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GASB STATEMENT NO. 68 REPORT
FOR THE
TEACHERS' RETIREMENT SYSTEM
OF THE STATE OF KENTUCKY
PREPARED AS OF JUNE 30, 2015





Cavanaugh Macdonald

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The experience and dedication you deserve

June 24, 2016

Board of Trustees
Teachers' Retirement System of the
State 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 State of Kentucky (TRS) 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, 2015 (the Measurement Date).

GASB Statement Number 68 established 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, 2014. The valuation was based upon data, furnished by the TRS 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
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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', with a stylized, cursive script.

Edward A. Macdonald, ASA, FCA, MAAA
President

A handwritten signature in blue ink, appearing to read 'Edward J. Koebel', with a stylized, cursive script.

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 STATE OF KENTUCKY**

PREPARED AS OF JUNE 30, 2015

SECTION I – INTRODUCTION

The Governmental Accounting Standards Board issued Statement No. 68 (GASB 68), *“Accounting and Financial Reporting For Pensions”* in June 2012. The Teachers' Retirement System of the State of Kentucky (TRS) is a cost-sharing multiple employer defined benefit pension plan.

This report, prepared as of June 30, 2015 (the Measurement Date), presents information to assist the employers participating in TRS in meeting the requirements of GASB 68 for the fiscal year ending June 30, 2016 (Reporting Date). Much of the material provided in this report is based on the data, assumptions and results of the annual actuarial valuation of TRS as of June 30, 2014. The results of that valuation were detailed in a report dated December 12, 2014.

The NPL shown in the GASB Statement No. 67 Report for the Teachers' Retirement System of the State of Kentucky Prepared as of June 30, 2015 and submitted December 4, 2015 is the collective NPL used for purposes of GASB 68. Please refer to that report for the derivation of the collective NPL.

Pension Expense (PE) 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 III.

These collective amounts have been allocated based on actual contributions made to TRS during the measurement period to determine the proportionate share to each participating employer. In addition, TRS 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 TRS.

Schedule A of this report shows the total amount of employer contributions for the year ending June 30, 2015 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)

	2015
Valuation Date:	June 30, 2014
Prior Measurement Date:	June 30, 2014
Measurement Date:	June 30, 2015
Reporting Date:	June 30, 2016
Single Equivalent Interest Rate (SEIR):	
Long-Term Expected Rate of Return	7.50%
Municipal Bond Index Rate at Prior Measurement Date	4.35%
Municipal Bond Index Rate at Measurement Date	3.82%
Fiscal Year in which Plan's Fiduciary Net Position is projected to be depleted from future benefit payments for current members	2039
Single Equivalent Interest Rate at Prior Measurement Date	5.23%
Single Equivalent Interest Rate at Measurement Date	4.88%
Net Pension Liability:	
Total Pension Liability (TPL)	\$ 42,476,699
Fiduciary Net Position (FNP)	<u>18,049,131</u>
Net Pension Liability (NPL = TPL – FNP)	\$ 24,427,568
FNP as a percentage of TPL	42.49%
Pension Expense (PE):	\$1,377,731
Deferred Outflows of Resources:	\$1,482,784
Deferred Inflows of Resources:	\$1,100,605



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, 2014, 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	4.35 percent
Measurement Date	3.82 percent
Year FNP is projected to be depleted	2039
Single Equivalent Interest Rate, net of pension plan investment expense, including inflation	
Prior Measurement Date	5.23 percent
Measurement Date	4.88 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, 2014 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 TRS'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 4.88%. 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 2039 plan year and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. There was a change in the Municipal Bond Index Rate from the Prior Measurement Date to the Measurement Date, so as required under GASB 68, the SEIR at the Measurement Date of 4.88% was calculated using the Municipal Bond Index Rate as of the Measurement Date (3.82%). This change in the discount rate is considered a change in actuarial assumptions or other inputs 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 4.88 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 (3.88 percent) or 1-percentage-point higher (5.88 percent) than the current rate (\$ thousands):

	1% Decrease (3.88%)	Current Discount Rate (4.88%)	1% Increase (5.88%)
System's net pension liability	\$30,402,796	\$24,427,568	\$19,482,972

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, 2014 is the actuarial valuation date upon which the TPL is based. An expected TPL is determined as of June 30, 2015 using standard roll forward techniques. The procedure used to determine the TPL as of June 30, 2015 is shown on page 5 of the GASB 67 report for TRS submitted on December 4, 2015.

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 or other inputs, 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	\$261,586
Changes of actuarial assumptions or other inputs	1,482,784	231,305
Net difference between projected and actual earnings on plan investments	<u>0</u>	<u>607,714</u>
Total	<u>\$1,482,784</u>	<u>\$1,100,605</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	\$(3,398)
Year 2	(3,398)
Year 3	(3,398)
Year 4	334,223
Year 5	58,150
Thereafter	<u>0</u>

The allocation of these deferred amounts for each participating employer is shown in Schedule C.



Collective Deferred Outflows and Inflows for Differences between Expected and Actual Experience

	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2015	\$0	\$323,868	5.2	\$0	\$0	\$0	\$323,868	\$0	\$62,282	\$0	\$261,586
2014	0	0	5.8	0	0	0	0	0	0	0	0
Total				<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$323,868</u>			<u>\$0</u>	<u>\$261,586</u>



Collective Deferred Outflows and Inflows for Differences from Assumption Changes or Other Inputs

	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2015	\$1,835,828	\$0	5.2	\$0	\$0	\$1,835,828	\$0	\$353,044	\$0	\$1,482,784	\$0
2014	\$0	\$353,043	5.8	0	292,174	0	0	\$0	\$60,869	\$0	\$231,305
Total				<u>\$0</u>	<u>\$292,174</u>	<u>\$1,835,828</u>	<u>\$0</u>			<u>\$1,482,784</u>	<u>\$231,305</u>



Collective Deferred Outflows and Inflows for Differences in Investment Experience

	Initial Balance of Losses / Deferred Outflow	Initial Balance of Gains / Deferred Inflow	Amortization Period	Beginning Balance Deferred Outflows (a)	Beginning Balance Deferred Inflows (b)	Losses / Deferred Outflows (c)	Gains / Deferred Inflows (d)	Amounts Recognized in Pension Expense / Deferred Outflow (e)	Amounts Recognized in Pension Expense / Deferred Inflow (f)	Ending Balance Deferred Outflows (a) + (c) - (e)	Ending Balance Deferred Inflows (b) + (d) - (f)
2015	\$460,803	\$0	5.0	\$0	\$0	\$460,803	\$0	\$92,161		\$368,642	\$0
2014	0	1,627,260	5.0	0	1,301,808	\$0	0		325,452	0	976,356
Total				<u>\$0</u>	<u>\$1,301,808</u>	<u>\$460,803</u>	<u>\$0</u>			<u>\$368,642</u>	<u>\$976,356</u>
Net difference between projected and actual earnings on investments											\$607,714



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 SEIR 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 or other inputs.

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, 2015, 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, 2015, the average expected remaining service life for the active members is 11.2 years. The average expected remaining service life of the inactive members is zero. Therefore, the number of years to use for the amortization is the weighted average for all active and inactive members, or 5.2 years.

The last item under changes in TPL are changes in actuarial assumptions or other inputs. There was a change in assumptions or other inputs since the last measurement date due to the change in the Municipal Bond Index Rate. Changes in actuarial assumptions or other inputs 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 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. 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	\$1,015,080
Interest on the TPL and net cash flow	2,029,372
Current-period benefit changes	0
Expensed portion of current-period difference between expected and actual experience in the total pension liability	(62,282)
Expensed portion of current-period changes of assumptions or other inputs	353,044
Member contributions	(308,160)
Projected earnings on plan investments	(1,322,982)
Expensed portion of current-period differences between projected and actual earnings on plan investments	92,161
Administrative expense	8,869
Other	(41,050)
Recognition of beginning deferred outflows of resources as pension expense	0
Recognition of beginning deferred inflows of resources as pension expense	<u>(386,321)</u>
Collective Pension Expense	<u>\$1,377,731</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 State of Kentucky Schedule of Employer Allocations as of June 30, 2015

Code	University Employers	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
263	Eastern Kentucky University	\$ 8,846,580	\$ 899,615	\$ 9,746,195	23.7384%	2.4140%	26.1524%
266	Kentucky State University	2,059,538	209,436	2,268,974	5.5265%	0.5620%	6.0885%
269	Morehead State University	4,852,462	493,450	5,345,912	13.0208%	1.3241%	14.3449%
270	Murray State University	5,684,344	578,045	6,262,389	15.2531%	1.5511%	16.8042%
273	Western Kentucky University	9,645,357	980,843	10,626,200	25.8818%	2.6319%	28.5137%
500	KCTCS Central Office - University	<u>2,738,738</u>	<u>278,504</u>	<u>3,017,242</u>	<u>7.3490%</u>	<u>0.7473%</u>	<u>8.0963%</u>
Total University Contributions		\$ 33,827,019	\$ 3,439,893	\$ 37,266,912	90.7696%	9.2304%	100.0000%



SCHEDULE A (continued)

Code	Non-University Employers	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
400	KCTCS Central Office	\$ 2,779,076	\$ 511,711	\$ 3,290,787	0.5775%	0.1063%	0.6838%
801	KY High School Athletic Association	80,807	14,879	95,686	0.0168%	0.0031%	0.0199%
805	KY School Boards Association	197,841	36,428	234,269	0.0411%	0.0076%	0.0487%
806	KY Education Association	23,380	4,305	27,685	0.0049%	0.0009%	0.0058%
807	KY Academic Association	15,207	2,800	18,007	0.0032%	0.0006%	0.0038%
809	Jefferson County Teachers' Association	6,650	1,224	7,874	<u>0.0014%</u>	<u>0.0003%</u>	<u>0.0017%</u>
		\$ 3,102,961	\$ 571,347	\$ 3,674,308	0.6449%	0.1188%	0.7637%

Code	State Agencies	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
301	Technical Education District - Madisonville	\$ 603,799	\$ 111,177	\$ 714,976	0.1255%	0.0231%	0.1486%
302	Technical Education District - Bowling Green	620,347	114,224	734,571	0.1289%	0.0237%	0.1526%
303	Technical Education District - Elizabethtown	535,340	98,572	633,912	0.1112%	0.0205%	0.1317%
304	Technical Education District - Frankfort	660,491	121,616	782,107	0.1372%	0.0253%	0.1625%
305	Technical Education District - Hazard	646,423	119,026	765,449	0.1343%	0.0247%	0.1590%
308	Adult Council on Post Secondary Education	73,012	13,444	86,456	0.0152%	0.0028%	0.0180%
316	Office of Career and Technical Education	196,408	36,165	232,573	0.0408%	0.0075%	0.0483%
317	Office of Secretary of Workforce Investment	9,631	1,773	11,404	0.0020%	0.0004%	0.0024%
318	Department for Vocational Rehabilitation	1,266,990	233,291	1,500,281	0.2633%	0.0485%	0.3118%
320	School for the Blind	366,444	67,473	433,917	0.0761%	0.0140%	0.0901%
330	School for the Deaf	489,429	90,118	579,547	0.1017%	0.0187%	0.1204%
345	Department of Education	1,819,165	334,963	2,154,128	0.3780%	0.0696%	0.4476%
728	Department of Corrections	6,969	1,283	8,252	0.0014%	0.0003%	0.0017%
896	Education Professional Standards Board	145,452	26,782	172,234	<u>0.0302%</u>	<u>0.0056%</u>	<u>0.0358%</u>
		\$ 7,439,900	\$ 1,369,907	\$ 8,809,807	1.5458%	0.2847%	1.8305%



SCHEDULE A (continued)

Code	Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
1	Adair County Schools	\$ -	\$ 1,582,073	\$ 1,582,073	0.0000%	0.3287%	0.3287%
2	Allen County Schools	-	1,803,471	1,803,471	0.0000%	0.3747%	0.3747%
3	Anderson County Schools	-	2,239,787	2,239,787	0.0000%	0.4654%	0.4654%
4	Ballard County Schools	-	849,206	849,206	0.0000%	0.1765%	0.1765%
5	Barren County Schools	-	2,978,323	2,978,323	0.0000%	0.6189%	0.6189%
6	Bath County Schools	-	1,302,363	1,302,363	0.0000%	0.2706%	0.2706%
7	Bell County Schools	-	1,728,903	1,728,903	0.0000%	0.3592%	0.3592%
8	Boone County Schools	-	13,841,569	13,841,569	0.0000%	2.8761%	2.8761%
9	Bourbon County Schools	-	1,720,245	1,720,245	0.0000%	0.3574%	0.3574%
10	Boyd County Schools	-	2,182,276	2,182,276	0.0000%	0.4534%	0.4534%
11	Boyle County Schools	-	1,901,534	1,901,534	0.0000%	0.3951%	0.3951%
12	Bracken County Schools	-	769,951	769,951	0.0000%	0.1600%	0.1600%
13	Breathitt County Schools	-	1,276,545	1,276,545	0.0000%	0.2652%	0.2652%
14	Breckinridge County Schools	-	1,681,971	1,681,971	0.0000%	0.3495%	0.3495%
15	Bullitt County Schools	-	8,498,421	8,498,421	0.0000%	1.7659%	1.7659%
16	Butler County Schools	-	1,309,909	1,309,909	0.0000%	0.2722%	0.2722%
17	Caldwell County Schools	-	1,150,353	1,150,353	0.0000%	0.2390%	0.2390%
18	Calloway County Schools	-	2,068,773	2,068,773	0.0000%	0.4299%	0.4299%
19	Campbell County Schools	-	3,059,658	3,059,658	0.0000%	0.6358%	0.6358%
20	Carlisle County Schools	-	524,867	524,867	0.0000%	0.1091%	0.1091%
21	Carroll County Schools	-	1,374,670	1,374,670	0.0000%	0.2856%	0.2856%
22	Carter County Schools	-	2,799,452	2,799,452	0.0000%	0.5817%	0.5817%
23	Casey County Schools	-	1,292,242	1,292,242	0.0000%	0.2685%	0.2685%
24	Christian County Schools	-	5,508,069	5,508,069	0.0000%	1.1445%	1.1445%
25	Clark County Schools	-	3,424,009	3,424,009	0.0000%	0.7115%	0.7115%
26	Clay County Schools	-	2,136,915	2,136,915	0.0000%	0.4440%	0.4440%
27	Clinton County Schools	-	1,050,100	1,050,100	0.0000%	0.2182%	0.2182%
28	Crittenden County Schools	-	798,758	798,758	0.0000%	0.1660%	0.1660%
29	Cumberland County Schools	-	649,310	649,310	0.0000%	0.1349%	0.1349%



SCHEDULE A (continued)

Code	Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
30	Daviess County Schools	-	7,452,892	7,452,892	0.0000%	1.5486%	1.5486%
31	Edmonson County Schools	-	1,169,411	1,169,411	0.0000%	0.2430%	0.2430%
32	Elliott County Schools	-	698,203	698,203	0.0000%	0.1451%	0.1451%
33	Estill County Schools	-	1,534,391	1,534,391	0.0000%	0.3188%	0.3188%
34	Fayette County Schools	-	34,103,241	34,103,241	0.0000%	7.0862%	7.0862%
35	Fleming County Schools	-	1,367,610	1,367,610	0.0000%	0.2842%	0.2842%
36	Floyd County Schools	-	3,719,731	3,719,731	0.0000%	0.7729%	0.7729%
37	Franklin County Schools	-	3,890,308	3,890,308	0.0000%	0.8084%	0.8084%
38	Fulton County Schools	-	375,060	375,060	0.0000%	0.0779%	0.0779%
39	Gallatin County Schools	-	1,060,694	1,060,694	0.0000%	0.2204%	0.2204%
40	Garrard County Schools	-	1,670,126	1,670,126	0.0000%	0.3470%	0.3470%
41	Grant County Schools	-	2,304,900	2,304,900	0.0000%	0.4789%	0.4789%
42	Graves County Schools	-	2,706,697	2,706,697	0.0000%	0.5624%	0.5624%
43	Grayson County Schools	-	2,534,781	2,534,781	0.0000%	0.5267%	0.5267%
44	Green County Schools	-	1,059,457	1,059,457	0.0000%	0.2201%	0.2201%
45	Greenup County Schools	-	1,753,231	1,753,231	0.0000%	0.3643%	0.3643%
46	Hancock County Schools	-	1,167,059	1,167,059	0.0000%	0.2425%	0.2425%
47	Hardin County Schools	-	9,608,624	9,608,624	0.0000%	1.9965%	1.9965%
48	Harlan County Schools	-	2,199,134	2,199,134	0.0000%	0.4570%	0.4570%
49	Harrison County Schools	-	1,794,798	1,794,798	0.0000%	0.3729%	0.3729%
50	Hart County Schools	-	1,742,372	1,742,372	0.0000%	0.3620%	0.3620%
51	Henderson County Schools	-	5,471,093	5,471,093	0.0000%	1.1368%	1.1368%
52	Henry County Schools	-	1,400,591	1,400,591	0.0000%	0.2910%	0.2910%
53	Hickman County Schools	-	556,608	556,608	0.0000%	0.1157%	0.1157%
54	Hopkins County Schools	-	4,604,365	4,604,365	0.0000%	0.9567%	0.9567%
55	Jackson County Schools	-	1,441,508	1,441,508	0.0000%	0.2995%	0.2995%
56	Jefferson County Schools	-	88,951,963	88,951,963	0.0000%	18.4829%	18.4829%
57	Jessamine County Schools	-	5,227,665	5,227,665	0.0000%	1.0862%	1.0862%
58	Johnson County Schools	-	2,454,909	2,454,909	0.0000%	0.5101%	0.5101%



SCHEDULE A (continued)

Code	Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
59	Kenton County Schools	-	9,412,921	9,412,921	0.0000%	1.9559%	1.9559%
60	Knott Counts Schools	-	1,519,110	1,519,110	0.0000%	0.3157%	0.3157%
61	Knox County Schools	-	2,901,778	2,901,778	0.0000%	0.6030%	0.6030%
62	Larue County Schools	-	1,624,266	1,624,266	0.0000%	0.3375%	0.3375%
63	Laurel County Schools	-	5,504,802	5,504,802	0.0000%	1.1438%	1.1438%
64	Lawrence County Schools	-	1,530,920	1,530,920	0.0000%	0.3181%	0.3181%
65	Lee County Schools	-	561,196	561,196	0.0000%	0.1166%	0.1166%
66	Leslie County Schools	-	1,094,254	1,094,254	0.0000%	0.2274%	0.2274%
67	Letcher County Schools	-	2,091,510	2,091,510	0.0000%	0.4346%	0.4346%
68	Lewis County Schools	-	1,390,840	1,390,840	0.0000%	0.2890%	0.2890%
69	Lincoln County Schools	-	2,358,369	2,358,369	0.0000%	0.4900%	0.4900%
70	Livingston County Schools	-	892,551	892,551	0.0000%	0.1855%	0.1855%
71	Logan County Schools	-	2,300,229	2,300,229	0.0000%	0.4780%	0.4780%
72	Lyon County Schools	-	540,769	540,769	0.0000%	0.1124%	0.1124%
73	Madison County Schools	-	6,666,125	6,666,125	0.0000%	1.3851%	1.3851%
74	Magoffin County Schools	-	1,359,637	1,359,637	0.0000%	0.2825%	0.2825%
75	Marion County Schools	-	2,197,491	2,197,491	0.0000%	0.4566%	0.4566%
76	Marshall County Schools	-	3,122,639	3,122,639	0.0000%	0.6488%	0.6488%
77	Martin County Schools	-	1,169,442	1,169,442	0.0000%	0.2430%	0.2430%
78	Mason County Schools	-	1,823,890	1,823,890	0.0000%	0.3790%	0.3790%
79	McCracken County Schools	-	4,493,895	4,493,895	0.0000%	0.9338%	0.9338%
80	McCreary County Schools	-	1,870,392	1,870,392	0.0000%	0.3886%	0.3886%
81	McLean County Schools	-	1,047,748	1,047,748	0.0000%	0.2177%	0.2177%
82	Meade County Schools	-	2,845,117	2,845,117	0.0000%	0.5912%	0.5912%
83	Menifee County Schools	-	619,494	619,494	0.0000%	0.1287%	0.1287%
84	Mercer County Schools	-	1,961,139	1,961,139	0.0000%	0.4075%	0.4075%
85	Metcalfe County Schools	-	1,090,100	1,090,100	0.0000%	0.2265%	0.2265%
86	Monroe County Schools	-	1,192,860	1,192,860	0.0000%	0.2479%	0.2479%
87	Montgomery County Schools	-	2,996,435	2,996,435	0.0000%	0.6226%	0.6226%



SCHEDULE A (continued)

Code	Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
88	Morgan County Schools	-	1,173,372	1,173,372	0.0000%	0.2438%	0.2438%
89	Muhlenberg County Schools	-	3,970,652	3,970,652	0.0000%	0.8251%	0.8251%
90	Nelson County Schools	-	2,991,970	2,991,970	0.0000%	0.6217%	0.6217%
91	Nicholas County Schools	-	677,492	677,492	0.0000%	0.1408%	0.1408%
92	Ohio County Schools	-	2,389,157	2,389,157	0.0000%	0.4964%	0.4964%
93	Oldham County Schools	-	8,155,439	8,155,439	0.0000%	1.6946%	1.6946%
94	Owen County Schools	-	1,077,305	1,077,305	0.0000%	0.2239%	0.2239%
95	Owsley County Schools	-	462,070	462,070	0.0000%	0.0960%	0.0960%
96	Pendleton County Schools	-	1,556,754	1,556,754	0.0000%	0.3235%	0.3235%
97	Perry County Schools	-	2,564,235	2,564,235	0.0000%	0.5328%	0.5328%
98	Pike County Schools	-	5,863,960	5,863,960	0.0000%	1.2185%	1.2185%
99	Powell County Schools	-	1,471,763	1,471,763	0.0000%	0.3058%	0.3058%
100	Pulaski County Schools	-	4,808,159	4,808,159	0.0000%	0.9991%	0.9991%
101	Robertson County Schools	-	237,002	237,002	0.0000%	0.0492%	0.0492%
102	Rockcastle County Schools	-	1,884,295	1,884,295	0.0000%	0.3915%	0.3915%
103	Rowan County Schools	-	1,892,811	1,892,811	0.0000%	0.3933%	0.3933%
104	Russell County Schools	-	1,880,329	1,880,329	0.0000%	0.3907%	0.3907%
105	Scott County Schools	-	5,424,020	5,424,020	0.0000%	1.1270%	1.1270%
106	Shelby County Schools	-	5,037,052	5,037,052	0.0000%	1.0466%	1.0466%
107	Simpson County Schools	-	1,899,985	1,899,985	0.0000%	0.3948%	0.3948%
108	Spencer County Schools	-	1,745,748	1,745,748	0.0000%	0.3627%	0.3627%
109	Taylor County Schools	-	1,657,776	1,657,776	0.0000%	0.3445%	0.3445%
110	Todd County Schools	-	1,191,238	1,191,238	0.0000%	0.2475%	0.2475%
111	Trigg County Schools	-	1,454,243	1,454,243	0.0000%	0.3022%	0.3022%
112	Trimble County Schools	-	911,471	911,471	0.0000%	0.1894%	0.1894%
113	Union County Schools	-	1,526,404	1,526,404	0.0000%	0.3172%	0.3172%
114	Warren County Schools	-	8,617,933	8,617,933	0.0000%	1.7907%	1.7907%
115	Washington County Schools	-	1,134,103	1,134,103	0.0000%	0.2357%	0.2357%
116	Wayne County Schools	-	2,020,977	2,020,977	0.0000%	0.4199%	0.4199%



SCHEDULE A (continued)

Code	Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
117	Webster County Schools	-	1,288,356	1,288,356	0.0000%	0.2677%	0.2677%
118	Whitley County Schools	-	2,810,008	2,810,008	0.0000%	0.5839%	0.5839%
119	Wolfe County Schools	-	934,951	934,951	0.0000%	0.1943%	0.1943%
120	Woodford County Schools	-	2,519,978	2,519,978	0.0000%	0.5236%	0.5236%
122	Anchorage City Schools	-	542,227	542,227	0.0000%	0.1127%	0.1127%
124	Ashland City Schools	-	2,057,213	2,057,213	0.0000%	0.4275%	0.4275%
125	Augusta City Schools	-	209,167	209,167	0.0000%	0.0435%	0.0435%
126	Barbourville City Schools	-	416,730	416,730	0.0000%	0.0866%	0.0866%
127	Bardstown City Schools	-	1,952,004	1,952,004	0.0000%	0.4056%	0.4056%
128	Beechwood Independent Schools	-	930,864	930,864	0.0000%	0.1934%	0.1934%
129	Bellevue City Schools	-	544,957	544,957	0.0000%	0.1132%	0.1132%
131	Berea City Schools	-	739,604	739,604	0.0000%	0.1537%	0.1537%
134	Bowling Green City Schools	-	2,771,163	2,771,163	0.0000%	0.5758%	0.5758%
136	Burgin City Schools	-	320,331	320,331	0.0000%	0.0666%	0.0666%
140	Campbellsville City Schools	-	796,846	796,846	0.0000%	0.1656%	0.1656%
144	Caverna City Schools	-	523,667	523,667	0.0000%	0.1088%	0.1088%
147	Cloverport City Schools	-	280,134	280,134	0.0000%	0.0582%	0.0582%
150	Corbin City Schools	-	1,740,634	1,740,634	0.0000%	0.3617%	0.3617%
151	Covington City Schools	-	3,241,334	3,241,334	0.0000%	0.6735%	0.6735%
154	Danville City Schools	-	1,563,166	1,563,166	0.0000%	0.3248%	0.3248%
155	Dawson Springs City Schools	-	417,826	417,826	0.0000%	0.0868%	0.0868%
156	Dayton City Schools	-	636,490	636,490	0.0000%	0.1323%	0.1323%
158	East Bernstadt City Schools	-	320,582	320,582	0.0000%	0.0666%	0.0666%
160	Elizabethtown City Schools	-	1,681,902	1,681,902	0.0000%	0.3495%	0.3495%
161	Eminence Independent Schools	-	452,772	452,772	0.0000%	0.0941%	0.0941%
162	Erlanger-Elsmere City Schools	-	1,626,673	1,626,673	0.0000%	0.3380%	0.3380%
163	Fairview Independent Schools	-	606,221	606,221	0.0000%	0.1260%	0.1260%
166	Fort Thomas Independent Schools	-	2,161,885	2,161,885	0.0000%	0.4492%	0.4492%
167	Frankfort City Schools	-	648,766	648,766	0.0000%	0.1348%	0.1348%



SCHEDULE A (continued)

Code	Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
170	Fulton City Schools	-	272,958	272,958	0.0000%	0.0567%	0.0567%
173	Glasgow City Schools	-	1,472,803	1,472,803	0.0000%	0.3060%	0.3060%
180	Harlan City Schools	-	450,973	450,973	0.0000%	0.0937%	0.0937%
182	Hazard Independent Schools	-	643,477	643,477	0.0000%	0.1337%	0.1337%
190	Jackson City Schools	-	200,711	200,711	0.0000%	0.0417%	0.0417%
191	Jenkins City Schools	-	380,186	380,186	0.0000%	0.0790%	0.0790%
206	Ludlow City Schools	-	659,804	659,804	0.0000%	0.1371%	0.1371%
210	Mayfield City Schools	-	1,138,896	1,138,896	0.0000%	0.2366%	0.2366%
214	Middlesboro City Schools	-	792,086	792,086	0.0000%	0.1646%	0.1646%
221	Murray City Schools	-	1,082,327	1,082,327	0.0000%	0.2249%	0.2249%
222	Newport City Schools	-	1,493,263	1,493,263	0.0000%	0.3103%	0.3103%
224	Owensboro City Schools	-	3,452,098	3,452,098	0.0000%	0.7173%	0.7173%
226	Paducah City Schools	-	2,027,454	2,027,454	0.0000%	0.4213%	0.4213%
227	Paintsville City Schools	-	607,250	607,250	0.0000%	0.1262%	0.1262%
228	Paris City Schools	-	469,436	469,436	0.0000%	0.0975%	0.0975%
230	Pikeville City Schools	-	984,450	984,450	0.0000%	0.2046%	0.2046%
231	Pineville City Schools	-	339,726	339,726	0.0000%	0.0706%	0.0706%
235	Raceland City Schools	-	673,501	673,501	0.0000%	0.1399%	0.1399%
238	Russell City Schools	-	1,475,938	1,475,938	0.0000%	0.3068%	0.3068%
239	Russellville City Schools	-	686,435	686,435	0.0000%	0.1426%	0.1426%
240	Science Hill City Schools	-	292,903	292,903	0.0000%	0.0609%	0.0609%
245	Silver Grove City Schools	-	208,223	208,223	0.0000%	0.0433%	0.0433%
246	Somerset City Schools	-	1,061,849	1,061,849	0.0000%	0.2206%	0.2206%
247	Southgate City Schools	-	144,616	144,616	0.0000%	0.0300%	0.0300%
258	Walton-Verona Independent Schools	-	1,140,357	1,140,357	0.0000%	0.2370%	0.2370%
259	West Point City Schools	-	100,998	100,998	0.0000%	0.0210%	0.0210%
260	Williamsburg City Schools	-	524,928	524,928	0.0000%	0.1091%	0.1091%
261	Williamstown City Schools	-	525,560	525,560	0.0000%	0.1092%	0.1092%
870	Ohio Valley Educational Cooperative	-	343,242	343,242	0.0000%	0.0713%	0.0713%



SCHEDULE A (continued)

Code	Local School Districts and Educational Cooperatives	Contributions			Allocation Percentage		
		Employer	State	Total	Employer	State	Total
871	West Kentucky Educational Cooperative	-	151,436	151,436	0.0000%	0.0315%	0.0315%
872	Southeast South-Central Educational Cooperative	-	19,219	19,219	0.0000%	0.0040%	0.0040%
890	Green River Regional Educational Cooperative	-	199,217	199,217	0.0000%	0.0414%	0.0414%
891	Central KY Special Education Cooperative	-	49,978	49,978	0.0000%	0.0104%	0.0104%
892	KY Valley Educational Cooperative	-	133,965	133,965	0.0000%	0.0278%	0.0278%
894	KY Educational Development Corporation	-	259,403	259,403	0.0000%	0.0539%	0.0539%
895	Northern KY Cooperative for Educational Services	-	198,488	198,488	<u>0.0000%</u>	<u>0.0412%</u>	<u>0.0412%</u>
		\$ -	\$468,777,384	468,777,384	0.0000%	97.4058%	97.4058%
	Total Non-University Contributions	<u>10,542,861</u>	<u>470,718,638</u>	<u>481,261,499</u>	<u>2.1907%</u>	<u>97.8093%</u>	<u>100.0000%</u>



SCHEDULE B

Teachers' Retirement System of the State of Kentucky Schedules of Pension Amounts by Employer As of and for the fiscal year ended June 30, 2015

					<u>Deferred Outflows of Resources</u>		
					Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		
		June 30, 2015			Change of Assumptions	Total Deferred Outflows of Resources	
Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability					
Code	Employer						
<u>University Employers</u>							
263	Eastern Kentucky University	\$ 274,716,842	\$ 27,936,152	\$ 302,652,994	\$ 16,863,653	\$ 9,121,805	\$ 25,985,458
266	Kentucky State University	63,955,762	6,503,709	70,459,471	3,925,962	-	3,925,962
269	Morehead State University	150,685,690	15,323,327	166,009,017	9,249,929	2,794,454	12,044,383
270	Murray State University	176,518,499	17,950,287	194,468,786	10,835,691	4,931,974	15,767,665
273	Western Kentucky University	299,521,616	30,458,564	329,980,180	18,386,308	-	18,386,308
500	KCTCS Central Office - University	85,047,263	8,648,505	93,695,768	5,220,676	-	5,220,676
Total University		\$ 1,050,445,672	\$ 106,820,544	\$ 1,157,266,216	\$ 64,482,219	\$ 16,848,233	\$ 81,330,452

		Deferred Inflows of Resources										
		Differences Between Expected and Actual Pension Plan Investments			Net Difference Between Projected and Actual Earnings on Pension Plan Investments		Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		Total Deferred Inflows of Resources		Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	
Code	Employer	Experience	Change of Assumptions	Contributions	Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Pension Expense	Total Pension Expense			
<u>University Employers</u>												
263	Eastern Kentucky University	\$ 2,999,305	\$ 6,923,206	\$ 2,652,058	\$ -	\$ 12,574,569	\$ 13,424,796	\$ 1,365,177	\$ 14,789,973	\$ 2,171,858	\$ 16,961,831	
266	Kentucky State University	698,257	1,611,765	617,415	6,375,291	9,302,728	3,125,374	317,822	3,443,196	(1,517,927)	1,925,269	
269	Morehead State University	1,645,157	3,797,467	1,454,688	-	6,897,312	7,363,672	748,817	8,112,489	665,346	8,777,835	
270	Murray State University	1,927,195	4,448,486	1,704,072	-	8,079,753	8,626,064	877,190	9,503,254	1,174,279	10,677,533	
273	Western Kentucky University	3,270,119	7,548,318	2,891,518	134,654	13,844,609	14,636,950	1,488,442	16,125,392	(32,057)	16,093,335	
500	KCTCS Central Office - University	928,529	2,143,297	821,028	1,653,462	5,546,316	4,156,070	422,633	4,578,703	(393,681)	4,185,022	
Total University		\$ 11,468,562	\$ 26,472,539	\$ 10,140,779	\$ 8,163,407	\$ 56,245,287	\$ 51,332,926	\$ 5,220,081	\$ 56,553,007	\$ 2,067,818	\$ 58,620,825	



SCHEDULE B (continued)

CodeEmployer		June 30, 2015			Deferred Outflows of Resources		
					Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of		Total Deferred Outflows of Resources
		Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability	Change of Assumptions	Contributions	
<u>Non-University Employers</u>							
400	KCTCS Central Office	\$ 134,375,987	\$ 24,742,614	\$ 159,118,601	\$ 8,152,217	\$ -	\$ 8,152,217
801	KY High School Athletic Association	3,907,316	719,518	4,626,834	237,046	54,003	291,049
805	KY School Boards Association	9,566,188	1,761,329	11,327,517	580,354	258,965	839,319
806	KY Education Association	1,130,471	208,269	1,338,740	68,583	-	68,583
807	KY Academic Association	735,342	135,433	870,775	44,611	6,595	51,206
809	Jefferson County Teachers' Association	321,596	59,107	380,703	19,510	2,673	22,183
	Total - Other Employers	\$ 150,036,900	\$ 27,626,270	\$ 177,663,170	\$ 9,102,321	\$ 322,236	\$ 9,424,557

CodeEmployer					Deferred Outflows of Resources		
					Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		Total Deferred Outflows of Resources
		Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability	Change of Assumptions		
<u>State Agencies</u>							
301	Technical Education District - Madisonville	\$ 29,195,386	\$ 5,375,672	\$ 34,571,058	\$ 1,771,203	\$ 5,192,661	\$ 6,963,864
302	Technical Education District - Bow ling Green	29,995,419	5,522,973	35,518,392	1,819,739	832,858	2,652,597
303	Technical Education District - Elizabethtow n	25,885,186	4,766,223	30,651,409	1,570,382	1,371,996	2,942,378
304	Technical Education District - Frankfort	31,936,628	5,880,405	37,817,033	1,937,506	-	1,937,506
305	Technical Education District - Hazard	31,256,204	5,755,211	37,011,415	1,896,227	-	1,896,227
308	Adult Council on Post Secondary Education	3,530,337	649,940	4,180,277	214,176	-	214,176
316	Office of Career and Technical Education	9,496,843	1,748,763	11,245,606	576,147	6,831,108	7,407,255
317	Office of Secretary of Workforce Investment	465,639	85,635	551,274	28,249	-	28,249
318	Department for Vocational Rehabilitation	61,262,327	11,280,279	72,542,606	3,716,615	1,579,453	5,296,068
320	School for the Blind	17,718,473	3,262,496	20,980,969	1,074,930	-	1,074,930
330	School for the Deaf	23,665,199	4,357,364	28,022,563	1,435,702	-	1,435,702
345	Department of Education	87,961,508	16,196,363	104,157,871	5,336,380	927,318	6,263,698
728	Department of Corrections	336,954	62,132	399,086	20,442	-	20,442
896	Education Professional Standards Board	7,032,983	1,294,992	8,327,975	426,672	509,196	935,868
Total - State Agencies		\$ 359,739,086	\$ 66,238,448	\$ 425,977,534	\$ 21,824,370	\$ 17,244,590	\$ 39,068,960



SCHEDULE B (continued)

CodeEmployer					Deferred Outflows of Resources		
					Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of		Total Deferred Outflows of Resources
		Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability	Change of Assumptions	Contributions	
Local School Districts and Educational Cooperatives							
1	Adair County Schools	\$ -	\$ 76,497,627	\$ 76,497,627			
2	Allen County Schools	-	87,202,663	87,202,663			
3	Anderson County Schools	-	108,299,752	108,299,752			
4	Ballard County Schools	-	41,061,378	41,061,378			
5	Barren County Schools	-	144,010,124	144,010,124			
6	Bath County Schools	-	62,972,694	62,972,694			
7	Bell County Schools	-	83,597,163	83,597,163			
8	Boone County Schools	-	669,277,382	669,277,382			
9	Bourbon County Schools	-	83,178,530	83,178,530			
10	Boyd County Schools	-	105,518,951	105,518,951			
11	Boyle County Schools	-	91,944,453	91,944,453			
12	Bracken County Schools	-	37,229,225	37,229,225			
13	Breathitt County Schools	-	61,724,475	61,724,475			
14	Breckinridge County Schools	-	81,327,843	81,327,843			
15	Bullitt County Schools	-	410,921,649	410,921,649			
16	Butler County Schools	-	63,337,573	63,337,573			
17	Caldwell County Schools	-	55,622,770	55,622,770			
18	Calloway County Schools	-	100,030,883	100,030,883			
19	Campbell County Schools	-	147,942,805	147,942,805			
20	Carlisle County Schools	-	25,378,824	25,378,824			
21	Carroll County Schools	-	66,469,057	66,469,057			
22	Carter County Schools	-	135,361,018	135,361,018			
23	Casey County Schools	-	62,483,320	62,483,320			
24	Christian County Schools	-	266,330,000	266,330,000			
25	Clark County Schools	-	165,560,053	165,560,053			
26	Clay County Schools	-	103,325,725	103,325,725			
27	Clinton County Schools	-	50,775,100	50,775,100			
28	Crittenden County Schools	-	38,622,185	38,622,185			
29	Cumberland County Schools	-	31,395,826	31,395,826			
30	Daviess County Schools	-	360,367,617	360,367,617			
31	Edmonson County Schools	-	56,544,274	56,544,274			
32	Elliott County Schools	-	33,760,088	33,760,088			
33	Estill County Schools	-	74,192,005	74,192,005			
34	Fayette County Schools	-	1,648,984,314	1,648,984,314			
35	Fleming County Schools	-	66,127,682	66,127,682			
36	Floyd County Schools	-	179,859,188	179,859,188			
37	Franklin County Schools	-	188,106,881	188,106,881			
38	Fulton County Schools	-	18,135,244	18,135,244			
39	Gallatin County Schools	-	51,287,512	51,287,512			
40	Garrard County Schools	-	80,755,161	80,755,161			



SCHEDULE B (continued)

Code	Employer	June 30, 2015			Deferred Outflows of Resources		
		Employer's	State's	Total	Change of	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
		Proportionate Share of Net Pension Liability	Proportionate Share of Net Pension Liability				
41	Grant County Schools	-	111,448,224	111,448,224			
42	Graves County Schools	-	130,876,133	130,876,133			
43	Grayson County Schools	-	122,563,516	122,563,516			
44	Green County Schools	-	51,227,708	51,227,708			
45	Greenup County Schools	-	84,773,477	84,773,477			
46	Hancock County Schools	-	56,430,482	56,430,482			
47	Hardin County Schools	-	464,602,978	464,602,978			
48	Harlan County Schools	-	106,334,109	106,334,109			
49	Harrison County Schools	-	86,783,333	86,783,333			
50	Hart County Schools	-	84,248,499	84,248,499			
51	Henderson County Schools	-	264,542,143	264,542,143			
52	Henry County Schools	-	67,722,396	67,722,396			
53	Hickman County Schools	-	26,913,500	26,913,500			
54	Hopkins County Schools	-	222,633,493	222,633,493			
55	Jackson County Schools	-	69,700,837	69,700,837			
56	Jefferson County Schools	-	4,301,069,425	4,301,069,425			
57	Jessamine County Schools	-	252,771,792	252,771,792			
58	Johnson County Schools	-	118,701,577	118,701,577			
59	Kenton County Schools	-	455,140,342	455,140,342			
60	Knott County Schools	-	73,453,173	73,453,173			
61	Knox County Schools	-	140,308,750	140,308,750			
62	Larue County Schools	-	78,537,734	78,537,734			
63	Laurel County Schools	-	266,172,227	266,172,227			
64	Lawrence County Schools	-	74,024,226	74,024,226			
65	Lee County Schools	-	27,135,266	27,135,266			
66	Leslie County Schools	-	52,910,151	52,910,151			
67	Letcher County Schools	-	101,130,172	101,130,172			
68	Lewis County Schools	-	67,250,939	67,250,939			
69	Lincoln County Schools	-	114,033,554	114,033,554			
70	Livingston County Schools	-	43,157,334	43,157,334			
71	Logan County Schools	-	111,222,269	111,222,269			
72	Lyon County Schools	-	26,147,675	26,147,675			
73	Madison County Schools	-	322,325,327	322,325,327			
74	Magoffin County Schools	-	65,742,093	65,742,093			
75	Marion County Schools	-	106,254,758	106,254,758			
76	Marshall County Schools	-	150,988,190	150,988,190			
77	Martin County Schools	-	56,545,670	56,545,670			
78	Mason County Schools	-	88,190,022	88,190,022			
79	McCracken County Schools	-	217,292,028	217,292,028			
80	McCreary County Schools	-	90,438,632	90,438,632			



SCHEDULE B (continued)

Code	Employer	June 30, 2015			Deferred Outflows of Resources		
		Employer's Proportionate Share of Net Pension Liability	State's Proportionate Share of Net Pension Liability	Total Net Pension Liability	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
81	McLean County Schools	-	50,661,541	50,661,541			
82	Meade County Schools	-	137,569,137	137,569,137			
83	Menifee County Schools	-	29,954,231	29,954,231			
84	Mercer County Schools	-	94,826,480	94,826,480			
85	Metcalfe County Schools	-	52,709,328	52,709,328			
86	Monroe County Schools	-	57,678,003	57,678,003			
87	Montgomery County Schools	-	144,885,786	144,885,786			
88	Morgan County Schools	-	56,735,788	56,735,788			
89	Muhlenberg County Schools	-	191,991,858	191,991,858			
90	Nelson County Schools	-	144,669,837	144,669,837			
91	Nicholas County Schools	-	32,758,535	32,758,535			
92	Ohio County Schools	-	115,522,155	115,522,155			
93	Oldham County Schools	-	394,337,603	394,337,603			
94	Owen County Schools	-	52,090,571	52,090,571			
95	Owsley County Schools	-	22,342,282	22,342,282			
96	Pendleton County Schools	-	75,273,376	75,273,376			
97	Perry County Schools	-	123,987,658	123,987,658			
98	Pike County Schools	-	283,538,388	283,538,388			
99	Powell County Schools	-	71,163,841	71,163,841			
100	Pulaski County Schools	-	232,487,535	232,487,535			
101	Robertson County Schools	-	11,459,693	11,459,693			
102	Rockcastle County Schools	-	91,110,678	91,110,678			
103	Rowan County Schools	-	91,522,562	91,522,562			
104	Russell County Schools	-	90,918,931	90,918,931			
105	Scott County Schools	-	262,266,075	262,266,075			
106	Shelby County Schools	-	243,555,123	243,555,123			
107	Simpson County Schools	-	91,869,523	91,869,523			
108	Spencer County Schools	-	84,411,624	84,411,624			
109	Taylor County Schools	-	80,158,045	80,158,045			
110	Todd County Schools	-	57,599,582	57,599,582			
111	Trigg County Schools	-	70,316,569	70,316,569			
112	Trimble County Schools	-	44,072,090	44,072,090			
113	Union County Schools	-	73,805,718	73,805,718			
114	Warren County Schools	-	416,700,596	416,700,596			
115	Washington County Schools	-	54,836,932	54,836,932			
116	Wayne County Schools	-	97,719,676	97,719,676			
117	Webster County Schools	-	62,295,529	62,295,529			
118	Whitley County Schools	-	135,871,569	135,871,569			
119	Wolfe County Schools	-	45,207,448	45,207,448			
120	Woodford County Schools	-	121,847,721	121,847,721			



SCHEDULE B (continued)

Code	Employer	June 30, 2015			Deferred Outflows of Resources		
		Employer's	State's	Total	Change of	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources
		Proportionate Share of Net Pension Liability	Proportionate Share of Net Pension Liability				
122	Anchorage City Schools	-	26,218,184	26,218,184			
124	Ashland City Schools	-	99,471,930	99,471,930			
125	Augusta City Schools	-	10,113,739	10,113,739			
126	Barbourville City Schools	-	20,149,987	20,149,987			
127	Bardstown City Schools	-	94,384,809	94,384,809			
128	Beechwood Independent Schools	-	45,009,883	45,009,883			
129	Bellevue City Schools	-	26,350,126	26,350,126			
131	Berea City Schools	-	35,761,800	35,761,800			
134	Bowling Green City Schools	-	133,993,190	133,993,190			
136	Burgin City Schools	-	15,488,946	15,488,946			
140	Campbellsville City Schools	-	38,529,569	38,529,569			
144	Caverna City Schools	-	25,320,648	25,320,648			
147	Cloverport City Schools	-	13,545,177	13,545,177			
150	Corbin City Schools	-	84,164,493	84,164,493			
151	Covington City Schools	-	156,727,344	156,727,344			
154	Danville City Schools	-	75,583,336	75,583,336			
155	Dawson Springs City Schools	-	20,203,043	20,203,043			
156	Dayton City Schools	-	30,776,138	30,776,138			
158	East Bernstadt City Schools	-	15,501,046	15,501,046			
160	Elizabethtown City Schools	-	81,324,585	81,324,585			
161	Eminence Independent Schools	-	21,892,700	21,892,700			
162	Erlanger-Elsmere City Schools	-	78,654,085	78,654,085			
163	Fairview Independent Schools	-	29,312,436	29,312,436			
166	Fort Thomas Independent Schools	-	104,532,988	104,532,988			
167	Frankfort City Schools	-	31,369,530	31,369,530			
170	Fulton City Schools	-	13,198,217	13,198,217			
173	Glasgow City Schools	-	71,214,105	71,214,105			
180	Harlan City Schools	-	21,805,669	21,805,669			
182	Hazard Independent Schools	-	31,113,790	31,113,790			
190	Jackson City Schools	-	9,704,879	9,704,879			
191	Jenkins City Schools	-	18,383,073	18,383,073			
206	Ludlow City Schools	-	31,903,351	31,903,351			
210	Mayfield City Schools	-	55,068,704	55,068,704			
214	Middlesboro City Schools	-	38,299,426	38,299,426			
221	Murray City Schools	-	52,333,512	52,333,512			
222	Newport City Schools	-	72,203,325	72,203,325			
224	Owensboro City Schools	-	166,918,340	166,918,340			
226	Paducah City Schools	-	98,032,895	98,032,895			
227	Paintsville City Schools	-	29,362,234	29,362,234			
228	Paris City Schools	-	22,698,550	22,698,550			



SCHEDULE B (continued)

Code	Employer	June 30, 2015			Deferred Outflows of Resources		
		Employer's	State's	Total	Change of	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of	Total Deferred Outflows of Resources
		Proportionate Share of Net Pension Liability	Proportionate Share of Net Pension Liability	Net Pension Liability			
230	Pikeville City Schools	-	47,600,799	47,600,799			
231	Pineville City Schools	-	16,426,739	16,426,739			
235	Raceland City Schools	-	32,565,624	32,565,624			
238	Russell City Schools	-	71,365,594	71,365,594			
239	Russellville City Schools	-	33,190,897	33,190,897			
240	Science Hill City Schools	-	14,162,771	14,162,771			
245	Silver Grove City Schools	-	10,068,129	10,068,129			
246	Somerset City Schools	-	51,343,361	51,343,361			
247	Southgate City Schools	-	6,992,493	6,992,493			
258	Walton-Verona Independent Schools	-	55,139,445	55,139,445			
259	West Point City Schools	-	4,883,506	4,883,506			
260	Williamsburg City Schools	-	25,381,616	25,381,616			
261	Williamstown City Schools	-	25,412,333	25,412,333			
870	Ohio Valley Educational Cooperative	-	16,596,612	16,596,612			
871	West Kentucky Educational Cooperative	-	7,322,233	7,322,233			
872	Southeast South-Central Educational Cooperative	-	929,183	929,183			
890	Green River Regional Educational Cooperative	-	9,632,741	9,632,741			
891	Central KY Special Education Cooperative	-	2,416,621	2,416,621			
892	KY Valley Educational Cooperative	-	6,477,521	6,477,521			
894	KY Educational Development Corporation	-	12,542,925	12,542,925			
895	Northern KY Cooperative for Educational Services	-	9,597,371	9,597,371			
	Total - Local School Districts	\$ -	\$ 22,666,661,081	\$ 22,666,661,081			
	Total Non University	\$ 509,775,986	\$ 22,760,525,799	\$ 23,270,301,785			
	State's Proportionate Share of Outflows/Inflows				\$ 1,387,374,971	\$ 553,932	\$ 1,387,928,903



SCHEDULE B (continued)

		Deferred Inflows of Resources									
Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense
<u>Non-University Employers</u>											
400	KCTCS Central Office	\$ 1,437,583	\$ 3,340,870	\$ 1,271,170	\$ 10,343,082	\$ 16,392,705	\$ 7,629,221	\$ 1,404,767	\$ 9,033,988	\$ (2,462,639)	\$ 6,571,349
801	KY High School Athletic Association	41,801	97,144	36,962	-	175,907	221,825	40,851	262,676	12,858	275,534
805	KY School Boards Association	102,341	237,836	90,494	-	430,671	543,122	100,000	643,122	61,658	704,780
806	KY Education Association	12,094	28,106	10,694	3,208	54,102	64,182	11,825	76,007	(764)	75,243
807	KY Academic Association	7,867	18,282	6,956	-	33,105	41,749	7,689	49,438	1,570	51,008
809	Jefferson County Teachers' Association	3,440	7,996	3,042	-	14,478	18,258	3,356	21,614	637	22,251
	Total - Other Employers	\$ 1,605,126	\$ 3,730,234	\$ 1,419,318	\$ 10,346,290	\$ 17,100,968	\$ 8,518,357	\$ 1,568,488	\$ 10,086,845	\$ (2,386,680)	\$ 7,700,165

		Deferred Inflows of Resources									
							Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions				
		Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Plan Pension Expense	Employer Contributions and Proportionate Share of Contributions	Total Pension Expense
Code	Employer										
<u>State Agencies</u>											
301	Technical Education District - Madisonville	\$ 312,338	\$ 725,859	\$ 276,183	\$ -	\$ 1,314,380	\$ 1,657,573	\$ 305,205	\$ 1,962,778	\$ 1,236,348	\$ 3,199,126
302	Technical Education District - Bow ling Green	320,897	745,749	283,751	-	1,350,397	1,702,995	313,568	2,016,563	198,299	2,214,862
303	Technical Education District - Elizabethtown	276,925	643,560	244,869	-	1,165,354	1,469,636	270,603	1,740,239	326,666	2,066,905
304	Technical Education District - Frankfort	341,665	794,012	302,114	4,119,731	5,557,522	1,813,208	333,861	2,147,069	(980,888)	1,166,181
305	Technical Education District - Hazard	334,386	777,095	295,677	2,153,168	3,560,326	1,774,590	326,753	2,101,343	(512,659)	1,588,684
308	Adult Council on Post Secondary Education	37,768	87,772	33,396	172,168	331,104	200,436	36,900	237,336	(40,992)	196,344
316	Office of Career and Technical Education	101,599	236,112	89,838	-	427,549	539,185	99,286	638,471	1,626,454	2,264,925
317	Office of Secretary of Workforce Investment	4,982	11,577	4,405	271,797	292,761	26,450	4,862	31,312	(64,714)	(33,402)
318	Department for Vocational Rehabilitation	655,397	1,523,111	579,529	-	2,758,037	3,478,180	640,440	4,118,620	376,060	4,494,680
320	School for the Blind	189,556	440,519	167,613	53,111	850,799	1,005,969	185,229	1,191,198	(12,646)	1,178,552
330	School for the Deaf	253,175	588,367	223,868	870,998	1,936,408	1,343,596	247,390	1,590,986	(207,381)	1,383,605
345	Department of Education	941,031	2,186,909	832,098	-	3,960,038	4,994,031	919,552	5,913,583	220,790	6,134,373
728	Department of Corrections	3,605	8,377	3,188	133,492	148,662	19,130	3,528	22,658	(31,784)	(9,126)
896	Education Professional Standards Board	75,240	174,855	66,531	-	316,626	399,299	73,523	472,822	121,237	594,059
Total - State Agencies		\$ 3,848,564	\$ 8,943,874	\$ 3,403,060	\$ 7,774,465	\$ 23,969,963	\$ 20,424,278	\$ 3,760,700	\$ 24,184,978	\$ 2,254,790	\$ 26,439,768



SCHEDULE B (continued)

CodeEmployer		Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions									
		Differences Between Expected and Actual Experience		Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Plan Pension Expense	Deferred Contributions and Proportionate Share of Contributions	Total Pension Expense				
Local School Districts and Educational Cooperatives																
1	Adair County Schools						\$	-	\$	4,343,167	\$	4,343,167	\$	-	\$	4,343,167
2	Allen County Schools							-		4,950,947		4,950,947		-		4,950,947
3	Anderson County Schools							-		6,148,739		6,148,739		-		6,148,739
4	Ballard County Schools							-		2,331,267		2,331,267		-		2,331,267
5	Barren County Schools							-		8,176,202		8,176,202		-		8,176,202
6	Bath County Schools							-		3,575,286		3,575,286		-		3,575,286
7	Bell County Schools							-		4,746,245		4,746,245		-		4,746,245
8	Boone County Schools							-		37,998,348		37,998,348		-		37,998,348
9	Bourbon County Schools							-		4,722,477		4,722,477		-		4,722,477
10	Boyd County Schools							-		5,990,858		5,990,858		-		5,990,858
11	Boyle County Schools							-		5,220,163		5,220,163		-		5,220,163
12	Bracken County Schools							-		2,113,696		2,113,696		-		2,113,696
13	Breathitt County Schools							-		3,504,419		3,504,419		-		3,504,419
14	Breckinridge County Schools							-		4,617,403		4,617,403		-		4,617,403
15	Bullitt County Schools							-		23,330,153		23,330,153		-		23,330,153
16	Butler County Schools							-		3,596,003		3,596,003		-		3,596,003
17	Caldwell County Schools							-		3,157,993		3,157,993		-		3,157,993
18	Calloway County Schools							-		5,679,272		5,679,272		-		5,679,272
19	Campbell County Schools							-		8,399,480		8,399,480		-		8,399,480
20	Carlisle County Schools							-		1,440,887		1,440,887		-		1,440,887
21	Carroll County Schools							-		3,773,793		3,773,793		-		3,773,793
22	Carter County Schools							-		7,685,147		7,685,147		-		7,685,147
23	Casey County Schools							-		3,547,502		3,547,502		-		3,547,502
24	Christian County Schools							-		15,120,935		15,120,935		-		15,120,935
25	Clark County Schools							-		9,399,703		9,399,703		-		9,399,703
26	Clay County Schools							-		5,866,337		5,866,337		-		5,866,337
27	Clinton County Schools							-		2,882,766		2,882,766		-		2,882,766
28	Crittenden County Schools							-		2,192,782		2,192,782		-		2,192,782
29	Cumberland County Schools							-		1,782,504		1,782,504		-		1,782,504
30	Daviess County Schools							-		20,459,939		20,459,939		-		20,459,939
31	Edmonson County Schools							-		3,210,312		3,210,312		-		3,210,312
32	Elliott County Schools							-		1,916,735		1,916,735		-		1,916,735
33	Estill County Schools							-		4,212,265		4,212,265		-		4,212,265
34	Fayette County Schools							-		93,621,392		93,621,392		-		93,621,392
35	Fleming County Schools							-		3,754,411		3,754,411		-		3,754,411
36	Floyd County Schools							-		10,211,539		10,211,539		-		10,211,539
37	Franklin County Schools							-		10,679,803		10,679,803		-		10,679,803
38	Fulton County Schools							-		1,029,632		1,029,632		-		1,029,632
39	Gallatin County Schools							-		2,911,858		2,911,858		-		2,911,858
40	Garrard County Schools							-		4,584,889		4,584,889		-		4,584,889



SCHEDULE B (continued)

		Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions				
Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense
41	Grant County Schools						-	6,327,494	6,327,494	-	6,327,494
42	Graves County Schools						-	7,430,517	7,430,517	-	7,430,517
43	Grayson County Schools						-	6,958,566	6,958,566	-	6,958,566
44	Green County Schools						-	2,908,463	2,908,463	-	2,908,463
45	Greenup County Schools						-	4,813,030	4,813,030	-	4,813,030
46	Hancock County Schools						-	3,203,851	3,203,851	-	3,203,851
47	Hardin County Schools						-	26,377,921	26,377,921	-	26,377,921
48	Harlan County Schools						-	6,037,139	6,037,139	-	6,037,139
49	Harrison County Schools						-	4,927,140	4,927,140	-	4,927,140
50	Hart County Schools						-	4,783,224	4,783,224	-	4,783,224
51	Henderson County Schools						-	15,019,429	15,019,429	-	15,019,429
52	Henry County Schools						-	3,844,952	3,844,952	-	3,844,952
53	Hickman County Schools						-	1,528,019	1,528,019	-	1,528,019
54	Hopkins County Schools						-	12,640,058	12,640,058	-	12,640,058
55	Jackson County Schools						-	3,957,278	3,957,278	-	3,957,278
56	Jefferson County Schools						-	244,194,005	244,194,005	-	244,194,005
57	Jessamine County Schools						-	14,351,166	14,351,166	-	14,351,166
58	Johnson County Schools						-	6,739,304	6,739,304	-	6,739,304
59	Kenton County Schools						-	25,840,678	25,840,678	-	25,840,678
60	Knott County Schools						-	4,170,318	4,170,318	-	4,170,318
61	Knox County Schools						-	7,966,055	7,966,055	-	7,966,055
62	Larue County Schools						-	4,458,994	4,458,994	-	4,458,994
63	Laurel County Schools						-	15,111,978	15,111,978	-	15,111,978
64	Lawrence County Schools						-	4,202,739	4,202,739	-	4,202,739
65	Lee County Schools						-	1,540,610	1,540,610	-	1,540,610
66	Leslie County Schools						-	3,003,984	3,003,984	-	3,003,984
67	Letcher County Schools						-	5,741,684	5,741,684	-	5,741,684
68	Lewis County Schools						-	3,818,185	3,818,185	-	3,818,185
69	Lincoln County Schools						-	6,474,276	6,474,276	-	6,474,276
70	Livingston County Schools						-	2,450,266	2,450,266	-	2,450,266
71	Logan County Schools						-	6,314,665	6,314,665	-	6,314,665
72	Lyon County Schools						-	1,484,539	1,484,539	-	1,484,539
73	Madison County Schools						-	18,300,081	18,300,081	-	18,300,081
74	Magoffin County Schools						-	3,732,520	3,732,520	-	3,732,520
75	Marion County Schools						-	6,032,634	6,032,634	-	6,032,634
76	Marshall County Schools						-	8,572,383	8,572,383	-	8,572,383
77	Martin County Schools						-	3,210,391	3,210,391	-	3,210,391
78	Mason County Schools						-	5,007,005	5,007,005	-	5,007,005
79	McCracken County Schools						-	12,336,795	12,336,795	-	12,336,795
80	McCreary County Schools						-	5,134,670	5,134,670	-	5,134,670



SCHEDULE B (continued)

		Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions				
Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense
81	McLean County Schools						-	2,876,318	2,876,318	-	2,876,318
82	Meade County Schools						-	7,810,513	7,810,513	-	7,810,513
83	Menifee County Schools						-	1,700,657	1,700,657	-	1,700,657
84	Mercer County Schools						-	5,383,791	5,383,791	-	5,383,791
85	Metcalf County Schools						-	2,992,582	2,992,582	-	2,992,582
86	Monroe County Schools						-	3,274,679	3,274,679	-	3,274,679
87	Montgomery County Schools						-	8,225,917	8,225,917	-	8,225,917
88	Morgan County Schools						-	3,221,185	3,221,185	-	3,221,185
89	Muhlenberg County Schools						-	10,900,374	10,900,374	-	10,900,374
90	Nelson County Schools						-	8,213,657	8,213,657	-	8,213,657
91	Nicholas County Schools						-	1,859,872	1,859,872	-	1,859,872
92	Ohio County Schools						-	6,558,792	6,558,792	-	6,558,792
93	Oldham County Schools						-	22,388,591	22,388,591	-	22,388,591
94	Owen County Schools						-	2,957,452	2,957,452	-	2,957,452
95	Owsley County Schools						-	1,268,487	1,268,487	-	1,268,487
96	Pendleton County Schools						-	4,273,660	4,273,660	-	4,273,660
97	Perry County Schools						-	7,039,422	7,039,422	-	7,039,422
98	Pike County Schools						-	16,097,945	16,097,945	-	16,097,945
99	Powell County Schools						-	4,040,340	4,040,340	-	4,040,340
100	Pulaski County Schools						-	13,199,523	13,199,523	-	13,199,523
101	Robertson County Schools						-	650,626	650,626	-	650,626
102	Rockcastle County Schools						-	5,172,826	5,172,826	-	5,172,826
103	Rowan County Schools						-	5,196,211	5,196,211	-	5,196,211
104	Russell County Schools						-	5,161,939	5,161,939	-	5,161,939
105	Scott County Schools						-	14,890,205	14,890,205	-	14,890,205
106	Shelby County Schools						-	13,827,888	13,827,888	-	13,827,888
107	Simpson County Schools						-	5,215,909	5,215,909	-	5,215,909
108	Spencer County Schools						-	4,792,486	4,792,486	-	4,792,486
109	Taylor County Schools						-	4,550,988	4,550,988	-	4,550,988
110	Todd County Schools						-	3,270,227	3,270,227	-	3,270,227
111	Trigg County Schools						-	3,992,236	3,992,236	-	3,992,236
112	Trimble County Schools						-	2,502,201	2,502,201	-	2,502,201
113	Union County Schools						-	4,190,333	4,190,333	-	4,190,333
114	Warren County Schools						-	23,658,254	23,658,254	-	23,658,254
115	Washington County Schools						-	3,113,377	3,113,377	-	3,113,377
116	Wayne County Schools						-	5,548,053	5,548,053	-	5,548,053
117	Webster County Schools						-	3,536,840	3,536,840	-	3,536,840
118	Whitley County Schools						-	7,714,134	7,714,134	-	7,714,134
119	Wolfe County Schools						-	2,566,661	2,566,661	-	2,566,661
120	Woodford County Schools						-	6,917,927	6,917,927	-	6,917,927



SCHEDULE B (continued)

		Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of				
Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Earnings on Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of	Total Deferred Inflows of Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of	Total Pension Expense
122	Anchorage City Schools						-	1,488,542	1,488,542	-	1,488,542
124	Ashland City Schools						-	5,647,537	5,647,537	-	5,647,537
125	Augusta City Schools						-	574,209	574,209	-	574,209
126	Barbourville City Schools						-	1,144,019	1,144,019	-	1,144,019
127	Bardstown City Schools						-	5,358,715	5,358,715	-	5,358,715
128	Beechwood Independent Schools						-	2,555,445	2,555,445	-	2,555,445
129	Bellevue City Schools						-	1,496,033	1,496,033	-	1,496,033
131	Berea City Schools						-	2,030,383	2,030,383	-	2,030,383
134	Bowling Green City Schools						-	7,607,488	7,607,488	-	7,607,488
136	Burgin City Schools						-	879,388	879,388	-	879,388
140	Campbellsville City Schools						-	2,187,523	2,187,523	-	2,187,523
144	Caverna City Schools						-	1,437,585	1,437,585	-	1,437,585
147	Cloverport City Schools						-	769,030	769,030	-	769,030
150	Corbin City Schools						-	4,778,455	4,778,455	-	4,778,455
151	Covington City Schools						-	8,898,224	8,898,224	-	8,898,224
154	Danville City Schools						-	4,291,258	4,291,258	-	4,291,258
155	Dawson Springs City Schools						-	1,147,032	1,147,032	-	1,147,032
156	Dayton City Schools						-	1,747,321	1,747,321	-	1,747,321
158	East Bernstadt City Schools						-	880,075	880,075	-	880,075
160	Elizabethtown City Schools						-	4,617,218	4,617,218	-	4,617,218
161	Eminence Independent Schools						-	1,242,962	1,242,962	-	1,242,962
162	Erlanger-Elsmere City Schools						-	4,465,600	4,465,600	-	4,465,600
163	Fairview Independent Schools						-	1,664,219	1,664,219	-	1,664,219
166	Fort Thomas Independent Schools						-	5,934,880	5,934,880	-	5,934,880
167	Frankfort City Schools						-	1,781,011	1,781,011	-	1,781,011
170	Fulton City Schools						-	749,331	749,331	-	749,331
173	Glasgow City Schools						-	4,043,194	4,043,194	-	4,043,194
180	Harlan City Schools						-	1,238,021	1,238,021	-	1,238,021
182	Hazard Independent Schools						-	1,766,491	1,766,491	-	1,766,491
190	Jackson City Schools						-	550,996	550,996	-	550,996
191	Jenkins City Schools						-	1,043,702	1,043,702	-	1,043,702
206	Ludlow City Schools						-	1,811,319	1,811,319	-	1,811,319
210	Mayfield City Schools						-	3,126,536	3,126,536	-	3,126,536
214	Middlesboro City Schools						-	2,174,457	2,174,457	-	2,174,457
221	Murray City Schools						-	2,971,245	2,971,245	-	2,971,245
222	Newport City Schools						-	4,099,357	4,099,357	-	4,099,357
224	Owensboro City Schools						-	9,476,820	9,476,820	-	9,476,820
226	Paducah City Schools						-	5,565,836	5,565,836	-	5,565,836
227	Paintsville City Schools						-	1,667,046	1,667,046	-	1,667,046
228	Paris City Schools						-	1,288,714	1,288,714	-	1,288,714



SCHEDULE B (continued)

		Deferred Inflows of Resources					Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions				
Code	Employer	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Pension Plan Investments	Change of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Net Employer Pension Expense	Revenue State Support	Proportionate Share of Plan Pension Expense	Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Pension Expense
230	Pikeville City Schools						-	2,702,544	2,702,544	-	2,702,544
231	Pineville City Schools						-	932,631	932,631	-	932,631
235	Raceland City Schools						-	1,848,919	1,848,919	-	1,848,919
238	Russell City Schools						-	4,051,795	4,051,795	-	4,051,795
239	Russellville City Schools						-	1,884,419	1,884,419	-	1,884,419
240	Science Hill City Schools						-	804,094	804,094	-	804,094
245	Silver Grove City Schools						-	571,620	571,620	-	571,620
246	Somerset City Schools						-	2,915,029	2,915,029	-	2,915,029
247	Southgate City Schools						-	397,000	397,000	-	397,000
258	Walton-Verona Independent Schools						-	3,130,552	3,130,552	-	3,130,552
259	West Point City Schools						-	277,262	277,262	-	277,262
260	Williamsburg City Schools						-	1,441,046	1,441,046	-	1,441,046
261	Williamstown City Schools						-	1,442,790	1,442,790	-	1,442,790
870	Ohio Valley Educational Cooperative						-	942,276	942,276	-	942,276
871	West Kentucky Educational Cooperative						-	415,721	415,721	-	415,721
872	Southeast South-Central Educational Cooperative						-	52,755	52,755	-	52,755
890	Green River Regional Educational Cooperative						-	546,901	546,901	-	546,901
891	Central KY Special Education Cooperative						-	137,204	137,204	-	137,204
892	KY Valley Educational Cooperative						-	367,762	367,762	-	367,762
894	KY Educational Development Corporation						-	712,127	712,127	-	712,127
895	Northern KY Cooperative for Educational Services						-	544,893	544,893	-	544,893
Total - Local School Districts							\$ 0	\$ 1,286,903,890	\$ 1,286,903,890	\$ -	\$ 1,286,903,890
Total Non University							\$ 28,942,635	\$ 1,292,233,078	\$ 1,321,175,713	\$ (131,890)	\$ 1,321,043,823
State's Proportionate Share of Outflows/Inflows		\$ 244,663,201	\$ 568,566,685	\$ 216,341,257	\$ 8,684,829	\$ 1,038,255,972				\$ (1,935,928)	



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

CodeEmployer		NPL Sensitivity		Recognition of Existing Deferred Outflows (Inflows) of Resources for						
		Less 1%- 3.88% Employer's Proportionate Share of Net Pension Liability	Plus 1%- 5.88% Employer's Proportionate Share of Net Pension Liability	Future Plan Years Ending June 30,						
				2017	2018	2019	2020	2021	Thereafter	
<u>University Employers</u>										
263	Eastern Kentucky University	\$ 341,915,336	\$ 219,109,021	\$ 2,111,301	\$ 2,111,301	\$ 2,111,301	\$ 5,982,406	\$ 1,094,580	\$ -	
266	Kentucky State University	79,599,983	51,009,921	(1,532,025)	(1,532,025)	(1,532,025)	(630,808)	(149,883)	-	
269	Morehead State University	187,544,920	120,184,091	632,130	632,130	632,130	2,755,480	495,201	-	
270	Murray State University	219,696,693	140,787,857	1,135,368	1,135,368	1,135,368	3,622,736	659,072	-	
273	Western Kentucky University	372,787,593	238,892,838	(98,080)	(98,080)	(98,080)	4,122,556	713,406	-	
500	KCTCS Central Office - University	105,850,676	67,832,108	(412,428)	(412,428)	(412,428)	785,994	125,650	-	
	Total University	\$ 1,307,395,201	\$ 837,815,836	\$ 1,836,266	\$ 1,836,266	\$ 1,836,266	\$ 16,638,364	\$ 2,938,026	\$ -	
	State's Proportionate Share of NPL - University	\$ 132,949,934	\$ 85,198,079	\$ (2,091,363)	\$ (2,091,363)	\$ (2,091,363)	\$ (586,127)	\$ (156,851)	\$ -	
<u>Non-University Employers</u>										
400	KCTCS CENTRAL OFFICE	\$ 167,245,700	\$ 107,175,777	\$ (2,480,796)	\$ (2,480,796)	\$ (2,480,796)	\$ (625,319)	\$ (172,781)	\$ -	
801	KY High School Athletic Association	4,863,085	3,116,403	12,330	12,330	12,330	66,283	11,869	-	
805	KY School Boards Association	11,906,174	7,629,813	60,365	60,365	60,365	192,456	35,097	-	
806	KY Education Association	1,406,996	901,643	(917)	(917)	(917)	14,693	2,539	-	
807	KY Academic Association	915,213	586,495	1,471	1,471	1,471	11,624	2,064	-	
809	Jefferson County Teachers' Association	400,261	256,499	594	594	594	5,034	889	-	
		\$ 186,737,429	\$ 119,666,630	\$ (2,406,953)	\$ (2,406,953)	\$ (2,406,953)	\$ (335,229)	\$ (120,323)	\$ -	
<u>State Agencies</u>										
301	Technical Education District - Madisonville	\$ 36,336,870	\$ 23,285,694	\$ 1,232,403	\$ 1,232,403	\$ 1,232,403	\$ 1,635,536	\$ 316,739	\$ -	
302	Technical Education District - Bowling Green	37,332,599	23,923,786	194,246	194,246	194,246	608,426	111,036	-	
303	Technical Education District - Elizabethtown	32,216,962	20,645,540	323,168	323,168	323,168	680,594	126,926	-	
304	Technical Education District - Frankfort	39,748,647	25,472,058	(985,203)	(985,203)	(985,203)	(544,219)	(120,188)	-	
305	Technical Education District - Hazard	38,901,785	24,929,364	(516,882)	(516,882)	(516,882)	(85,294)	(28,159)	-	
308	Adult Council on Post Secondary Education	4,393,893	2,815,731	(41,469)	(41,469)	(41,469)	7,278	201	-	
316	Office of Career and Technical Education	11,819,866	7,574,504	1,625,171	1,625,171	1,625,171	1,756,304	347,889	-	
317	Office of Secretary of Workforce Investment	579,539	371,385	(64,777)	(64,777)	(64,777)	(58,347)	(11,834)	-	
318	Department for Vocational Rehabilitation	76,247,707	48,861,688	367,782	367,782	367,782	1,213,698	220,987	-	
320	School for the Blind	22,052,589	14,131,923	(15,040)	(15,040)	(15,040)	229,618	39,633	-	
330	School for the Deaf	29,453,944	18,874,920	(210,579)	(210,579)	(210,579)	116,193	14,838	-	
345	Department of Education	109,477,775	70,156,456	208,905	208,905	208,905	1,423,486	253,459	-	
728	Department of Corrections	419,376	268,748	(31,830)	(31,830)	(31,830)	(27,177)	(5,553)	-	
896	Education Professional Standards Board	8,753,322	5,609,376	120,287	120,287	120,287	217,399	40,982	-	
		\$ 447,734,874	\$ 286,921,173	\$ 2,206,182	\$ 2,206,182	\$ 2,206,182	\$ 7,173,495	\$ 1,306,956	\$ -	
	State's Proportionate Share of NPL - Non-University	\$ 28,327,978,601	\$ 18,153,370,190	\$ (2,943,517)	\$ (2,943,517)	\$ (2,943,516)	\$ 311,336,037	\$ 54,184,511	\$ -	



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, 2014. 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 TRS 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 TRS BOARD OF TRUSTEES

Introduction

Pursuant to the provisions of KRS 161.250, the Board of Trustees (“Board”) of the Kentucky Teachers’ Retirement Systems (“TRS”) 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 TRS are “...an inviolable contract of the State....” (KRS 161.714.) To satisfy this solemn commitment, the State 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 TRS 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: TRS Report of the Actuary on the Annual Valuation Prepared as of June 30, 2014).

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 TRS 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.