081,264	3,081,264	0.0000%	0.6363%	0.6363%
119	Wolfe County Schools	-	927,007	927,007	0.0000%	0.1914%	0.1914%
120	Woodford County Schools	-	2,463,606	2,463,606	0.0000%	0.5087%	0.5087%
122	Anchorage City Schools	-	535,076	535,076	0.0000%	0.1105%	0.1105%
124	Ashland City Schools	-	2,012,106	2,012,106	0.0000%	0.4155%	0.4155%
125	Augusta City Schools	-	207,918	207,918	0.0000%	0.0429%	0.0429%
126	Barbourville City Schools	-	435,694	435,694	0.0000%	0.0900%	0.0900%
127	Bardstown City Schools	-	1,898,313	1,898,313	0.0000%	0.3920%	0.3920%
128	Beechwood Independent Schools	-	823,639	823,639	0.0000%	0.1701%	0.1701%
129	Bellevue City Schools	-	571,861	571,861	0.0000%	0.1181%	0.1181%
131	Berea City Schools	-	789,289	789,289	0.0000%	0.1630%	0.1630%
134	Bowling Green City Schools	-	2,673,254	2,673,254	0.0000%	0.5520%	0.5520%
136	Burgin City Schools	-	304,711	304,711	0.0000%	0.0629%	0.0629%
140	Campbellsville City Schools	-	878,585	878,585	0.0000%	0.1814%	0.1814%
144	Caverna City Schools	-	583,291	583,291	0.0000%	0.1205%	0.1205%
147	Cloverport City Schools	-	265,485	265,485	0.0000%	0.0548%	0.0548%
150	Corbin City Schools	-	1,722,468	1,722,468	0.0000%	0.3557%	0.3557%
151	Covington City Schools	-	3,337,112	3,337,112	0.0000%	0.6891%	0.6891%
154	Danville City Schools	-	1,532,926	1,532,926	0.0000%	0.3166%	0.3166%
155	Dawson Springs City Schools	-	427,576	427,576	0.0000%	0.0883%	0.0883%
156	Dayton City Schools	-	701,065	701,065	0.0000%	0.1448%	0.1448%
158	East Bernstadt City Schools	-	319,858	319,858	0.0000%	0.0661%	0.0661%
160	Elizabethtown City Schools	-	1,604,835	1,604,835	0.0000%	0.3314%	0.3314%
161	Eminence Independent Schools	-	404,232	404,232	0.0000%	0.0835%	0.0835%
162	Erlanger-Elsmere City Schools	-	1,618,645	1,618,645	0.0000%	0.3343%	0.3343%
163	Fairview Independent Schools	-	522,574	522,574	0.0000%	0.1079%	0.1079%
166	Fort Thomas Independent Schools	-	2,017,973	2,017,973	0.0000%	0.4168%	0.4168%
167	Frankfort City Schools	-	653,752	653,752	0.0000%	0.1350%	0.1350%
170	Fulton City Schools	-	329,381	329,381	0.0000%	0.0680%	0.0680%
173	Glasgow City Schools	-	1,475,178	1,475,178	0.0000%	0.3046%	0.3046%
180	Harlan City Schools	-	467,007	467,007	0.0000%	0.0964%	0.0964%
182	Hazard Independent Schools	-	669,790	669,790	0.0000%	0.1383%	0.1383%
190	Jackson City Schools	-	223,709	223,709	0.0000%	0.0462%	0.0462%
191	Jenkins City Schools	-	365,991	365,991	0.0000%	0.0756%	0.0756%



SCHEDULE A (continued)

Code	Non-University Employers - Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
206	Ludlow City Schools	-	610,791	610,791	0.0000%	0.1261%	0.1261%
210	Mayfield City Schools	-	1,125,803	1,125,803	0.0000%	0.2325%	0.2325%
214	Middlesboro City Schools	-	894,348	894,348	0.0000%	0.1847%	0.1847%
221	Murray City Schools	-	1,044,007	1,044,007	0.0000%	0.2156%	0.2156%
222	Newport City Schools	-	1,490,376	1,490,376	0.0000%	0.3078%	0.3078%
224	Owensboro City Schools	-	3,447,622	3,447,622	0.0000%	0.7120%	0.7120%
226	Paducah City Schools	-	2,111,801	2,111,801	0.0000%	0.4361%	0.4361%
227	Paintsville City Schools	-	658,170	658,170	0.0000%	0.1359%	0.1359%
228	Paris City Schools	-	484,535	484,535	0.0000%	0.1001%	0.1001%
230	Pikeville City Schools	-	948,675	948,675	0.0000%	0.1959%	0.1959%
231	Pineville City Schools	-	380,098	380,098	0.0000%	0.0785%	0.0785%
235	Raceland City Schools	-	681,131	681,131	0.0000%	0.1407%	0.1407%
238	Russell City Schools	-	1,435,078	1,435,078	0.0000%	0.2965%	0.2965%
239	Russellville City Schools	-	739,400	739,400	0.0000%	0.1527%	0.1527%
240	Science Hill City Schools	-	298,071	298,071	0.0000%	0.0616%	0.0616%
245	Silver Grove City Schools	-	206,492	206,492	0.0000%	0.0426%	0.0426%
246	Somerset City Schools	-	1,066,599	1,066,599	0.0000%	0.2203%	0.2203%
247	Southgate City Schools	-	175,196	175,196	0.0000%	0.0362%	0.0362%
258	Walton-Verona Independent Schools	-	1,066,251	1,066,251	0.0000%	0.2202%	0.2202%
259	West Point City Schools	-	113,549	113,549	0.0000%	0.0234%	0.0234%
260	Williamsburg City Schools	-	539,846	539,846	0.0000%	0.1115%	0.1115%
261	Williamstown City Schools	-	560,994	560,994	0.0000%	0.1158%	0.1158%
870	Ohio Valley Educational Cooperative	-	649,787	649,787	0.0000%	0.1342%	0.1342%
871	West Kentucky Educational Cooperative	-	259,056	259,056	0.0000%	0.0535%	0.0535%
872	Southeast South-Central Educational Cooperative	-	84,338	84,338	0.0000%	0.0174%	0.0174%
890	Green River Regional Educational Cooperative	-	476,910	476,910	0.0000%	0.0985%	0.0985%
891	Central KY Special Education Cooperative	-	141,383	141,383	0.0000%	0.0292%	0.0292%
892	KY Valley Educational Cooperative	-	224,089	224,089	0.0000%	0.0463%	0.0463%
894	KY Educational Development Corporation	-	447,264	447,264	0.0000%	0.0924%	0.0924%
895	Northern KY Cooperative for Educational Services	-	<u>275,765</u>	<u>275,765</u>	<u>0.0000%</u>	<u>0.0569%</u>	<u>0.0569%</u>
	Total – Local School Districts Contributions	-	<u>\$471,405,587</u>	<u>\$471,405,587</u>	<u>0.0000%</u>	<u>97.3476%</u>	<u>97.3476%</u>
	Total Non-University Contributions	<u>\$10,623,382</u>	<u>\$473,626,748</u>	<u>\$484,250,130</u>	<u>2.1938%</u>	<u>97.8062%</u>	<u>100.0000%</u>



SCHEDULE B

**Teachers Retirement System of the Commonwealth of Kentucky
Schedules of Pension Amounts by Employer
As of and for the fiscal year ended June 30, 2014**

Code	University Employers	June 30, 2013	June 30, 2014		Total Deferred Outflows of Resources	Deferred Inflows of Resources			Employer Pension Expense	Revenue State Support	Total Pension Expense	
		Employer's Proportionate Share of Net Pension Liability	Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability		Total Net Pension Liability	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Change of Assumptions				Total Deferred Inflows of Resources
263	Eastern Kentucky University	\$251,469,244	\$237,056,212	\$26,898,447	\$263,954,659	\$ -	\$14,292,009	\$3,207,657	\$17,499,666	\$11,616,012	\$1,318,053	\$12,934,065
266	Kentucky State University	68,938,440	64,987,214	7,374,016	72,361,230	-	3,918,049	879,356	4,797,405	3,184,444	361,335	3,545,779
269	Morehead State University	140,635,842	132,575,258	15,043,138	147,618,396	-	7,992,901	1,793,903	9,786,804	6,496,331	737,130	7,233,461
270	Murray State University	162,717,330	153,391,140	17,405,086	170,796,226	-	9,247,881	2,075,567	11,323,448	7,516,333	852,868	8,369,201
273	Western Kentucky University	286,503,706	270,082,664	30,645,908	300,728,572	-	16,283,159	3,654,545	19,937,704	13,234,344	1,501,683	14,736,027
500	KCTCS Central Office - University	83,326,471	<u>78,550,590</u>	<u>8,913,015</u>	<u>87,463,605</u>	-	<u>4,735,779</u>	<u>1,062,884</u>	<u>5,798,663</u>	<u>3,849,065</u>	<u>436,747</u>	<u>4,285,812</u>
	Total University	<u>\$993,591,033</u>	<u>\$936,643,078</u>	<u>\$106,279,610</u>	<u>\$1,042,922,688</u>	<u>\$ -</u>	<u>\$56,469,778</u>	<u>\$12,673,912</u>	<u>\$69,143,690</u>	<u>\$45,896,529</u>	<u>\$5,207,816</u>	<u>\$51,104,345</u>



SCHEDULE B (continued)

Code	Non-University Employers - Other	June 30, 2013	June 30, 2014		Total Net Pension Liability	Total Deferred Outflows of Resources	Deferred Inflows of Resources			Employer Pension Expense	Revenue State Support	Total Pension Expense
		Employer's Proportionate Share of Net Pension Liability	Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability			Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumptions	Total Deferred Inflows of Resources			
400	KCTCS CENTRAL OFFICE	\$136,907,223	\$130,588,634	\$27,303,831	\$157,892,465	\$ -	\$7,873,281	\$1,767,056	\$9,640,337	\$6,399,109	\$1,337,943	\$7,737,052
801	KY High School Athletic Association	3,552,104	3,388,166	708,334	4,096,500	-	204,275	45,847	250,122	166,037	34,710	200,747
805	KY School Boards Association	8,543,317	8,149,023	1,703,741	9,852,764	-	491,310	110,268	601,578	399,329	83,487	482,816
806	KY Education Association	1,050,464	1,001,983	209,603	1,211,586	-	60,410	13,558	73,968	49,099	10,271	59,370
807	KY Academic Association	672,806	641,754	134,187	775,941	-	38,692	8,684	47,376	31,448	6,575	38,023
809	Jefferson County Teachers' Association	294,501	280,909	58,771	339,680	-	16,936	3,801	20,737	13,765	2,880	16,645
Total - Other Employers		\$151,020,415	\$144,050,469	\$30,118,467	\$174,168,936	\$ -	\$8,684,904	\$1,949,214	\$10,634,118	\$7,058,787	\$1,475,866	\$8,534,653

Code	Non-University Employers - State Agencies	June 30, 2013	June 30, 2014		Total Net Pension Liability	Total Deferred Outflows of Resources	Deferred Inflows of Resources			Employer Pension Expense	Revenue State Support	Total Pension Expense
		Employer's Proportionate Share of Net Pension Liability	Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability			Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumptions	Total Deferred Inflows of Resources			
301	Technical Education District - Madisonville	\$20,752,273	\$19,794,507	\$4,138,625	\$23,933,132	\$ -	\$1,193,425	\$267,849	\$1,461,274	\$969,971	\$202,801	\$1,172,772
302	Technical Education District - Bowling Green	26,762,929	25,527,757	5,337,471	30,865,228	-	1,539,086	345,428	1,884,514	1,250,902	261,547	1,512,449
303	Technical Education District - Elizabethtown	22,305,995	21,276,521	4,448,509	25,725,030	-	1,282,776	287,903	1,570,679	1,042,593	217,986	1,260,579
304	Technical Education District - Frankfort	34,546,620	32,952,213	6,889,763	39,841,976	-	1,986,712	445,892	2,432,604	1,614,726	337,612	1,952,338
305	Technical Education District - Hazard	31,539,569	30,083,944	6,289,930	36,373,874	-	1,813,782	407,080	2,220,862	1,474,175	308,219	1,782,394
308	Adult Council on Post Secondary Education	3,476,486	3,316,038	693,333	4,009,371	-	199,926	44,871	244,797	162,492	33,975	196,467
316	Office of Career and Technical Education	534,927	510,239	106,651	616,890	-	30,763	6,904	37,667	25,003	5,226	30,229
317	Office of Secretary of Workforce Investment	759,626	724,568	151,448	876,016	-	43,685	9,804	53,489	35,516	7,421	42,937
318	Department for Vocational Rehabilitation	54,807,269	52,277,785	10,930,369	63,208,154	-	3,151,864	707,395	3,859,259	2,561,718	535,610	3,097,328
320	School for the Blind	16,467,904	15,707,871	3,284,186	18,992,057	-	947,039	212,551	1,159,590	769,717	160,932	930,649
330	School for the Deaf	22,961,997	21,902,247	4,579,408	26,481,655	-	1,320,502	296,370	1,616,872	1,073,255	224,400	1,297,655
345	Department of Education	80,313,561	76,606,902	16,017,138	92,624,040	-	4,618,684	1,036,604	5,655,288	3,753,894	784,872	4,538,766
728	Department of Corrections	473,312	451,468	94,321	545,789	-	27,219	6,109	33,328	22,123	4,622	26,745
896	Education Professional Standards Board	5,895,613	5,623,517	1,175,830	6,799,347	-	339,046	76,094	415,140	275,554	57,618	333,172
Total - State Agencies		\$321,598,081	\$306,755,577	\$64,136,982	\$370,892,559	\$ -	\$18,494,509	\$4,150,854	\$22,645,363	\$15,031,639	\$3,142,841	\$18,174,480



SCHEDULE B (continued)

Code	Non University Employers - Local School Districts and Educational Cooperatives	June 30, 2013	June 30, 2014		Total Net Pension Liability	Total Deferred Outflows of Resources	Deferred Inflows of Resources			Employer Pension Expense	Revenue State Support	Total Pension Expense
		Employer's Proportionate Share of Net Pension Liability	Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability			Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumpt	Total Deferred Inflows of Resources			
1	Adair County Schools	\$ -	\$ -	\$71,029,005	\$71,029,005					\$ -	\$3,480,566	\$3,480,566
2	Allen County Schools	-	-	77,424,969	77,424,969					-	3,793,981	3,793,981
3	Anderson County Schools	-	-	96,394,423	96,394,423					-	4,723,523	4,723,523
4	Ballard County Schools	-	-	37,081,180	37,081,180					-	1,817,053	1,817,053
5	Barren County Schools	-	-	131,876,868	131,876,868					-	6,462,235	6,462,235
6	Bath County Schools	-	-	55,311,681	55,311,681					-	2,710,385	2,710,385
7	Bell County Schools	-	-	80,019,316	80,019,316					-	3,921,109	3,921,109
8	Boone County Schools	-	-	554,477,174	554,477,174					-	27,170,510	27,170,510
9	Bourbon County Schools	-	-	79,328,655	79,328,655					-	3,887,266	3,887,266
10	Boyd County Schools	-	-	95,830,961	95,830,961					-	4,695,912	4,695,912
11	Boyle County Schools	-	-	76,313,459	76,313,459					-	3,739,515	3,739,515
12	Bracken County Schools	-	-	31,870,293	31,870,293					-	1,561,709	1,561,709
13	Breathitt County Schools	-	-	63,279,460	63,279,460					-	3,100,822	3,100,822
14	Breckinridge County Schools	-	-	78,244,064	78,244,064					-	3,834,118	3,834,118
15	Bullitt County Schools	-	-	344,145,200	344,145,200					-	16,863,815	16,863,815
16	Butler County Schools	-	-	55,715,269	55,715,269					-	2,730,162	2,730,162
17	Caldwell County Schools	-	-	49,245,122	49,245,122					-	2,413,111	2,413,111
18	Calloway County Schools	-	-	90,898,723	90,898,723					-	4,454,222	4,454,222
19	Campbell County Schools	-	-	128,787,900	128,787,900					-	6,310,869	6,310,869
20	Carlisle County Schools	-	-	23,583,795	23,583,795					-	1,155,654	1,155,654
21	Carroll County Schools	-	-	60,659,015	60,659,015					-	2,972,415	2,972,415
22	Carter County Schools	-	-	123,893,267	123,893,267					-	6,071,022	6,071,022
23	Casey County Schools	-	-	62,326,179	62,326,179					-	3,054,110	3,054,110
24	Christian County Schools	-	-	245,893,739	245,893,739					-	12,049,294	12,049,294
25	Clark County Schools	-	-	148,466,304	148,466,304					-	7,275,151	7,275,151
26	Clay County Schools	-	-	106,821,950	106,821,950					-	5,234,493	5,234,493
27	Clinton County Schools	-	-	48,774,338	48,774,338					-	2,390,042	2,390,042
28	Crittenden County Schools	-	-	33,560,471	33,560,471					-	1,644,531	1,644,531
29	Cumberland County Schools	-	-	30,950,918	30,950,918					-	1,516,658	1,516,658
30	Daviess County Schools	-	-	318,464,968	318,464,968					-	15,605,432	15,605,432
31	Edmonson County Schools	-	-	51,978,177	51,978,177					-	2,547,036	2,547,036
32	Elliott County Schools	-	-	30,423,418	30,423,418					-	1,490,809	1,490,809
33	Estill County Schools	-	-	70,946,192	70,946,192					-	3,476,508	3,476,508
34	Fayette County Schools	-	-	1,438,529,901	1,438,529,901					-	70,490,893	70,490,893
35	Fleming County Schools	-	-	63,007,387	63,007,387					-	3,087,490	3,087,490
36	Floyd County Schools	-	-	173,155,856	173,155,856					-	8,484,989	8,484,989
37	Franklin County Schools	-	-	161,151,992	161,151,992					-	7,896,776	7,896,776
38	Fulton County Schools	-	-	17,049,945	17,049,945					-	835,482	835,482
39	Gallatin County Schools	-	-	44,782,229	44,782,229					-	2,194,420	2,194,420
40	Garrard County Schools	-	-	69,050,520	69,050,520					-	3,383,616	3,383,616
41	Grant County Schools	-	-	95,782,876	95,782,876					-	4,693,556	4,693,556
42	Graves County Schools	-	-	115,182,631	115,182,631					-	5,644,183	5,644,183
43	Grayson County Schools	-	-	112,419,575	112,419,575					-	5,508,788	5,508,788
44	Green County Schools	-	-	49,188,611	49,188,611					-	2,410,342	2,410,342
45	Greenup County Schools	-	-	74,703,628	74,703,628					-	3,660,630	3,660,630
46	Hancock County Schools	-	-	47,456,512	47,456,512					-	2,325,466	2,325,466
47	Hardin County Schools	-	-	403,257,677	403,257,677					-	19,760,447	19,760,447
48	Harlan County Schools	-	-	107,528,435	107,528,435					-	5,269,112	5,269,112
49	Harrison County Schools	-	-	77,694,165	77,694,165					-	3,807,172	3,807,172
50	Hart County Schools	-	-	75,167,425	75,167,425					-	3,683,357	3,683,357
51	Henderson County Schools	-	-	222,594,552	222,594,552					-	10,907,586	10,907,586
52	Henry County Schools	-	-	58,884,996	58,884,996					-	2,885,485	2,885,485



SCHEDULE B (continued)

Code	Non University Employers - Local School Districts and Educational Cooperatives	June 30, 2013		June 30, 2014		Total Deferred Outflows of Resources	Deferred Inflows of Resources			Employer Pension Expense	Revenue State Support	Total Pension Expense
		Employer's Proportionate Share of Net Pension Liability	Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability		Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumpt	Total Deferred Inflows of Resources			
53	Hickman County Schools	-	-	23,721,886	23,721,886					-	1,162,421	1,162,421
54	Hopkins County Schools	-	-	191,555,888	191,555,888					-	9,386,628	9,386,628
55	Jackson County Schools	-	-	65,560,841	65,560,841					-	3,212,615	3,212,615
56	Jefferson County Schools	-	-	3,675,381,169	3,675,381,169					-	180,101,095	180,101,095
57	Jessamine County Schools	-	-	214,615,677	214,615,677					-	10,516,605	10,516,605
58	Johnson County Schools	-	-	108,870,303	108,870,303					-	5,334,866	5,334,866
59	Kenton County Schools	-	-	402,114,109	402,114,109					-	19,704,410	19,704,410
60	Knott Counts Schools	-	-	73,330,730	73,330,730					-	3,593,355	3,593,355
61	Knox County Schools	-	-	135,289,899	135,289,899					-	6,629,480	6,629,480
62	Larue County Schools	-	-	68,229,782	68,229,782					-	3,343,398	3,343,398
63	Laurel County Schools	-	-	237,453,532	237,453,532					-	11,635,706	11,635,706
64	Lawrence County Schools	-	-	68,681,044	68,681,044					-	3,365,511	3,365,511
65	Lee County Schools	-	-	28,067,443	28,067,443					-	1,375,362	1,375,362
66	Leslie County Schools	-	-	56,888,839	56,888,839					-	2,787,669	2,787,669
67	Letcher County Schools	-	-	91,307,242	91,307,242					-	4,474,241	4,474,241
68	Lewis County Schools	-	-	64,327,679	64,327,679					-	3,152,187	3,152,187
69	Lincoln County Schools	-	-	107,599,741	107,599,741					-	5,272,606	5,272,606
70	Livingston County Schools	-	-	37,415,517	37,415,517					-	1,833,436	1,833,436
71	Logan County Schools	-	-	95,446,484	95,446,484					-	4,677,072	4,677,072
72	Lyon County Schools	-	-	23,875,389	23,875,389					-	1,169,943	1,169,943
73	Madison County Schools	-	-	281,876,971	281,876,971					-	13,812,545	13,812,545
74	Magoffin County Schools	-	-	66,760,097	66,760,097					-	3,271,381	3,271,381
75	Marion County Schools	-	-	90,610,622	90,610,622					-	4,440,105	4,440,105
76	Marshall County Schools	-	-	129,771,800	129,771,800					-	6,359,082	6,359,082
77	Martin County Schools	-	-	58,163,305	58,163,305					-	2,850,120	2,850,120
78	Mason County Schools	-	-	80,999,928	80,999,928					-	3,969,161	3,969,161
79	McCracken County Schools	-	-	179,915,337	179,915,337					-	8,816,218	8,816,218
80	McCreary County Schools	-	-	85,470,424	85,470,424					-	4,188,225	4,188,225
81	McLean County Schools	-	-	44,822,094	44,822,094					-	2,196,374	2,196,374
82	Meade County Schools	-	-	125,417,407	125,417,407					-	6,145,708	6,145,708
83	Menifee County Schools	-	-	30,126,070	30,126,070					-	1,476,239	1,476,239
84	Mercer County Schools	-	-	84,345,557	84,345,557					-	4,133,104	4,133,104
85	Metcalfe County Schools	-	-	48,087,992	48,087,992					-	2,356,409	2,356,409
86	Monroe County Schools	-	-	56,674,920	56,674,920					-	2,777,186	2,777,186
87	Montgomery County Schools	-	-	132,528,897	132,528,897					-	6,494,186	6,494,186
88	Morgan County Schools	-	-	52,711,991	52,711,991					-	2,582,995	2,582,995
89	Muhlenberg County Schools	-	-	170,334,850	170,334,850					-	8,346,754	8,346,754
90	Nelson County Schools	-	-	122,991,359	122,991,359					-	6,026,827	6,026,827
91	Nicholas County Schools	-	-	28,850,987	28,850,987					-	1,413,757	1,413,757
92	Ohio County Schools	-	-	103,779,835	103,779,835					-	5,085,423	5,085,423
93	Oldham County Schools	-	-	327,037,306	327,037,306					-	16,025,494	16,025,494
94	Owen County Schools	-	-	46,198,280	46,198,280					-	2,263,810	2,263,810
95	Owsley County Schools	-	-	23,525,024	23,525,024					-	1,152,774	1,152,774
96	Pendleton County Schools	-	-	65,624,544	65,624,544					-	3,215,736	3,215,736
97	Perry County Schools	-	-	116,329,487	116,329,487					-	5,700,382	5,700,382
98	Pike County Schools	-	-	260,475,099	260,475,099					-	12,763,810	12,763,810
99	Powell County Schools	-	-	65,420,079	65,420,079					-	3,205,717	3,205,717
100	Pulaski County Schools	-	-	208,474,524	208,474,524					-	10,215,676	10,215,676
101	Robertson County Schools	-	-	10,418,897	10,418,897					-	510,547	510,547
102	Rockcastle County Schools	-	-	80,907,662	80,907,662					-	3,964,640	3,964,640
103	Rowan County Schools	-	-	81,768,471	81,768,471					-	4,006,822	4,006,822
104	Russell County Schools	-	-	82,380,634	82,380,634					-	4,036,819	4,036,819



SCHEDULE B (continued)

Code	Non University Employers - Local School Districts and Educational Cooperatives	June 30, 2013		June 30, 2014		Total Deferred Outflows of Resources	Deferred Inflows of Resources			Employer Pension Expense	Revenue State Support	Total Pension Expense
		Employer's Proportionate Share of Net Pension Liability	Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability		Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumpts	Total Deferred Inflows of Resources			
105	Scott County Schools	-	-	225,099,715	225,099,715					-	11,030,344	11,030,344
106	Shelby County Schools	-	-	208,488,497	208,488,497					-	10,216,361	10,216,361
107	Simpson County Schools	-	-	78,836,294	78,836,294					-	3,863,139	3,863,139
108	Spencer County Schools	-	-	70,702,066	70,702,066					-	3,464,545	3,464,545
109	Taylor County Schools	-	-	70,763,919	70,763,919					-	3,467,576	3,467,576
110	Todd County Schools	-	-	53,015,710	53,015,710					-	2,597,878	2,597,878
111	Trigg County Schools	-	-	60,006,370	60,006,370					-	2,940,434	2,940,434
112	Trimble County Schools	-	-	38,045,147	38,045,147					-	1,864,290	1,864,290
113	Union County Schools	-	-	65,341,991	65,341,991					-	3,201,891	3,201,891
114	Warren County Schools	-	-	344,848,397	344,848,397					-	16,898,273	16,898,273
115	Washington County Schools	-	-	46,336,988	46,336,988					-	2,270,607	2,270,607
116	Wayne County Schools	-	-	89,117,305	89,117,305					-	4,366,929	4,366,929
117	Webster County Schools	-	-	56,319,829	56,319,829					-	2,759,786	2,759,786
118	Whitley County Schools	-	-	130,754,261	130,754,261					-	6,407,225	6,407,225
119	Wolfe County Schools	-	-	39,337,697	39,337,697					-	1,927,627	1,927,627
120	Woodford County Schools	-	-	104,543,857	104,543,857					-	5,122,862	5,122,862
122	Anchorage City Schools	-	-	22,706,135	22,706,135					-	1,112,647	1,112,647
124	Ashland City Schools	-	-	85,384,323	85,384,323					-	4,184,006	4,184,006
125	Augusta City Schools	-	-	8,823,040	8,823,040					-	432,347	432,347
126	Barbourville City Schools	-	-	18,488,806	18,488,806					-	905,989	905,989
127	Bardstown City Schools	-	-	80,555,447	80,555,447					-	3,947,381	3,947,381
128	Beechwood Independent Schools	-	-	34,951,247	34,951,247					-	1,712,682	1,712,682
129	Bellevue City Schools	-	-	24,267,058	24,267,058					-	1,189,135	1,189,135
131	Berea City Schools	-	-	33,493,686	33,493,686					-	1,641,259	1,641,259
134	Bowling Green City Schools	-	-	113,440,258	113,440,258					-	5,558,804	5,558,804
136	Burgin City Schools	-	-	12,930,430	12,930,430					-	633,617	633,617
140	Campbellsville City Schools	-	-	37,282,974	37,282,974					-	1,826,942	1,826,942
144	Caverna City Schools	-	-	24,752,021	24,752,021					-	1,212,899	1,212,899
147	Cloverport City Schools	-	-	11,265,939	11,265,939					-	552,054	552,054
150	Corbin City Schools	-	-	73,093,386	73,093,386					-	3,581,725	3,581,725
151	Covington City Schools	-	-	141,611,269	141,611,269					-	6,939,240	6,939,240
154	Danville City Schools	-	-	65,050,191	65,050,191					-	3,187,592	3,187,592
155	Dawson Springs City Schools	-	-	18,144,400	18,144,400					-	889,113	889,113
156	Dayton City Schools	-	-	29,749,812	29,749,812					-	1,457,801	1,457,801
158	East Bernstadt City Schools	-	-	13,573,212	13,573,212					-	665,115	665,115
160	Elizabethtown City Schools	-	-	68,101,554	68,101,554					-	3,337,115	3,337,115
161	Eminence Independent Schools	-	-	17,153,719	17,153,719					-	840,567	840,567
162	Erlanger-Elsmere City Schools	-	-	68,687,620	68,687,620					-	3,365,833	3,365,833
163	Fairview Independent Schools	-	-	22,175,552	22,175,552					-	1,086,647	1,086,647
166	Fort Thomas Independent Schools	-	-	85,633,175	85,633,175					-	4,196,200	4,196,200
167	Frankfort City Schools	-	-	27,742,148	27,742,148					-	1,359,422	1,359,422
170	Fulton City Schools	-	-	13,977,416	13,977,416					-	684,922	684,922
173	Glasgow City Schools	-	-	62,599,484	62,599,484					-	3,067,502	3,067,502
180	Harlan City Schools	-	-	19,817,522	19,817,522					-	971,099	971,099
182	Hazard Independent Schools	-	-	28,422,740	28,422,740					-	1,392,772	1,392,772
190	Jackson City Schools	-	-	9,493,152	9,493,152					-	465,184	465,184
191	Jenkins City Schools	-	-	15,530,942	15,530,942					-	761,048	761,048
206	Ludlow City Schools	-	-	25,919,015	25,919,015					-	1,270,084	1,270,084
210	Mayfield City Schools	-	-	47,773,793	47,773,793					-	2,341,013	2,341,013
214	Middlesboro City Schools	-	-	37,951,853	37,951,853					-	1,859,718	1,859,718
221	Murray City Schools	-	-	44,302,814	44,302,814					-	2,170,928	2,170,928
222	Newport City Schools	-	-	63,244,526	63,244,526					-	3,099,110	3,099,110

SCHEDULE B (continued)

Code	Non University Employers - Local School Districts and Educational Cooperatives	June 30, 2013		June 30, 2014		Total Deferred Outflows of Resources	Deferred Inflows of Resources			Employer Pension Expense	Revenue State Support	Total Pension Expense
		Employer's Proportionate Share of Net Pension Liability	Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability		Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Change of Assumpt	Total Deferred Inflows of Resources			
224	Owensboro City Schools	-	-	146,300,821	146,300,821					-	7,169,038	7,169,038
226	Paducah City Schools	-	-	89,614,803	89,614,803					-	4,391,308	4,391,308
227	Paintsville City Schools	-	-	27,929,557	27,929,557					-	1,368,605	1,368,605
228	Paris City Schools	-	-	20,561,406	20,561,406					-	1,007,551	1,007,551
230	Pikeville City Schools	-	-	40,257,277	40,257,277					-	1,972,689	1,972,689
231	Pineville City Schools	-	-	16,129,543	16,129,543					-	790,380	790,380
235	Raceland City Schools	-	-	28,904,004	28,904,004					-	1,416,355	1,416,355
238	Russell City Schools	-	-	60,898,003	60,898,003					-	2,984,126	2,984,126
239	Russellville City Schools	-	-	31,376,699	31,376,699					-	1,537,522	1,537,522
240	Science Hill City Schools	-	-	12,648,700	12,648,700					-	619,812	619,812
245	Silver Grove City Schools	-	-	8,762,625	8,762,625					-	429,386	429,386
246	Somerset City Schools	-	-	45,261,438	45,261,438					-	2,217,903	2,217,903
247	Southgate City Schools	-	-	7,434,525	7,434,525					-	364,307	364,307
258	Walton-Verona Independent Schools	-	-	45,246,643	45,246,643					-	2,217,178	2,217,178
259	West Point City Schools	-	-	4,818,396	4,818,396					-	236,111	236,111
260	Williamsburg City Schools	-	-	22,908,545	22,908,545					-	1,122,565	1,122,565
261	Williamstown City Schools	-	-	23,805,933	23,805,933					-	1,166,539	1,166,539
870	Ohio Valley Educational Cooperative	-	-	27,573,849	27,573,849					-	1,351,175	1,351,175
871	West Kentucky Educational Cooperative	-	-	10,993,044	10,993,044					-	538,682	538,682
872	Southeast South-Central Educational Cooperative	-	-	3,578,863	3,578,863					-	175,372	175,372
890	Green River Regional Educational Cooperative	-	-	20,237,755	20,237,755					-	991,691	991,691
891	Central KY Special Education Cooperative	-	-	5,999,568	5,999,568					-	293,991	293,991
892	KY Valley Educational Cooperative	-	-	9,509,180	9,509,180					-	465,969	465,969
894	KY Educational Development Corporation	-	-	18,979,728	18,979,728					-	930,045	930,045
895	Northern KY Cooperative for Educational Services	-	-	11,702,200	11,702,200					-	573,432	573,432
	Total - Local School Districts	\$ -	\$ -	\$20,004,220,817	\$20,004,220,817					\$ -	\$980,247,471	\$980,247,471
	Total Non-University	<u>\$472,618,496</u>	<u>\$450,806,046</u>	<u>\$20,098,476,266</u>	<u>\$20,549,282,312</u>					<u>\$22,090,426</u>	<u>\$984,866,178</u>	<u>\$1,006,956,604</u>
	State's Proportionate Share	<u>\$21,183,691,329</u>				<u>\$ -</u>	<u>\$1,218,158,809</u>	<u>\$273,400,020</u>	<u>\$1,491,558,829</u>			



SECTION C
Teachers Retirement System of the Commonwealth of Kentucky
Schedules of Remaining Deferred Outflows and (Inflows)

Code	Employer	NPL Sensitivity		Recognition of Existing Deferred Outflows (Inflows) of Resources for Future Plan Years Ending June 30					
		Less 1% - 4.23% Employer's Proportionate Share of Net Pension Liability	Plus 1% - 6.23% Employer's Proportionate Share of Net Pension Liability	2016	2017	2018	2019	2020	Thereafter
<i>University Employers</i>									
263	Eastern Kentucky University	\$297,765,081	\$186,940,133	\$(4,241,258)	\$(4,241,258)	\$(4,241,258)	\$(4,241,258)	\$(534,634)	\$ -
266	Kentucky State University	81,630,103	51,248,260	(1,162,710)	(1,162,710)	(1,162,710)	(1,162,710)	(146,565)	-
269	Morehead State University	166,527,095	104,547,508	(2,371,952)	(2,371,952)	(2,371,952)	(2,371,952)	(298,996)	-
270	Murray State University	192,673,817	120,962,702	(2,744,376)	(2,744,376)	(2,744,376)	(2,744,376)	(345,944)	-
273	Western Kentucky University	339,249,437	212,984,459	(4,832,146)	(4,832,146)	(4,832,146)	(4,832,146)	(609,120)	-
500	KCTCS Central Office - University	<u>98,666,990</u>	<u>61,944,201</u>	<u>(1,405,377)</u>	<u>(1,405,377)</u>	<u>(1,405,377)</u>	<u>(1,405,377)</u>	<u>(177,155)</u>	-
	Total University	\$1,176,512,523	\$738,627,263	\$(16,757,819)	\$(16,757,819)	\$(16,757,819)	\$(16,757,819)	\$(2,112,414)	\$ -
	State's Proportionate Share	<u>\$133,497,268</u>	<u>\$83,811,026</u>	<u>\$(1,901,487)</u>	<u>\$(1,901,487)</u>	<u>\$(1,901,487)</u>	<u>\$(1,901,487)</u>	<u>\$(239,692)</u>	<u>\$ -</u>
<i>Non-University Employers - Other</i>									
400	KCTCS CENTRAL OFFICE	\$164,036,684	\$102,984,673	\$(2,336,453)	\$(2,336,453)	\$(2,336,453)	\$(2,336,453)	\$(294,523)	\$ -
801	KY High School Athletic Association	4,255,986	2,671,972	(60,620)	(60,620)	(60,620)	(60,620)	(7,642)	-
805	KY School Boards Association	10,236,257	6,426,474	(145,800)	(145,800)	(145,800)	(145,800)	(18,379)	-
806	KY Education Association	1,258,624	790,183	(17,927)	(17,927)	(17,927)	(17,927)	(2,260)	-
807	KY Academic Association	806,128	506,099	(11,482)	(11,482)	(11,482)	(11,482)	(1,447)	-
809	Jefferson County Teachers' Association	<u>352,859</u>	<u>221,530</u>	<u>(5,026)</u>	<u>(5,026)</u>	<u>(5,026)</u>	<u>(5,026)</u>	<u>(634)</u>	-
	Total - Other Employers	\$180,946,538	\$113,600,931	\$(2,577,308)	\$(2,577,308)	\$(2,577,308)	\$(2,577,308)	\$(324,885)	\$ -
<i>Non-University Employers - State Agencies</i>									
301	Technical Education District - Madisonville	\$24,864,532	\$15,610,324	\$(354,157)	\$(354,157)	\$(354,157)	\$(354,157)	\$(44,644)	\$ -
302	Technical Education District - Bowling Green	32,066,256	20,131,673	(456,735)	(456,735)	(456,735)	(456,735)	(57,574)	-
303	Technical Education District - Elizabethtown	26,726,139	16,779,068	(380,673)	(380,673)	(380,673)	(380,673)	(47,986)	-
304	Technical Education District - Frankfort	41,392,359	25,986,740	(589,571)	(589,571)	(589,571)	(589,571)	(74,319)	-
305	Technical Education District - Hazard	37,789,432	23,724,769	(538,253)	(538,253)	(538,253)	(538,253)	(67,850)	-
308	Adult Council on Post Secondary Education	4,165,384	2,615,090	(59,330)	(59,330)	(59,330)	(59,330)	(7,479)	-
316	Office of Career and Technical Education	640,928	402,384	(9,129)	(9,129)	(9,129)	(9,129)	(1,151)	-
317	Office of Secretary of Workforce Investment	910,153	571,408	(12,964)	(12,964)	(12,964)	(12,964)	(1,634)	-
318	Department for Vocational Rehabilitation	65,667,848	41,227,253	(935,339)	(935,339)	(935,339)	(935,339)	(117,905)	-
320	School for the Blind	19,731,175	12,387,525	(281,041)	(281,041)	(281,041)	(281,041)	(35,427)	-
330	School for the Deaf	27,512,134	17,272,527	(391,869)	(391,869)	(391,869)	(391,869)	(49,397)	-
345	Department of Education	96,228,453	60,413,656	(1,370,628)	(1,370,628)	(1,370,628)	(1,370,628)	(172,776)	-
728	Department of Corrections	567,103	356,036	(8,078)	(8,078)	(8,078)	(8,078)	(1,018)	-
896	Education Professional Standards Board	<u>7,063,884</u>	<u>4,434,812</u>	<u>(100,614)</u>	<u>(100,614)</u>	<u>(100,614)</u>	<u>(100,614)</u>	<u>(12,683)</u>	-
	Total - State Agencies	\$385,325,780	\$241,913,265	\$(5,488,381)	\$(5,488,381)	\$(5,488,381)	\$(5,488,381)	\$(691,843)	\$ -
	State's Proportionate Share	<u>\$25,246,357,890</u>	<u>\$15,850,039,515</u>	<u>\$(359,596,007)</u>	<u>\$(359,596,007)</u>	<u>\$(359,596,007)</u>	<u>\$(359,596,007)</u>	<u>\$(45,329,160)</u>	<u>\$ -</u>



SCHEDULE D

SUMMARY OF MAIN PLAN PROVISIONS AS INTERPRETED FOR ACCOUNTING AND REPORTING VALUATION PURPOSES

The Teachers' Retirement System of the State of Kentucky was established on July 1, 1940. The valuation took into account amendments to the System effective through June 30, 2013. The following summary describes the main benefit and contribution provisions of the System as interpreted for the valuation.

1 - DEFINITIONS

"Final average salary" means the average of the five highest annual salaries which the member has received for service in a covered position and on which the member has made contributions or on which the public board, institution or agency has picked up the member contributions. For a member who retires after attaining age 55 with 27 years of service, "final average salary" means the average of the three highest annual salaries.

2 - BENEFITS

Service Retirement Allowance

Members Before 7/1/2008

Condition for Allowance

Completion of 27 years of service or attainment of age 55 and 5 years of service.

Amount of Allowance

The annual retirement allowance for non-university members is equal to:

- (a) 2.0% of final average salary multiplied by service before July 1, 1983, plus
- (b) 2.5% of final average salary multiplied by service after July 1, 1983.
- (c) For individuals who become members of the Retirement System on or after July 1, 2002 and have less than 10 years of service at retirement, the retirement allowance is 2.0% of final average salary multiplied by service. If, however, they have 10 or more years, they receive a benefit percentage of 2.5% for all years of service up to 30 years.



SCHEDULE D (continued)

- (d) For members retiring on or after July 1, 2004, the retirement allowance formula is 3.0% of final average salary for each year of service credit earned in excess of 30 years.

The annual retirement allowance for university members is equal to 2.0% of final average salary multiplied by all years of service.

For all members, the annual allowance is reduced by 5% per year from the earlier of age 60 or the date the member would have completed 27 years of service.

The minimum annual service allowance for all members is \$440 multiplied by credited service.

Members on and after 7/1/2008

Condition for Retirement

Completion of 27 years of service, attainment of age 60 and 5 years of service or attainment of age 55 and 10 years of service.

Amount of Allowance

The annual retirement allowance for non-university members is equal to:

- 1.7% of final average salary if service is 10 years or less.
- 2.0% of final average salary if service is greater than 10 years and no more than 20 years.
- 2.3% of final average salary if service is greater than 20 years but no more than 26 years.
- 2.5% of final average salary if service is greater than 26 years but no more than 30 years.
- 3.0% of final average salary for years of service greater than 30 years.

The annual retirement allowance for university members is equal to:

- 1.5% of final average salary if service is 10 years or less.
- 1.7% of final average salary if service is greater than 10 years and no more than 20 years.
- 1.85% of final average salary if service is greater than 20 years but less than 27 years.
- 2.0% of final average salary if service is greater than or equal to 27 years.

For all members, the annual allowance is reduced by 6% per year from the earlier of age 60 or the date the member would have completed 27 years of service.



SCHEDULE D (continued)

Disability Retirement Allowance

Condition for Allowance

Totally and permanently incapable of being employed as a teacher and under age 60 but after completing 5 years of service.

Amount of Allowance

The disability allowance is equal to the greater of the service retirement allowance or 60% of the member's final average salary. The disability allowance is payable over an entitlement period equal to 25% of the service credited to the member at the date of disability or five years, whichever is longer. After the disability entitlement period has expired and if the member remains disabled, he will be retired under service retirement. The service retirement allowance will be computed with service credit given for the period of disability retirement. The allowance will not be less than \$6,000 per year. The service retirement allowance will not be reduced for commencement of the allowance before age 60 or the completion of 27 years of service.

Benefits Payable on Separation from Service

Any member who ceases to be in service is entitled to receive his contributions with allowable interest. A member who has completed 5 years of creditable service and leaves his contributions with the System may be continued in the membership of the System after separation from service, and file application for service retirement after the attainment of age 60.

Life Insurance

A separate Life Insurance fund has been created as of June 30, 2000 to pay benefits on behalf of deceased KTRS active and retired members.



SCHEDULE D (continued)

Death Benefits

A surviving spouse of an active member with less than 10 years of service may elect to receive an annual allowance of \$2,880 except that if income from other sources exceeds \$6,600 per year the annual allowance will be \$2,160.

A surviving spouse of an active member with 10 or more years of service may elect to receive an allowance which is the actuarial equivalent of the allowance the deceased member would have received upon retirement. The allowance will commence on the date the deceased member would have been eligible for service retirement and will be payable during the life of the spouse.

If the deceased member is survived by unmarried children under age 18 the following schedule of annual allowances applies:

<u>Number of Children</u>	<u>Annual Allowance</u>
1	\$ 2,400
2	4,080
3	4,800
4 or more	5,280

The allowances are payable until a child attains age 18, or age 23 if a full-time student.

If the member has no eligible survivor, a refund of his accumulated contributions is payable to his estate.

Options

In lieu of the regular Option 1, a retirement allowance payable in the form of a life annuity with refundable balance, any member before retirement may elect to receive a reduced allowance which is actuarially equivalent to the full allowance, in one of the following forms:

Option 2. A single life annuity payable during the member's lifetime with payments for 10 years certain.

Option 3. At the death of the member his allowance is continued throughout the life of his beneficiary.

Option 3(a). At the death of the beneficiary designated by the member under Option 3, the member's benefit will revert to what would have been paid had he not selected an option.

Option 4. At the death of the member one half of his allowance is continued throughout the life of his beneficiary.

Option 4(a). At the death of the beneficiary designated by the member under Option 4, the member's benefit will revert to what would have been paid had he not selected an option.



SCHEDULE D (continued)

Post-Retirement Adjustments

The retirement allowance of each retired member and of each beneficiary shall be increased by 1.50% each July 1.

3 - CONTRIBUTIONS

Member Contributions

University members contribute 7.625% of salary to the Retirement System. Non-university members contribute 9.105% of salary to the Retirement System. Member contributions are picked up by the employer.



SCHEDULE E

STATEMENT OF ACTUARIAL ASSUMPTIONS AND METHODS

INVESTMENT RATE OF RETURN: 7.50% per annum, compounded annually.

SALARY INCREASES: Representative values of the assumed annual rates of future salary increases are as follows and include inflation at 3.50% per annum:

<u>Age</u>	<u>Annual Rate</u>
20	8.10%
25	7.20
30	6.20
35	5.50
40	5.00
45	4.60
50	4.50
55	4.30
60	4.20
65	4.00

SEPARATIONS FROM SERVICE: Representative values of the assumed annual rates of death, disability, withdrawal, service retirement and early retirement are as follows:

Males

Age	Annual Rate of						
	DEATH	DISABILITY	WITHDRAWAL			RETIREMENT	
			Service			Before 27 Years of Service	After 27 Years of Service*
			0 - 4	5 - 9	10+		
20	0.012%	0.01%	9.00%				
25	0.015	0.01	9.00	3.00%			
30	0.020	0.02	9.00	3.00	3.00%		
35	0.035	0.05	10.00	3.25	1.75		
40	0.046	0.09	10.00	4.00	1.40		
45	0.058	0.18	11.00	4.00	1.50		17.0%
50	0.074	0.33	9.00	4.00	2.00		17.0
55	0.124	0.55	12.00	3.50	2.50	5.5%	35.0
60	0.244	0.70	12.00	3.50	2.50	13.0	24.0
62	0.324	0.70	12.00	3.50	2.50	15.0	25.0
65	0.480	0.70	12.00	3.50	2.50	21.0	26.0
70	0.821	0.70	0.00	0.00	0.00	100.0	100.0

*Plus 10% in year when first eligible for unreduced retirement with 27 years of service.



SCHEDULE E (continued)

Females

Age	Annual Rate of						
	DEATH	DISABILITY	WITHDRAWAL			RETIREMENT	
			Service			Before 27 Years of Service	After 27 Years of Service*
			0 - 4	5 - 9	10+		
20	0.007%	0.01%	7.00%				
25	0.008	0.02	8.50	4.00%			
30	0.010	0.04	9.00	4.00	1.65%		
35	0.017	0.08	9.00	3.75	1.85		
40	0.024	0.14	8.50	3.25	1.50		
45	0.037	0.32	7.50	3.25	1.25		15.0%
50	0.055	0.42	9.50	3.50	1.75		15.0
55	0.103	0.56	11.00	4.00	2.00	6.0%	35.0
60	0.201	0.85	11.00	4.00	2.00	14.0	30.0
62	0.263	0.85	11.00	4.00	2.00	12.0	25.0
65	0.390	0.85	11.00	4.00	2.00	22.0	30.0
70	0.672	0.85	0.00	0.00	0.00	100.0	100.0

*Plus 10% in year when first eligible for unreduced retirement with 27 years of service.

DEATHS AFTER RETIREMENT: The RP-2000 Combined Mortality Table projected to 2020 using scale AA (set back one year for females) is used for death after service retirement and beneficiaries. The RP-2000 Disabled Mortality Table (set back seven years for males and set forward five years for females) is used for death after disability retirement. Mortality improvement is anticipated under these assumptions as recent mortality experience shows actual deaths are approximately 4% greater for healthy lives and 5% greater for disabled lives than expected under the selected tables. Representative values of the assumed annual rates of death after service retirement and after disability retirement are shown below:

Age	Annual Rate of Death After			
	Service Retirement		Disability Retirement	
	Male	Female	Male	Female
45	0.1161%	0.0745%	2.2571%	1.1535%
50	0.1487	0.1100	2.2571	1.6544
55	0.2469	0.2064	2.6404	2.1839
60	0.4887	0.4017	3.2859	2.8026
65	0.9607	0.7797	3.9334	3.7635
70	1.6413	1.3443	4.6584	5.2230
75	2.8538	2.1680	5.6909	7.2312
80	5.2647	3.6066	7.3292	10.0203
85	9.6240	6.1634	9.7640	14.0049
90	16.9280	11.2205	12.8343	19.4509
95	25.6992	17.5624	16.2186	23.7467



SCHEDULE E (continued)

ASSETS: Market Value

EXPENSE LOAD: None.

PERCENT MARRIED: 100%, with females 3 years younger than males.

LOADS: Unused sick leave: 2% of active liability



SCHEDULE F

FUNDING POLICY OF THE KTRS BOARD OF TRUSTEES

Introduction

Pursuant to the provisions of KRS 161.250, the Board of Trustees (“Board”) of the Kentucky Teachers’ Retirement Systems (“KTRS”) is vested with the responsibility for the general administration and management of the retirement system. The Board may adopt procedures necessary to conduct the business of the retirement system as needed. The applicable provisions of the Kentucky Revised Statutes (“state law”) shall control if any inconsistency exists between state law and this policy.

Background:

State law provides that the retirement benefits promised to members of KTRS are “...an inviolable contract of the Commonwealth....” (KRS 161.714.) To satisfy this solemn commitment, the Commonwealth of Kentucky (“state”) is required to pay annual retirement appropriations necessary to fund the benefit requirements of members of the retirement system. All employers participating in KTRS are responsible for paying the fixed employer contribution rate set forth in state law. However, the state—as plan guarantor—is solely responsible for paying the additional annual retirement appropriations necessary to keep the retirement system actuarially sound and able to satisfy the contract with members to provide promised benefits. (KRS 161.550(6).)

Since fiscal year 2008, the state has not paid the recommended annual retirement appropriations necessary to pre-fund the benefit requirements of members of the retirement system as determined by the actuary. Over this period of time, because of the failure to fund, the state's annual retirement appropriations have grown significantly from \$60.5 million (Fiscal Year 2009) to \$487 million (Fiscal Year 2016). The following schedule details the growth of the annual retirement appropriations payable by the state:



SCHEDULE F (continued)

	Cumulative Increase as a % of Payroll	Cumulative Increase of Annual Retirement Appropriations Payable by the State
2009	1.88	\$ 60,499,800
2010	2.46	82,331,200
2011	3.59	121,457,000
2012	5.81	208,649,000
2013	7.27	260,980,000
2014	8.02	299,420,000
2015	10.42	386,400,000
2016	12.97	487,400,000

(Source: KTRS Report of the Actuary on the Annual Valuation Prepared as of June 30, 2013).

The Board has always taken action as required by state law and recommended annual retirement appropriations payable by the state that would ensure that the state meets the contractual obligations to members. This policy confirms the Board's process for recommending annual retirement appropriations payable by the state and the primary actuarial assumptions and methodologies associated with calculating the annual retirement appropriations. Other related actuarial assumptions and methodologies not listed in this policy are reported in annual valuations, the most recent experience study, or resolutions adopted by the Board.

1. Annual Retirement Appropriations Payable by the State: In each biennial budget request, the Board will recommend annual retirement appropriations payable by the state to meet the benefit requirements of the members of the retirement system. The annual retirement appropriations payable by the state are the sum of the fixed employer contribution rate set by state law and the additional annual retirement appropriations necessary to fund the benefit requirements of members of the retirement system. (KRS 161.550.) The recommended additional annual retirement appropriations payable by the state are calculated by the Board's actuary based upon the results of an annual valuation preceding the beginning of each biennium. (KRS 161.400.)

2. Calculation of Annual Retirement Appropriations Payable by the State: The Board will recommend annual retirement appropriations payable by the state, which—if paid—will meet the benefit requirements of the members of the retirement system consistent with generally accepted actuarial principles. Based upon technical advice from



SCHEDULE F (continued)

the Board's actuary, the Board hereby adopts the following principles for calculating the recommended annual retirement appropriations payable by the state:

- Use the Entry Age Normal actuarial cost method;
- Use a five-year asset smoothing method;
- Use a thirty-year closed period to amortize legacy unfunded liability ("legacy unfunded liability" is that unfunded liability recognized as of the valuation prepared for June 30, 2014);
- Use a twenty-year closed period to amortize new sources of unfunded liability ("new sources of unfunded liability" is that unfunded liability consisting of all benefit changes, assumption and method changes, and experience gains and/or losses that have occurred since the previous valuation); and
- Reach a 100 percent minimum funded ratio within the thirty-year closed amortization period.

The Board also recognizes that, from time to time, the state may desire to contribute lump sum payments toward satisfaction of unfunded liability rather than amortization of the debt. Total unfunded liability is published in every annual valuation of the retirement system and KTRS will work with the state to develop reasonable and appropriate plans for receipt of lump sum payments toward the satisfaction of unfunded liability.

This policy will be reviewed regularly and amended or revised as necessary.