

**REPORT OF THE AUDIT OF THE
SCHEDULE OF EMPLOYER ALLOCATIONS,
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER AND
SCHEDULE OF REMAINING DEFERRED
OUTFLOWS AND (INFLOWS)
FOR THE TEACHERS' RETIREMENT SYSTEM OF THE STATE
OF KENTUCKY**

**As Of and For The Fiscal Year Ended
June 30, 2017**

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Independent Auditors' Report

To the Board of Trustees
Teachers' Retirement System of the State of Kentucky
Frankfort, Kentucky

Report on the Schedules

We have audited the accompanying schedule of employer allocations, schedule of pension amounts by employer, and schedule of remaining deferred outflows and (inflows) (collectively the Schedules) for the Teachers' Retirement System of the State of Kentucky as of and for the year ended June 30, 2017, and the related notes to the schedules.

Management's Responsibility for the Schedules

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedules referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the schedules by employer in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedules.

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

Opinion

In our opinion, the Schedules referred to above present fairly, in all material aspects, the employer allocations, pension amounts by employer and remaining deferred outflows and (inflows) of the Teachers' Retirement System of the State of Kentucky as of and for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

Kentucky
Indiana
Ohio

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Independent Auditors' Report (Continued)

Other Matters

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Teachers' Retirement System of the State of Kentucky as of and for the year ended June 30, 2017, and our report thereon, dated November 14, 2017, expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 7, 2018 on our consideration of the Teachers' Retirement System of the State of Kentucky's internal control over the preparation of these Schedules and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion of the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Teachers' Retirement System of the State of Kentucky's internal control over financial reporting and compliance.

Restriction on Use

Our report is intended solely for the information and use of the Teachers' Retirement System of the State of Kentucky management, Teachers' Retirement System of the State of Kentucky Board of Trustees, Teachers' Retirement System of the State of Kentucky employers and their auditors and is not intended to be and should not be used by anyone other than these specified parties.

MCM CPAs & Advisors LLP

Louisville, Kentucky
August 7, 2018

SCHEDULE OF EMPLOYER ALLOCATIONS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Year Ended June 30, 2017

| Code | University Employers | Contributions | | | Allocation Percentage | | |
|------|-----------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------|------------------|
| | | Employer | State | Total | Employer | State | Total |
| 263 | Eastern Kentucky University | \$ 9,018,122 | \$ 7,187,273 | \$ 16,205,395 | 15.1495% | 12.0738% | 27.2233% |
| 266 | Kentucky State University | 1,890,626 | 1,506,793 | 3,397,419 | 3.1760% | 2.5312% | 5.7072% |
| 269 | Morehead State University | 4,826,174 | 3,846,369 | 8,672,543 | 8.1074% | 6.4615% | 14.5689% |
| 270 | Murray State University | 5,326,832 | 4,245,384 | 9,572,216 | 8.9485% | 7.1318% | 16.0803% |
| 273 | Western Kentucky University | 9,655,712 | 7,695,420 | 17,351,132 | 16.2206% | 12.9275% | 29.1481% |
| 500 | KCTCS Central Office - University | 2,409,032 | 1,919,953 | 4,328,985 | 4.0469% | 3.2253% | 7.2722% |
| | Total University Employers | <u>\$ 33,126,498</u> | <u>\$ 26,401,192</u> | <u>\$ 59,527,690</u> | <u>55.6489%</u> | <u>44.3511%</u> | <u>100.0000%</u> |

| Code | Non-University Employers - Other | Contributions | | | Allocation Percentage | | |
|------|--|---------------------|---------------------|---------------------|-----------------------|----------------|----------------|
| | | Employer | State | Total | Employer | State | Total |
| 400 | KCTCS Central Office | \$ 2,183,386 | \$ 3,052,799 | \$ 5,236,185 | 0.2277% | 0.3184% | 0.5461% |
| 801 | KY High School Athletic Association | 84,540 | 118,203 | 202,743 | 0.0088% | 0.0123% | 0.0211% |
| 805 | KY School Boards Association | 196,157 | 274,266 | 470,423 | 0.0205% | 0.0286% | 0.0491% |
| 806 | KY Education Association | 24,012 | 33,573 | 57,585 | 0.0025% | 0.0035% | 0.0060% |
| 807 | KY Academic Association | 15,463 | 21,620 | 37,083 | 0.0016% | 0.0023% | 0.0039% |
| 809 | Jefferson County Teachers' Association | 7,010 | 9,801 | 16,811 | 0.0007% | 0.0010% | 0.0017% |
| | Total Non-University Employers - Other | <u>\$ 2,510,568</u> | <u>\$ 3,510,262</u> | <u>\$ 6,020,830</u> | <u>0.2618%</u> | <u>0.3661%</u> | <u>0.6279%</u> |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Non-University Employers - State Agencies | Contributions | | | Allocation Percentage | | |
|------|---|---------------|--------------|---------------|-----------------------|----------------|----------------|
| | | Employer | State | Total | Employer | State | Total |
| 301 | Technical Education District - Madisonville | \$ 770,104 | \$ 1,076,756 | \$ 1,846,860 | 0.0803% | 0.1123% | 0.1926% |
| 302 | Technical Education District - Bowling Green | 785,551 | 1,098,353 | 1,883,904 | 0.0819% | 0.1146% | 0.1965% |
| 303 | Technical Education District - Elizabethtown | 3,548 | 4,961 | 8,509 | 0.0004% | 0.0005% | 0.0009% |
| 304 | Technical Education District - Frankfort | 624,735 | 873,501 | 1,498,236 | 0.0652% | 0.0911% | 0.1563% |
| 305 | Technical Education District - Hazard | 734,615 | 1,027,135 | 1,761,750 | 0.0766% | 0.1071% | 0.1837% |
| 308 | Adult Council on Post Secondary Education | 52,192 | 72,975 | 125,167 | 0.0054% | 0.0076% | 0.0130% |
| 316 | Office of Career and Technical Education | 225,885 | 315,831 | 541,716 | 0.0236% | 0.0329% | 0.0565% |
| 317 | Office of Secretary of Workforce Investment | 9,788 | 13,686 | 23,474 | 0.0010% | 0.0014% | 0.0024% |
| 318 | Department for Vocational Rehabilitation | 1,127,210 | 1,576,059 | 2,703,269 | 0.1176% | 0.1644% | 0.2820% |
| 320 | School for the Blind | 325,471 | 455,072 | 780,543 | 0.0339% | 0.0475% | 0.0814% |
| 330 | School for the Deaf | 456,307 | 638,006 | 1,094,313 | 0.0476% | 0.0666% | 0.1142% |
| 345 | Department of Education | 1,839,328 | 2,571,739 | 4,411,067 | 0.1919% | 0.2683% | 0.4602% |
| 728 | Department of Corrections | 9,163 | 12,812 | 21,975 | 0.0010% | 0.0013% | 0.0023% |
| 896 | Education Professional Standards Board | 127,642 | 178,468 | 306,110 | <u>0.0133%</u> | <u>0.0186%</u> | <u>0.0319%</u> |
| | Total Non-University Employers - State Agencies | \$ 7,091,539 | \$ 9,915,354 | \$ 17,006,893 | 0.7397% | 1.0342% | 1.7739% |

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|------|--|---------------|--------------|--------------|-----------------------|---------|---------|
| | | Employer | State | Total | Employer | State | Total |
| 1 | Adair County Schools | \$ - | \$ 3,116,519 | \$ 3,116,519 | 0.0000% | 0.3251% | 0.3251% |
| 2 | Allen County Schools | - | 3,716,823 | 3,716,823 | 0.0000% | 0.3877% | 0.3877% |
| 3 | Anderson County Schools | - | 4,291,542 | 4,291,542 | 0.0000% | 0.4477% | 0.4477% |
| 4 | Ballard County Schools | - | 1,640,192 | 1,640,192 | 0.0000% | 0.1711% | 0.1711% |
| 5 | Barren County Schools | - | 6,271,624 | 6,271,624 | 0.0000% | 0.6542% | 0.6542% |
| 6 | Bath County Schools | - | 2,613,892 | 2,613,892 | 0.0000% | 0.2727% | 0.2727% |
| 7 | Bell County Schools | - | 3,233,713 | 3,233,713 | 0.0000% | 0.3373% | 0.3373% |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|------|--|---------------|------------|------------|-----------------------|---------|---------|
| | | Employer | State | Total | Employer | State | Total |
| 8 | Boone County Schools | - | 29,035,488 | 29,035,488 | 0.0000% | 3.0287% | 3.0287% |
| 9 | Bourbon County Schools | - | 3,546,841 | 3,546,841 | 0.0000% | 0.3700% | 0.3700% |
| 10 | Boyd County Schools | - | 4,164,970 | 4,164,970 | 0.0000% | 0.4344% | 0.4344% |
| 11 | Boyle County Schools | - | 4,022,043 | 4,022,043 | 0.0000% | 0.4195% | 0.4195% |
| 12 | Bracken County Schools | - | 1,534,055 | 1,534,055 | 0.0000% | 0.1600% | 0.1600% |
| 13 | Breathitt County Schools | - | 2,465,130 | 2,465,130 | 0.0000% | 0.2571% | 0.2571% |
| 14 | Breckinridge County Schools | - | 3,417,717 | 3,417,717 | 0.0000% | 0.3565% | 0.3565% |
| 15 | Bullitt County Schools | - | 17,369,126 | 17,369,126 | 0.0000% | 1.8118% | 1.8118% |
| 16 | Butler County Schools | - | 2,563,640 | 2,563,640 | 0.0000% | 0.2674% | 0.2674% |
| 17 | Caldwell County Schools | - | 2,194,612 | 2,194,612 | 0.0000% | 0.2289% | 0.2289% |
| 18 | Calloway County Schools | - | 3,878,501 | 3,878,501 | 0.0000% | 0.4046% | 0.4046% |
| 19 | Campbell County Schools | - | 6,279,811 | 6,279,811 | 0.0000% | 0.6550% | 0.6550% |
| 20 | Carlisle County Schools | - | 1,030,168 | 1,030,168 | 0.0000% | 0.1075% | 0.1075% |
| 21 | Carroll County Schools | - | 2,765,046 | 2,765,046 | 0.0000% | 0.2884% | 0.2884% |
| 22 | Carter County Schools | - | 5,263,107 | 5,263,107 | 0.0000% | 0.5490% | 0.5490% |
| 23 | Casey County Schools | - | 2,602,901 | 2,602,901 | 0.0000% | 0.2715% | 0.2715% |
| 24 | Christian County Schools | - | 10,448,332 | 10,448,332 | 0.0000% | 1.0899% | 1.0899% |
| 25 | Clark County Schools | - | 6,739,669 | 6,739,669 | 0.0000% | 0.7030% | 0.7030% |
| 26 | Clay County Schools | - | 4,163,680 | 4,163,680 | 0.0000% | 0.4343% | 0.4343% |
| 27 | Clinton County Schools | - | 2,181,420 | 2,181,420 | 0.0000% | 0.2275% | 0.2275% |
| 28 | Crittenden County Schools | - | 1,535,629 | 1,535,629 | 0.0000% | 0.1602% | 0.1602% |
| 29 | Cumberland County Schools | - | 1,148,305 | 1,148,305 | 0.0000% | 0.1198% | 0.1198% |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|------|--|---------------|-------------|-------------|-----------------------|----------|----------|
| | | Employer | State | Total | Employer | State | Total |
| 30 | Daviess County Schools | - | 15,188,017 | 15,188,017 | 0.0000% | 1.5843% | 1.5843% |
| 31 | Edmonson County Schools | - | 2,355,483 | 2,355,483 | 0.0000% | 0.2457% | 0.2457% |
| 32 | Elliott County Schools | - | 1,397,574 | 1,397,574 | 0.0000% | 0.1458% | 0.1458% |
| 33 | Estill County Schools | - | 2,993,829 | 2,993,829 | 0.0000% | 0.3123% | 0.3123% |
| 34 | Fayette County Schools | - | 70,468,176 | 70,468,176 | 0.0000% | 7.3505% | 7.3505% |
| 35 | Fleming County Schools | - | 2,750,504 | 2,750,504 | 0.0000% | 0.2869% | 0.2869% |
| 36 | Floyd County Schools | - | 7,246,123 | 7,246,123 | 0.0000% | 0.7558% | 0.7558% |
| 37 | Franklin County Schools | - | 7,981,376 | 7,981,376 | 0.0000% | 0.8325% | 0.8325% |
| 38 | Fulton County Schools | - | 803,302 | 803,302 | 0.0000% | 0.0838% | 0.0838% |
| 39 | Gallatin County Schools | - | 2,142,503 | 2,142,503 | 0.0000% | 0.2235% | 0.2235% |
| 40 | Garrard County Schools | - | 3,091,972 | 3,091,972 | 0.0000% | 0.3225% | 0.3225% |
| 41 | Grant County Schools | - | 4,580,186 | 4,580,186 | 0.0000% | 0.4778% | 0.4778% |
| 42 | Graves County Schools | - | 5,489,746 | 5,489,746 | 0.0000% | 0.5726% | 0.5726% |
| 43 | Grayson County Schools | - | 5,090,412 | 5,090,412 | 0.0000% | 0.5310% | 0.5310% |
| 44 | Green County Schools | - | 2,117,493 | 2,117,493 | 0.0000% | 0.2209% | 0.2209% |
| 45 | Greenup County Schools | - | 3,635,707 | 3,635,707 | 0.0000% | 0.3792% | 0.3792% |
| 46 | Hancock County Schools | - | 2,354,661 | 2,354,661 | 0.0000% | 0.2456% | 0.2456% |
| 47 | Hardin County Schools | - | 19,230,665 | 19,230,665 | 0.0000% | 2.0060% | 2.0060% |
| 48 | Harlan County Schools | - | 4,389,123 | 4,389,123 | 0.0000% | 0.4578% | 0.4578% |
| 49 | Harrison County Schools | - | 3,532,716 | 3,532,716 | 0.0000% | 0.3685% | 0.3685% |
| 50 | Hart County Schools | - | 3,416,592 | 3,416,592 | 0.0000% | 0.3564% | 0.3564% |
| 51 | Henderson County Schools | - | 9,160,080 | 9,160,080 | 0.0000% | 0.9555% | 0.9555% |
| 52 | Henry County Schools | - | 2,797,259 | 2,797,259 | 0.0000% | 0.2918% | 0.2918% |
| 53 | Hickman County Schools | - | 1,145,122 | 1,145,122 | 0.0000% | 0.1194% | 0.1194% |
| 54 | Hopkins County Schools | - | 8,907,732 | 8,907,732 | 0.0000% | 0.9292% | 0.9292% |
| 55 | Jackson County Schools | - | 2,930,484 | 2,930,484 | 0.0000% | 0.3057% | 0.3057% |
| 56 | Jefferson County Schools | - | 178,230,429 | 178,230,429 | 0.0000% | 18.5913% | 18.5913% |
| 57 | Jessamine County Schools | - | 10,494,930 | 10,494,930 | 0.0000% | 1.0947% | 1.0947% |
| 58 | Johnson County Schools | - | 4,901,700 | 4,901,700 | 0.0000% | 0.5113% | 0.5113% |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|------|--|---------------|------------|------------|-----------------------|---------|---------|
| | | Employer | State | Total | Employer | State | Total |
| 59 | Kenton County Schools | - | 18,689,254 | 18,689,254 | 0.0000% | 1.9495% | 1.9495% |
| 60 | Knott Counts Schools | - | 2,977,578 | 2,977,578 | 0.0000% | 0.3106% | 0.3106% |
| 61 | Knox County Schools | - | 5,588,043 | 5,588,043 | 0.0000% | 0.5829% | 0.5829% |
| 62 | Larue County Schools | - | 3,290,056 | 3,290,056 | 0.0000% | 0.3432% | 0.3432% |
| 63 | Laurel County Schools | - | 10,972,140 | 10,972,140 | 0.0000% | 1.1445% | 1.1445% |
| 64 | Lawrence County Schools | - | 3,264,828 | 3,264,828 | 0.0000% | 0.3406% | 0.3406% |
| 65 | Lee County Schools | - | 1,002,586 | 1,002,586 | 0.0000% | 0.1046% | 0.1046% |
| 66 | Leslie County Schools | - | 2,222,255 | 2,222,255 | 0.0000% | 0.2318% | 0.2318% |
| 67 | Letcher County Schools | - | 4,026,296 | 4,026,296 | 0.0000% | 0.4200% | 0.4200% |
| 68 | Lewis County Schools | - | 2,628,867 | 2,628,867 | 0.0000% | 0.2742% | 0.2742% |
| 69 | Lincoln County Schools | - | 4,548,691 | 4,548,691 | 0.0000% | 0.4745% | 0.4745% |
| 70 | Livingston County Schools | - | 1,669,342 | 1,669,342 | 0.0000% | 0.1741% | 0.1741% |
| 71 | Logan County Schools | - | 4,656,419 | 4,656,419 | 0.0000% | 0.4857% | 0.4857% |
| 72 | Lyon County Schools | - | 1,047,687 | 1,047,687 | 0.0000% | 0.1093% | 0.1093% |
| 73 | Madison County Schools | - | 13,678,301 | 13,678,301 | 0.0000% | 1.4268% | 1.4268% |
| 74 | Magoffin County Schools | - | 2,537,873 | 2,537,873 | 0.0000% | 0.2647% | 0.2647% |
| 75 | Marion County Schools | - | 4,588,278 | 4,588,278 | 0.0000% | 0.4786% | 0.4786% |
| 76 | Marshall County Schools | - | 6,177,930 | 6,177,930 | 0.0000% | 0.6444% | 0.6444% |
| 77 | Martin County Schools | - | 2,174,684 | 2,174,684 | 0.0000% | 0.2268% | 0.2268% |
| 78 | Mason County Schools | - | 3,596,527 | 3,596,527 | 0.0000% | 0.3752% | 0.3752% |
| 79 | McCracken County Schools | - | 9,143,753 | 9,143,753 | 0.0000% | 0.9538% | 0.9538% |
| 80 | McCreary County Schools | - | 3,509,567 | 3,509,567 | 0.0000% | 0.3661% | 0.3661% |
| 81 | McLean County Schools | - | 2,021,562 | 2,021,562 | 0.0000% | 0.2109% | 0.2109% |
| 82 | Meade County Schools | - | 5,573,590 | 5,573,590 | 0.0000% | 0.5814% | 0.5814% |
| 83 | Menifee County Schools | - | 1,132,818 | 1,132,818 | 0.0000% | 0.1182% | 0.1182% |
| 84 | Mercer County Schools | - | 3,862,581 | 3,862,581 | 0.0000% | 0.4029% | 0.4029% |
| 85 | Metcalf County Schools | - | 1,988,380 | 1,988,380 | 0.0000% | 0.2074% | 0.2074% |
| 86 | Monroe County Schools | - | 2,390,015 | 2,390,015 | 0.0000% | 0.2493% | 0.2493% |
| 87 | Montgomery County Schools | - | 6,138,719 | 6,138,719 | 0.0000% | 0.6403% | 0.6403% |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|------|--|---------------|------------|------------|-----------------------|---------|---------|
| | | Employer | State | Total | Employer | State | Total |
| 88 | Morgan County Schools | - | 2,254,143 | 2,254,143 | 0.0000% | 0.2351% | 0.2351% |
| 89 | Muhlenberg County Schools | - | 5,810,089 | 5,810,089 | 0.0000% | 0.6061% | 0.6061% |
| 90 | Nelson County Schools | - | 5,993,246 | 5,993,246 | 0.0000% | 0.6252% | 0.6252% |
| 91 | Nicholas County Schools | - | 1,293,656 | 1,293,656 | 0.0000% | 0.1349% | 0.1349% |
| 92 | Ohio County Schools | - | 4,897,906 | 4,897,906 | 0.0000% | 0.5109% | 0.5109% |
| 93 | Oldham County Schools | - | 16,518,089 | 16,518,089 | 0.0000% | 1.7230% | 1.7230% |
| 94 | Owen County Schools | - | 2,151,620 | 2,151,620 | 0.0000% | 0.2244% | 0.2244% |
| 95 | Owsley County Schools | - | 851,083 | 851,083 | 0.0000% | 0.0888% | 0.0888% |
| 96 | Pendleton County Schools | - | 2,827,804 | 2,827,804 | 0.0000% | 0.2950% | 0.2950% |
| 97 | Perry County Schools | - | 4,802,384 | 4,802,384 | 0.0000% | 0.5009% | 0.5009% |
| 98 | Pike County Schools | - | 11,103,259 | 11,103,259 | 0.0000% | 1.1582% | 1.1582% |
| 99 | Powell County Schools | - | 2,928,842 | 2,928,842 | 0.0000% | 0.3055% | 0.3055% |
| 100 | Pulaski County Schools | - | 9,791,017 | 9,791,017 | 0.0000% | 1.0213% | 1.0213% |
| 101 | Robertson County Schools | - | 463,583 | 463,583 | 0.0000% | 0.0484% | 0.0484% |
| 102 | Rockcastle County Schools | - | 3,764,059 | 3,764,059 | 0.0000% | 0.3926% | 0.3926% |
| 103 | Rowan County Schools | - | 3,724,770 | 3,724,770 | 0.0000% | 0.3885% | 0.3885% |
| 104 | Russell County Schools | - | 3,857,973 | 3,857,973 | 0.0000% | 0.4024% | 0.4024% |
| 105 | Scott County Schools | - | 11,139,126 | 11,139,126 | 0.0000% | 1.1619% | 1.1619% |
| 106 | Shelby County Schools | - | 9,968,820 | 9,968,820 | 0.0000% | 1.0398% | 1.0398% |
| 107 | Simpson County Schools | - | 3,861,468 | 3,861,468 | 0.0000% | 0.4028% | 0.4028% |
| 108 | Spencer County Schools | - | 3,586,178 | 3,586,178 | 0.0000% | 0.3741% | 0.3741% |
| 109 | Taylor County Schools | - | 3,292,114 | 3,292,114 | 0.0000% | 0.3434% | 0.3434% |
| 110 | Todd County Schools | - | 2,253,193 | 2,253,193 | 0.0000% | 0.2350% | 0.2350% |
| 111 | Trigg County Schools | - | 2,772,158 | 2,772,158 | 0.0000% | 0.2892% | 0.2892% |
| 112 | Trimble County Schools | - | 1,619,125 | 1,619,125 | 0.0000% | 0.1689% | 0.1689% |
| 113 | Union County Schools | - | 2,950,001 | 2,950,001 | 0.0000% | 0.3077% | 0.3077% |
| 114 | Warren County Schools | - | 18,028,781 | 18,028,781 | 0.0000% | 1.8806% | 1.8806% |
| 115 | Washington County Schools | - | 2,388,912 | 2,388,912 | 0.0000% | 0.2492% | 0.2492% |
| 116 | Wayne County Schools | - | 3,951,609 | 3,951,609 | 0.0000% | 0.4122% | 0.4122% |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|------|--|---------------|-----------|-----------|-----------------------|---------|---------|
| | | Employer | State | Total | Employer | State | Total |
| 117 | Webster County Schools | - | 2,570,285 | 2,570,285 | 0.0000% | 0.2681% | 0.2681% |
| 118 | Whitley County Schools | - | 5,545,319 | 5,545,319 | 0.0000% | 0.5784% | 0.5784% |
| 119 | Wolfe County Schools | - | 1,997,416 | 1,997,416 | 0.0000% | 0.2084% | 0.2084% |
| 120 | Woodford County Schools | - | 5,098,179 | 5,098,179 | 0.0000% | 0.5318% | 0.5318% |
| 122 | Anchorage City Schools | - | 1,011,797 | 1,011,797 | 0.0000% | 0.1055% | 0.1055% |
| 124 | Ashland City Schools | - | 4,155,544 | 4,155,544 | 0.0000% | 0.4335% | 0.4335% |
| 125 | Augusta City Schools | - | 404,680 | 404,680 | 0.0000% | 0.0422% | 0.0422% |
| 126 | Barbourville City Schools | - | 820,762 | 820,762 | 0.0000% | 0.0856% | 0.0856% |
| 127 | Bardstown City Schools | - | 3,934,163 | 3,934,163 | 0.0000% | 0.4104% | 0.4104% |
| 128 | Beechwood Independent Schools | - | 1,913,021 | 1,913,021 | 0.0000% | 0.1995% | 0.1995% |
| 129 | Bellevue City Schools | - | 1,155,488 | 1,155,488 | 0.0000% | 0.1205% | 0.1205% |
| 131 | Berea City Schools | - | 1,496,425 | 1,496,425 | 0.0000% | 0.1561% | 0.1561% |
| 134 | Bowling Green City Schools | - | 5,641,778 | 5,641,778 | 0.0000% | 0.5885% | 0.5885% |
| 136 | Burgin City Schools | - | 639,578 | 639,578 | 0.0000% | 0.0667% | 0.0667% |
| 140 | Campbellsville City Schools | - | 1,645,078 | 1,645,078 | 0.0000% | 0.1716% | 0.1716% |
| 144 | Caverna City Schools | - | 1,060,853 | 1,060,853 | 0.0000% | 0.1107% | 0.1107% |
| 147 | Cloverport City Schools | - | 522,243 | 522,243 | 0.0000% | 0.0545% | 0.0545% |
| 150 | Corbin City Schools | - | 3,635,747 | 3,635,747 | 0.0000% | 0.3792% | 0.3792% |
| 151 | Covington City Schools | - | 6,348,290 | 6,348,290 | 0.0000% | 0.6622% | 0.6622% |
| 154 | Danville City Schools | - | 3,188,223 | 3,188,223 | 0.0000% | 0.3326% | 0.3326% |
| 155 | Dawson Springs City Schools | - | 829,887 | 829,887 | 0.0000% | 0.0866% | 0.0866% |
| 156 | Dayton City Schools | - | 1,318,734 | 1,318,734 | 0.0000% | 0.1376% | 0.1376% |
| 158 | East Bernstadt City Schools | - | 633,372 | 633,372 | 0.0000% | 0.0661% | 0.0661% |
| 160 | Elizabethtown City Schools | - | 3,399,617 | 3,399,617 | 0.0000% | 0.3546% | 0.3546% |
| 161 | Eminence Independent Schools | - | 1,060,861 | 1,060,861 | 0.0000% | 0.1107% | 0.1107% |
| 162 | Erlanger-Elsmere City Schools | - | 3,407,510 | 3,407,510 | 0.0000% | 0.3554% | 0.3554% |
| 163 | Fairview Independent Schools | - | 965,718 | 965,718 | 0.0000% | 0.1007% | 0.1007% |
| 166 | Fort Thomas Independent Schools | - | 4,493,723 | 4,493,723 | 0.0000% | 0.4687% | 0.4687% |
| 167 | Frankfort City Schools | - | 1,319,392 | 1,319,392 | 0.0000% | 0.1376% | 0.1376% |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|------|--|---------------|-----------|-----------|-----------------------|---------|---------|
| | | Employer | State | Total | Employer | State | Total |
| 170 | Fulton City Schools | - | 522,812 | 522,812 | 0.0000% | 0.0545% | 0.0545% |
| 173 | Glasgow City Schools | - | 3,171,741 | 3,171,741 | 0.0000% | 0.3308% | 0.3308% |
| 180 | Harlan City Schools | - | 886,649 | 886,649 | 0.0000% | 0.0925% | 0.0925% |
| 182 | Hazard Independent Schools | - | 1,353,736 | 1,353,736 | 0.0000% | 0.1412% | 0.1412% |
| 190 | Jackson City Schools | - | 349,634 | 349,634 | 0.0000% | 0.0365% | 0.0365% |
| 191 | Jenkins City Schools | - | 663,544 | 663,544 | 0.0000% | 0.0692% | 0.0692% |
| 206 | Ludlow City Schools | - | 1,338,253 | 1,338,253 | 0.0000% | 0.1396% | 0.1396% |
| 210 | Mayfield City Schools | - | 2,164,729 | 2,164,729 | 0.0000% | 0.2258% | 0.2258% |
| 214 | Middlesboro City Schools | - | 1,520,386 | 1,520,386 | 0.0000% | 0.1586% | 0.1586% |
| 221 | Murray City Schools | - | 2,150,397 | 2,150,397 | 0.0000% | 0.2243% | 0.2243% |
| 222 | Newport City Schools | - | 2,824,676 | 2,824,676 | 0.0000% | 0.2946% | 0.2946% |
| 224 | Owensboro City Schools | - | 7,107,917 | 7,107,917 | 0.0000% | 0.7414% | 0.7414% |
| 226 | Paducah City Schools | - | 4,055,239 | 4,055,239 | 0.0000% | 0.4230% | 0.4230% |
| 227 | Paintsville City Schools | - | 1,240,923 | 1,240,923 | 0.0000% | 0.1294% | 0.1294% |
| 228 | Paris City Schools | - | 902,491 | 902,491 | 0.0000% | 0.0941% | 0.0941% |
| 230 | Pikeville City Schools | - | 2,071,432 | 2,071,432 | 0.0000% | 0.2161% | 0.2161% |
| 231 | Pineville City Schools | - | 626,677 | 626,677 | 0.0000% | 0.0654% | 0.0654% |
| 235 | Raceland City Schools | - | 1,367,600 | 1,367,600 | 0.0000% | 0.1427% | 0.1427% |
| 238 | Russell City Schools | - | 3,120,922 | 3,120,922 | 0.0000% | 0.3255% | 0.3255% |
| 239 | Russellville City Schools | - | 1,329,232 | 1,329,232 | 0.0000% | 0.1387% | 0.1387% |
| 240 | Science Hill City Schools | - | 566,959 | 566,959 | 0.0000% | 0.0591% | 0.0591% |
| 245 | Silver Grove City Schools | - | 355,861 | 355,861 | 0.0000% | 0.0371% | 0.0371% |
| 246 | Somerset City Schools | - | 2,186,094 | 2,186,094 | 0.0000% | 0.2280% | 0.2280% |
| 247 | Southgate City Schools | - | 311,284 | 311,284 | 0.0000% | 0.0325% | 0.0325% |
| 258 | Walton-Verona Independent Schools | - | 2,412,908 | 2,412,908 | 0.0000% | 0.2517% | 0.2517% |
| 259 | West Point City Schools | - | 215,298 | 215,298 | 0.0000% | 0.0225% | 0.0225% |
| 260 | Williamsburg City Schools | - | 1,022,986 | 1,022,986 | 0.0000% | 0.1067% | 0.1067% |
| 261 | Williamstown City Schools | - | 993,421 | 993,421 | 0.0000% | 0.1036% | 0.1036% |
| 870 | Ohio Valley Educational Cooperative | - | 598,272 | 598,272 | 0.0000% | 0.0624% | 0.0624% |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF EMPLOYER ALLOCATIONS
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Local School Districts and Educational Cooperatives | Contributions | | | Allocation Percentage | | |
|---|--|---------------|----------------|----------------|-----------------------|----------|-----------|
| | | Employer | State | Total | Employer | State | Total |
| 871 | West Kentucky Educational Cooperative | - | 298,691 | 298,691 | 0.0000% | 0.0312% | 0.0312% |
| 872 | Southeast South-Central Educational Cooperative | - | 56,198 | 56,198 | 0.0000% | 0.0059% | 0.0059% |
| 890 | Green River Regional Educational Cooperative | - | 317,457 | 317,457 | 0.0000% | 0.0331% | 0.0331% |
| 891 | Central KY Special Education Cooperative | - | 168,030 | 168,030 | 0.0000% | 0.0175% | 0.0175% |
| 892 | KY Valley Educational Cooperative | - | 228,710 | 228,710 | 0.0000% | 0.0239% | 0.0239% |
| 894 | KY Educational Development Corporation | - | 518,260 | 518,260 | 0.0000% | 0.0541% | 0.0541% |
| 895 | Northern KY Cooperative for Educational Services | - | 417,861 | 417,861 | 0.0000% | 0.0436% | 0.0436% |
| Total Non-University Employers - Local Districts and Educational Cooperatives | | \$ - | \$ 935,652,983 | \$ 935,652,983 | 0.0000% | 97.5982% | 97.5982% |
| Total Non-University Employers | | \$ 9,602,107 | \$ 949,078,599 | \$ 958,680,706 | 1.0015% | 98.9985% | 100.0000% |

The accompanying notes are an integral part of the schedules.

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
As Of and For The Fiscal Year Ended June 30, 2017**

| Code | Employer | Deferred Outflows of Resources | | | | | | | Deferred Inflows of Resources | | | | | | | Deferred Amounts from Changes in Proportion and Differences | | |
|--|---|---|--|-----------------------------|---|-----------------------|---|--------------------------------------|--|-----------------------|---|---|-------------------------------------|------------------------------|-----------------------|---|---|-----------------------|
| | | June 30, 2017 | | | Difference Between Expected and Actual Experience | Change of Assumptions | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Change of Assumptions | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 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 Pension Expense | Between Employer Contributions and Proportionate Share of Contributions | Total Pension Expense |
| | | Employer's Proportionate Share of Net Pension Liability | State's Proportionate Share of Net Pension Liability | Total Net Pension Liability | | | | | | | | | | | | | | |
| University Employers | | | | | | | | | | | | | | | | | | |
| 263 | Eastern Kentucky University | \$ 193,364,393 | \$ 154,107,781 | \$ 347,472,174 | \$ 1,114,890 | \$ 23,940,619 | \$ 10,670,638 | \$ 35,726,147 | \$ 4,089,520 | \$ 13,423,668 | \$ 1,496,101 | \$ 87,634,380 | \$ 106,643,669 | \$ 12,337,490 | \$ 9,832,747 | \$ 22,170,237 | \$ (22,700,429) | \$ (530,192) |
| 266 | Kentucky State University | 40,538,352 | 32,308,289 | 72,846,641 | 233,734 | 5,019,090 | - | 5,252,824 | 857,357 | 2,814,238 | 313,654 | 23,826,558 | 27,811,807 | 2,586,524 | 2,061,409 | 4,647,933 | (7,640,033) | (2,992,100) |
| 269 | Morehead State University | 103,481,662 | 82,472,921 | 185,954,583 | 596,649 | 12,812,158 | 5,154,845 | 18,563,652 | 2,188,564 | 7,183,864 | 800,659 | 50,543,620 | 60,716,707 | 6,602,580 | 5,262,131 | 11,864,711 | (13,596,307) | (1,731,596) |
| 270 | Murray State University | 114,216,642 | 91,028,498 | 205,245,140 | 658,544 | 14,141,265 | 2,583,416 | 17,383,225 | 2,415,601 | 7,929,103 | 883,718 | 58,576,242 | 69,804,664 | 7,287,520 | 5,808,014 | 13,095,534 | (16,564,661) | (3,469,127) |
| 273 | Western Kentucky University | 207,035,441 | 165,003,342 | 372,038,783 | 1,193,715 | 25,633,244 | 2,477,774 | 29,304,733 | 4,378,653 | 14,372,734 | 1,601,876 | 93,309,399 | 113,662,662 | 13,209,761 | 10,527,932 | 23,737,693 | (27,578,322) | (3,840,629) |
| 500 | KCTCS Central Office - University | 51,653,884 | 41,167,172 | 92,821,056 | 297,823 | 6,395,314 | - | 6,693,137 | 1,092,443 | 3,585,896 | 399,657 | 31,086,889 | 36,164,885 | 3,295,742 | 2,626,645 | 5,922,387 | (9,517,691) | (3,595,304) |
| | Total University | \$ 710,290,374 | \$ 566,088,003 | \$ 1,276,378,377 | \$ 4,095,355 | \$ 87,941,690 | \$ 20,886,673 | \$ 112,923,718 | \$ 15,022,138 | \$ 49,309,503 | \$ 5,495,665 | \$ 344,977,088 | \$ 414,804,394 | \$ 45,319,617 | \$ 36,118,878 | \$ 81,438,495 | \$ (97,597,443) | \$ (16,158,948) |
| Non-University Employers - Other | | | | | | | | | | | | | | | | | | |
| 400 | KCTCS Central Office | \$ 61,453,199 | \$ 85,923,311 | \$ 147,376,510 | \$ 331,885 | \$ 7,250,974 | \$ - | \$ 7,582,859 | \$ 334,696 | \$ 4,105,058 | \$ 417,861 | \$ 69,087,830 | \$ 73,945,445 | \$ 4,374,487 | \$ 6,116,422 | \$ 10,490,909 | \$ (21,590,013) | \$ (11,099,104) |
| 801 | KY High School Athletic Association | 2,379,338 | 3,326,972 | 5,706,310 | 12,850 | 280,742 | 28,287 | 321,879 | 12,959 | 158,939 | 16,179 | 1,506,320 | 1,694,397 | 169,373 | 236,829 | 406,202 | (442,891) | (36,689) |
| 805 | KY School Boards Association | 5,520,939 | 7,719,493 | 13,240,432 | 29,816 | 651,426 | 429,661 | 1,110,903 | 30,069 | 368,797 | 37,541 | 4,317,916 | 4,754,323 | 393,006 | 549,510 | 942,516 | (1,162,799) | (220,283) |
| 806 | KY Education Association | 675,918 | 944,936 | 1,620,854 | 3,650 | 79,753 | 77,694 | 161,097 | 3,681 | 45,151 | 4,596 | 551,493 | 604,921 | 48,115 | 67,265 | 115,380 | (145,176) | (29,796) |
| 807 | KY Academic Association | 435,232 | 608,461 | 1,043,693 | 2,351 | 51,354 | 3,455 | 57,160 | 2,370 | 29,073 | 2,959 | 294,317 | 328,719 | 30,982 | 43,313 | 74,295 | (87,594) | (13,299) |
| 809 | Jefferson County Teachers' Association | 197,244 | 275,764 | 473,008 | 1,065 | 23,273 | 6,647 | 30,985 | 1,074 | 13,176 | 1,341 | 130,880 | 146,471 | 14,060 | 19,630 | 33,690 | (37,525) | (3,835) |
| | Total - Non-University Employers - Other | \$ 70,661,870 | \$ 98,798,937 | \$ 169,460,807 | \$ 381,617 | \$ 8,337,522 | \$ 545,744 | \$ 9,264,883 | \$ 384,849 | \$ 4,720,194 | \$ 480,477 | \$ 75,888,756 | \$ 81,474,276 | \$ 5,030,023 | \$ 7,032,969 | \$ 12,062,992 | \$ (23,465,998) | \$ (11,403,006) |
| Non-University Employers - State Agencies | | | | | | | | | | | | | | | | | | |
| 301 | Technical Education District - Madisonville | \$ 21,675,238 | \$ 30,305,939 | \$ 51,981,177 | \$ 117,060 | \$ 2,557,500 | \$ 3,039,195 | \$ 5,713,755 | \$ 118,051 | \$ 1,447,900 | \$ 147,384 | \$ 9,015,330 | \$ 10,728,665 | \$ 1,542,945 | \$ 2,157,318 | \$ 3,700,263 | \$ (1,404,362) | \$ 2,295,901 |
| 302 | Technical Education District - Bowling Green | 22,109,930 | 30,913,860 | 53,023,790 | 119,407 | 2,608,791 | 614,970 | 3,343,168 | 120,419 | 1,476,938 | 150,340 | 9,179,740 | 10,927,437 | 1,573,888 | 2,200,593 | 3,774,481 | (2,532,380) | 1,242,101 |
| 303 | Technical Education District - Elizabethtown | 99,836 | 139,501 | 239,337 | 539 | 11,780 | 718,664 | 730,983 | 544 | 6,669 | 679 | 20,572,304 | 20,580,196 | 7,126 | 9,930 | 17,056 | (5,876,394) | (5,859,338) |
| 304 | Technical Education District - Frankfort | 17,583,575 | 24,585,327 | 42,168,902 | 94,962 | 2,074,718 | - | 2,169,680 | 95,766 | 1,174,578 | 119,562 | 15,629,350 | 17,019,256 | 1,251,681 | 1,750,098 | 3,001,779 | (5,048,472) | (2,046,693) |
| 305 | Technical Education District - Hazard | 20,676,337 | 28,909,312 | 49,585,649 | 111,665 | 2,439,638 | - | 2,551,303 | 112,611 | 1,381,174 | 140,592 | 12,049,351 | 13,683,728 | 1,471,838 | 2,057,900 | 3,529,738 | (3,818,310) | (288,572) |
| 308 | Adult Council on Post Secondary Education | 1,468,941 | 2,053,926 | 3,522,867 | 7,933 | 173,323 | - | 181,256 | 8,000 | 98,125 | 9,988 | 1,851,955 | 1,968,068 | 104,566 | 146,208 | 250,774 | (569,711) | (318,937) |
| 316 | Office of Career and Technical Education | 6,357,674 | 8,889,195 | 15,246,869 | 34,335 | 750,153 | 4,663,871 | 5,448,359 | 34,626 | 424,691 | 43,230 | 4,705,033 | 5,207,580 | 452,569 | 632,774 | 1,085,343 | 510,877 | 1,596,220 |
| 317 | Office of Secretary of Workforce Investment | 275,494 | 385,314 | 660,808 | 1,488 | 32,506 | 437 | 34,431 | 1,500 | 18,403 | 1,873 | 329,641 | 351,417 | 19,611 | 27,428 | 47,039 | (121,338) | (74,299) |
| 318 | Department for Vocational Rehabilitation | 31,726,041 | 44,359,362 | 76,085,403 | 171,340 | 3,743,413 | 827,333 | 4,742,086 | 172,791 | 2,119,291 | 215,726 | 27,291,983 | 29,799,791 | 2,258,408 | 3,157,706 | 5,416,114 | (7,868,145) | (2,452,031) |
| 320 | School for the Blind | 9,160,642 | 12,808,439 | 21,969,081 | 49,473 | 1,080,881 | - | 1,130,354 | 49,892 | 611,929 | 62,289 | 8,023,145 | 8,747,255 | 652,078 | 911,764 | 1,563,842 | (2,433,064) | (869,222) |
| 330 | School for the Deaf | 12,842,977 | 17,957,016 | 30,799,993 | 69,360 | 1,515,366 | - | 1,584,726 | 69,947 | 857,908 | 87,328 | 10,415,724 | 11,430,907 | 914,242 | 1,278,264 | 2,192,506 | (3,205,825) | (1,013,319) |
| 345 | Department of Education | 51,769,093 | 72,383,370 | 124,152,463 | 279,585 | 6,108,328 | 485,738 | 6,873,651 | 281,953 | 3,458,162 | 352,012 | 35,193,476 | 39,285,603 | 3,685,166 | 5,152,586 | 8,837,752 | (10,428,786) | (1,591,034) |
| 728 | Department of Corrections | 257,955 | 360,489 | 618,444 | 1,393 | 30,437 | 29,590 | 61,420 | 1,405 | 17,231 | 1,754 | 202,328 | 222,718 | 18,363 | 25,661 | 44,024 | (63,452) | (19,428) |
| 896 | Education Professional Standards Board | 3,592,483 | 5,023,108 | 8,615,591 | 19,402 | 423,883 | 266,722 | 710,007 | 19,566 | 239,977 | 24,428 | 2,837,171 | 3,121,142 | 255,730 | 357,568 | 613,298 | (716,839) | (103,541) |
| | Total - Non-University Employers - State Agencies | \$ 199,596,216 | \$ 279,074,158 | \$ 478,670,374 | \$ 1,077,942 | \$ 23,550,717 | \$ 10,646,520 | \$ 35,275,179 | \$ 1,087,071 | \$ 13,332,976 | \$ 1,357,185 | \$ 157,296,531 | \$ 173,073,763 | \$ 14,208,211 | \$ 19,865,798 | \$ 34,074,009 | \$ (43,576,201) | \$ (9,502,192) |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Employer | June 30, 2017 | | | Deferred Outflows of Resources | | | | Deferred Inflows of Resources | | | | Deferred Amounts from Changes in Proportion and Differences | | | | | |
|--|-----------------------------|---|--|-----------------------------------|---|--------------------------|---|--|--|--------------------------|--|---|---|---------------------------------------|-----------------------------|---|--|--------------------------|
| | | Employer's Proportionate Share of Net Pension Liability | State's Proportionate Share of Net Pension Liability | Total Net Pension Liability | Difference Between Expected and Actual Experience | Change of Assumptions | Employer Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Change of Assumptions | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 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 |
| | | | | | | | | | | | | | | | | | | |
| Local School Districts and Educational Cooperatives | | | | | | | | | | | | | | | | | | |
| 1 | Adair County Schools | \$ - | \$ 87,716,584 | \$ 87,716,584 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,244,076 | \$ 6,244,076 | \$ - | \$ 6,244,076 | \$ 6,244,076 |
| 2 | Allen County Schools | - | 104,612,639 | 104,612,639 | - | - | - | - | - | - | - | - | - | 7,446,816 | 7,446,816 | - | 7,446,816 | 7,446,816 |
| 3 | Anderson County Schools | - | 120,788,524 | 120,788,524 | - | - | - | - | - | - | - | - | - | 8,598,291 | 8,598,291 | - | 8,598,291 | 8,598,291 |
| 4 | Ballard County Schools | - | 46,164,237 | 46,164,237 | - | - | - | - | - | - | - | - | - | 3,286,186 | 3,286,186 | - | 3,286,186 | 3,286,186 |
| 5 | Barren County Schools | - | 176,519,224 | 176,519,224 | - | - | - | - | - | - | - | - | - | 12,565,462 | 12,565,462 | - | 12,565,462 | 12,565,462 |
| 6 | Bath County Schools | - | 73,569,801 | 73,569,801 | - | - | - | - | - | - | - | - | - | 5,237,042 | 5,237,042 | - | 5,237,042 | 5,237,042 |
| 7 | Bell County Schools | - | 91,015,225 | 91,015,225 | - | - | - | - | - | - | - | - | - | 6,478,888 | 6,478,888 | - | 6,478,888 | 6,478,888 |
| 8 | Boone County Schools | - | 817,224,215 | 817,224,215 | - | - | - | - | - | - | - | - | - | 58,173,833 | 58,173,833 | - | 58,173,833 | 58,173,833 |
| 9 | Bourbon County Schools | - | 99,828,329 | 99,828,329 | - | - | - | - | - | - | - | - | - | 7,106,246 | 7,106,246 | - | 7,106,246 | 7,106,246 |
| 10 | Boyd County Schools | - | 117,225,992 | 117,225,992 | - | - | - | - | - | - | - | - | - | 8,344,693 | 8,344,693 | - | 8,344,693 | 8,344,693 |
| 11 | Boyle County Schools | - | 113,203,135 | 113,203,135 | - | - | - | - | - | - | - | - | - | 8,058,327 | 8,058,327 | - | 8,058,327 | 8,058,327 |
| 12 | Bracken County Schools | - | 43,176,978 | 43,176,978 | - | - | - | - | - | - | - | - | - | 3,073,539 | 3,073,539 | - | 3,073,539 | 3,073,539 |
| 13 | Breathitt County Schools | - | 69,382,889 | 69,382,889 | - | - | - | - | - | - | - | - | - | 4,938,998 | 4,938,998 | - | 4,938,998 | 4,938,998 |
| 14 | Breckinridge County Schools | - | 96,194,023 | 96,194,023 | - | - | - | - | - | - | - | - | - | 6,847,539 | 6,847,539 | - | 6,847,539 | 6,847,539 |
| 15 | Bullitt County Schools | - | 488,866,344 | 488,866,344 | - | - | - | - | - | - | - | - | - | 34,799,788 | 34,799,788 | - | 34,799,788 | 34,799,788 |
| 16 | Butler County Schools | - | 72,155,366 | 72,155,366 | - | - | - | - | - | - | - | - | - | 5,136,356 | 5,136,356 | - | 5,136,356 | 5,136,356 |
| 17 | Caldwell County Schools | - | 61,768,898 | 61,768,898 | - | - | - | - | - | - | - | - | - | 4,396,998 | 4,396,998 | - | 4,396,998 | 4,396,998 |
| 18 | Calloway County Schools | - | 109,163,279 | 109,163,279 | - | - | - | - | - | - | - | - | - | 7,770,752 | 7,770,752 | - | 7,770,752 | 7,770,752 |
| 19 | Campbell County Schools | - | 176,749,656 | 176,749,656 | - | - | - | - | - | - | - | - | - | 12,581,865 | 12,581,865 | - | 12,581,865 | 12,581,865 |
| 20 | Carlisle County Schools | - | 28,994,847 | 28,994,847 | - | - | - | - | - | - | - | - | - | 2,063,989 | 2,063,989 | - | 2,063,989 | 2,063,989 |
| 21 | Carroll County Schools | - | 77,824,170 | 77,824,170 | - | - | - | - | - | - | - | - | - | 5,539,888 | 5,539,888 | - | 5,539,888 | 5,539,888 |
| 22 | Carter County Schools | - | 148,133,916 | 148,133,916 | - | - | - | - | - | - | - | - | - | 10,544,863 | 10,544,863 | - | 10,544,863 | 10,544,863 |
| 23 | Casey County Schools | - | 73,260,579 | 73,260,579 | - | - | - | - | - | - | - | - | - | 5,215,030 | 5,215,030 | - | 5,215,030 | 5,215,030 |
| 24 | Christian County Schools | - | 294,075,755 | 294,075,755 | - | - | - | - | - | - | - | - | - | 20,933,685 | 20,933,685 | - | 20,933,685 | 20,933,685 |
| 25 | Clark County Schools | - | 189,692,739 | 189,692,739 | - | - | - | - | - | - | - | - | - | 13,503,214 | 13,503,214 | - | 13,503,214 | 13,503,214 |
| 26 | Clay County Schools | - | 117,189,836 | 117,189,836 | - | - | - | - | - | - | - | - | - | 8,342,119 | 8,342,119 | - | 8,342,119 | 8,342,119 |
| 27 | Clinton County Schools | - | 61,397,615 | 61,397,615 | - | - | - | - | - | - | - | - | - | 4,370,569 | 4,370,569 | - | 4,370,569 | 4,370,569 |
| 28 | Crittenden County Schools | - | 43,221,229 | 43,221,229 | - | - | - | - | - | - | - | - | - | 3,076,689 | 3,076,689 | - | 3,076,689 | 3,076,689 |
| 29 | Cumberland County Schools | - | 32,319,931 | 32,319,931 | - | - | - | - | - | - | - | - | - | 2,300,684 | 2,300,684 | - | 2,300,684 | 2,300,684 |
| 30 | Daviess County Schools | - | 427,477,363 | 427,477,363 | - | - | - | - | - | - | - | - | - | 30,429,834 | 30,429,834 | - | 30,429,834 | 30,429,834 |
| 31 | Edmonson County Schools | - | 66,296,602 | 66,296,602 | - | - | - | - | - | - | - | - | - | 4,719,302 | 4,719,302 | - | 4,719,302 | 4,719,302 |
| 32 | Elliott County Schools | - | 39,335,714 | 39,335,714 | - | - | - | - | - | - | - | - | - | 2,800,100 | 2,800,100 | - | 2,800,100 | 2,800,100 |
| 33 | Estill County Schools | - | 84,263,333 | 84,263,333 | - | - | - | - | - | - | - | - | - | 5,998,257 | 5,998,257 | - | 5,998,257 | 5,998,257 |
| 34 | Fayette County Schools | - | 1,983,376,595 | 1,983,376,595 | - | - | - | - | - | - | - | - | - | 141,186,002 | 141,186,002 | - | 141,186,002 | 141,186,002 |
| 35 | Fleming County Schools | - | 77,414,842 | 77,414,842 | - | - | - | - | - | - | - | - | - | 5,510,750 | 5,510,750 | - | 5,510,750 | 5,510,750 |
| 36 | Floyd County Schools | - | 203,947,183 | 203,947,183 | - | - | - | - | - | - | - | - | - | 14,517,912 | 14,517,912 | - | 14,517,912 | 14,517,912 |
| 37 | Franklin County Schools | - | 224,641,329 | 224,641,329 | - | - | - | - | - | - | - | - | - | 15,991,018 | 15,991,018 | - | 15,991,018 | 15,991,018 |
| 38 | Fulton County Schools | - | 22,609,381 | 22,609,381 | - | - | - | - | - | - | - | - | - | 1,609,441 | 1,609,441 | - | 1,609,441 | 1,609,441 |
| 39 | Gallatin County Schools | - | 60,302,386 | 60,302,386 | - | - | - | - | - | - | - | - | - | 4,292,605 | 4,292,605 | - | 4,292,605 | 4,292,605 |
| 40 | Garrard County Schools | - | 87,025,826 | 87,025,826 | - | - | - | - | - | - | - | - | - | 6,194,904 | 6,194,904 | - | 6,194,904 | 6,194,904 |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Employer | June 30, 2017 | | | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | | Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Total Pension Expense | | | | | | | |
|------|---------------------------|---|--|-----------------------------|---|-----------------------|--|--|-----------------------|---|---|------------------------------|-----------------------|--|---|------|------|------|--------------|--------------|------|--------------|
| | | Employer's Proportionate Share of Net Pension Liability | State's Proportionate Share of Net Pension Liability | Total Net Pension Liability | Difference Between Expected and Actual Experience | Change of Assumptions | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Change of Assumptions | Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments | 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 Pension Expense | Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Total Pension Expense | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 41 | Grant County Schools | \$ - | \$ 128,912,489 | \$ 128,912,489 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 9,176,593 | \$ 9,176,593 | \$ - | \$ 9,176,593 |
| 42 | Graves County Schools | - | 154,512,637 | 154,512,637 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 10,998,931 | 10,998,931 | - | 10,998,931 |
| 43 | Grayson County Schools | - | 143,273,245 | 143,273,245 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 10,198,858 | 10,198,858 | - | 10,198,858 |
| 44 | Green County Schools | - | 59,598,406 | 59,598,406 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,242,493 | 4,242,493 | - | 4,242,493 |
| 45 | Greenup County Schools | - | 102,329,629 | 102,329,629 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,284,301 | 7,284,301 | - | 7,284,301 |
| 46 | Hancock County Schools | - | 66,273,667 | 66,273,667 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,717,669 | 4,717,669 | - | 4,717,669 |
| 47 | Hardin County Schools | - | 541,260,627 | 541,260,627 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 38,529,457 | 38,529,457 | - | 38,529,457 |
| 48 | Harlan County Schools | - | 123,534,828 | 123,534,828 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,793,786 | 8,793,786 | - | 8,793,786 |
| 49 | Harrison County Schools | - | 99,430,873 | 99,430,873 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,077,954 | 7,077,954 | - | 7,077,954 |
| 50 | Hart County Schools | - | 96,162,453 | 96,162,453 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,845,292 | 6,845,292 | - | 6,845,292 |
| 51 | Henderson County Schools | - | 257,816,883 | 257,816,883 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 18,352,609 | 18,352,609 | - | 18,352,609 |
| 52 | Henry County Schools | - | 78,730,791 | 78,730,791 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,604,425 | 5,604,425 | - | 5,604,425 |
| 53 | Hickman County Schools | - | 32,230,348 | 32,230,348 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,294,307 | 2,294,307 | - | 2,294,307 |
| 54 | Hopkins County Schools | - | 250,714,485 | 250,714,485 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 17,847,027 | 17,847,027 | - | 17,847,027 |
| 55 | Jackson County Schools | - | 82,480,583 | 82,480,583 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,871,353 | 5,871,353 | - | 5,871,353 |
| 56 | Jefferson County Schools | - | 5,016,422,679 | 5,016,422,679 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 357,092,380 | 357,092,380 | - | 357,092,380 |
| 57 | Jessamine County Schools | - | 295,387,116 | 295,387,116 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 21,027,033 | 21,027,033 | - | 21,027,033 |
| 58 | Johnson County Schools | - | 137,961,692 | 137,961,692 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,820,757 | 9,820,757 | - | 9,820,757 |
| 59 | Kenton County Schools | - | 526,022,122 | 526,022,122 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 37,444,709 | 37,444,709 | - | 37,444,709 |
| 60 | Knott Counts Schools | - | 83,805,975 | 83,805,975 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,965,700 | 5,965,700 | - | 5,965,700 |
| 61 | Knox County Schools | - | 157,279,448 | 157,279,448 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,195,885 | 11,195,885 | - | 11,195,885 |
| 62 | Larue County Schools | - | 92,601,000 | 92,601,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,591,771 | 6,591,771 | - | 6,591,771 |
| 63 | Laurel County Schools | - | 308,818,587 | 308,818,587 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 21,983,148 | 21,983,148 | - | 21,983,148 |
| 64 | Lawrence County Schools | - | 91,890,815 | 91,890,815 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,541,217 | 6,541,217 | - | 6,541,217 |
| 65 | Lee County Schools | - | 28,218,554 | 28,218,554 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,008,728 | 2,008,728 | - | 2,008,728 |
| 66 | Leslie County Schools | - | 62,546,811 | 62,546,811 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,452,374 | 4,452,374 | - | 4,452,374 |
| 67 | Letcher County Schools | - | 113,322,939 | 113,322,939 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,066,856 | 8,066,856 | - | 8,066,856 |
| 68 | Lewis County Schools | - | 73,991,272 | 73,991,272 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,267,044 | 5,267,044 | - | 5,267,044 |
| 69 | Lincoln County Schools | - | 128,026,106 | 128,026,106 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,113,496 | 9,113,496 | - | 9,113,496 |
| 70 | Livingston County Schools | - | 46,984,783 | 46,984,783 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,344,596 | 3,344,596 | - | 3,344,596 |
| 71 | Logan County Schools | - | 131,058,157 | 131,058,157 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,329,331 | 9,329,331 | - | 9,329,331 |
| 72 | Lyon County Schools | - | 29,487,822 | 29,487,822 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,099,081 | 2,099,081 | - | 2,099,081 |
| 73 | Madison County Schools | - | 384,985,477 | 384,985,477 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 27,405,063 | 27,405,063 | - | 27,405,063 |
| 74 | Magoffin County Schools | - | 71,430,339 | 71,430,339 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,084,745 | 5,084,745 | - | 5,084,745 |
| 75 | Marion County Schools | - | 129,140,223 | 129,140,223 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,192,804 | 9,192,804 | - | 9,192,804 |
| 76 | Marshall County Schools | - | 173,882,200 | 173,882,200 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,377,746 | 12,377,746 | - | 12,377,746 |
| 77 | Martin County Schools | - | 61,207,927 | 61,207,927 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,357,066 | 4,357,066 | - | 4,357,066 |
| 78 | Mason County Schools | - | 101,226,844 | 101,226,844 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,205,799 | 7,205,799 | - | 7,205,799 |
| 79 | McCracken County Schools | - | 257,357,367 | 257,357,367 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 18,319,898 | 18,319,898 | - | 18,319,898 |
| 80 | McCreary County Schools | - | 98,779,239 | 98,779,239 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,031,567 | 7,031,567 | - | 7,031,567 |

The accompanying notes are an integral part of the schedules.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)

| Code | Employer | June 30, 2017 | | | Deferred Outflows of Resources | | | | | Deferred Inflows of Resources | | | | | Deferred Amounts from Changes in Proportion and Differences Between | | | | | | | |
|------|---------------------------------|---|--|-----------------------------|---|-----------------------|---|--------------------------------------|--|-------------------------------|--|---|-------------------------------------|------------------------------|---|--|---|-----------------------|--------------|--------------|------|--------------|
| | | Employer's Proportionate Share of Net Pension Liability | State's Proportionate Share of Net Pension Liability | Total Net Pension Liability | Difference Between Expected and Actual Experience | Change of Assumptions | Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Change of Assumptions | 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 | Net Employer Pension Expense | Revenue State Support | Proportionate Share of Pension Expense | Employer Contributions and Proportionate Share of Contributions | Total Pension Expense | | | | |
| | | | | | | | | | | | | | | | | | | | | | | |
| 122 | Anchorage City Schools | \$ - | \$ 28,477,858 | \$ 28,477,858 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,027,187 | \$ 2,027,187 | \$ - | \$ 2,027,187 |
| 124 | Ashland City Schools | - | 116,960,752 | 116,960,752 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,325,812 | 8,325,812 | - | 8,325,812 |
| 125 | Augusta City Schools | - | 11,389,956 | 11,389,956 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 810,790 | 810,790 | - | 810,790 |
| 126 | Barbourville City Schools | - | 23,101,007 | 23,101,007 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,644,437 | 1,644,437 | - | 1,644,437 |
| 127 | Bardstown City Schools | - | 110,729,897 | 110,729,897 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,882,271 | 7,882,271 | - | 7,882,271 |
| 128 | Beechwood Independent Schools | - | 53,843,257 | 53,843,257 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,832,814 | 3,832,814 | - | 3,832,814 |
| 129 | Bellevue City Schools | - | 32,522,032 | 32,522,032 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,315,070 | 2,315,070 | - | 2,315,070 |
| 131 | Berea City Schools | - | 42,117,905 | 42,117,905 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,998,149 | 2,998,149 | - | 2,998,149 |
| 134 | Bowling Green City Schools | - | 158,791,831 | 158,791,831 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 11,303,544 | 11,303,544 | - | 11,303,544 |
| 136 | Burgin City Schools | - | 18,001,268 | 18,001,268 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,281,414 | 1,281,414 | - | 1,281,414 |
| 140 | Campbellsville City Schools | - | 46,301,849 | 46,301,849 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,295,982 | 3,295,982 | - | 3,295,982 |
| 144 | Caverna City Schools | - | 29,858,565 | 29,858,565 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,125,472 | 2,125,472 | - | 2,125,472 |
| 147 | Cloverport City Schools | - | 14,698,850 | 14,698,850 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,046,333 | 1,046,333 | - | 1,046,333 |
| 150 | Corbin City Schools | - | 102,330,708 | 102,330,708 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 7,284,377 | 7,284,377 | - | 7,284,377 |
| 151 | Covington City Schools | - | 178,677,034 | 178,677,034 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 12,719,065 | 12,719,065 | - | 12,719,065 |
| 154 | Danville City Schools | - | 89,734,893 | 89,734,893 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,387,748 | 6,387,748 | - | 6,387,748 |
| 155 | Dawson Springs City Schools | - | 23,357,882 | 23,357,882 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,662,723 | 1,662,723 | - | 1,662,723 |
| 156 | Dayton City Schools | - | 37,116,653 | 37,116,653 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,642,137 | 2,642,137 | - | 2,642,137 |
| 158 | East Bernstad City Schools | - | 17,826,690 | 17,826,690 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,268,987 | 1,268,987 | - | 1,268,987 |
| 160 | Elizabethtown City Schools | - | 95,684,588 | 95,684,588 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,811,276 | 6,811,276 | - | 6,811,276 |
| 161 | Eminence Independent Schools | - | 29,858,565 | 29,858,565 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,125,472 | 2,125,472 | - | 2,125,472 |
| 162 | Erlanger-Elsmere City Schools | - | 95,906,656 | 95,906,656 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,827,083 | 6,827,083 | - | 6,827,083 |
| 163 | Fairview Independent Schools | - | 27,180,798 | 27,180,798 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,934,856 | 1,934,856 | - | 1,934,856 |
| 166 | Fort Thomas Independent Schools | - | 126,478,915 | 126,478,915 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 9,003,359 | 9,003,359 | - | 9,003,359 |
| 167 | Frankfort City Schools | - | 37,135,272 | 37,135,272 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,643,462 | 2,643,462 | - | 2,643,462 |
| 170 | Fulton City Schools | - | 14,715,040 | 14,715,040 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,047,485 | 1,047,485 | - | 1,047,485 |
| 173 | Glasgow City Schools | - | 89,270,790 | 89,270,790 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 6,354,711 | 6,354,711 | - | 6,354,711 |
| 180 | Harlan City Schools | - | 24,955,261 | 24,955,261 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,776,432 | 1,776,432 | - | 1,776,432 |
| 182 | Hazard Independent Schools | - | 38,101,793 | 38,101,793 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,712,263 | 2,712,263 | - | 2,712,263 |
| 190 | Jackson City Schools | - | 9,840,607 | 9,840,607 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 700,500 | 700,500 | - | 700,500 |
| 191 | Jenkins City Schools | - | 18,675,837 | 18,675,837 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,329,433 | 1,329,433 | - | 1,329,433 |
| 206 | Ludlow City Schools | - | 37,666,022 | 37,666,022 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,681,243 | 2,681,243 | - | 2,681,243 |
| 210 | Mayfield City Schools | - | 60,927,846 | 60,927,846 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,337,128 | 4,337,128 | - | 4,337,128 |
| 214 | Middlesboro City Schools | - | 42,792,204 | 42,792,204 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 3,046,149 | 3,046,149 | - | 3,046,149 |
| 221 | Murray City Schools | - | 60,524,454 | 60,524,454 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 4,308,413 | 4,308,413 | - | 4,308,413 |
| 222 | Newport City Schools | - | 79,502,497 | 79,502,497 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 5,659,359 | 5,659,359 | - | 5,659,359 |
| 224 | Owensboro City Schools | - | 200,057,351 | 200,057,351 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 14,241,016 | 14,241,016 | - | 14,241,016 |
| 226 | Paducah City Schools | - | 114,137,548 | 114,137,548 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 8,124,843 | 8,124,843 | - | 8,124,843 |
| 227 | Paintsville City Schools | - | 34,926,734 | 34,926,734 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 2,486,248 | 2,486,248 | - | 2,486,248 |
| 228 | Paris City Schools | - | 25,401,286 | 25,401,286 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 1,808,182 | 1,808,182 | - | 1,808,182 |

The accompanying notes are an integral part of the schedules.

**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
As Of and For The Fiscal Year Ended June 30, 2017
(Continued)**

| Code | Employer | June 30, 2017 | | | Deferred Outflows of Resources | | | | Deferred Inflows of Resources | | | | | Deferred Amounts from Changes in Proportion and Differences | | | | |
|---|--|---|--|-----------------------------|---|-----------------------|------------------------|--------------------------------------|--|-----------------------|--|---|-------------------------------------|---|-----------------------|--|---|-----------------------|
| | | Employer's Proportionate Share of Net Pension Liability | State's Proportionate Share of Net Pension Liability | Total Net Pension Liability | Difference Between Expected and Actual Experience | Change of Assumptions | Employer Contributions | Total Deferred Outflows of Resources | Differences Between Expected and Actual Experience | Change of Assumptions | Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 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 Pension Expense | Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of | Total Pension Expense |
| | | | | | | | | | | | | | | | | | | |
| 230 | Pikeville City Schools | \$ - | \$ 58,301,885 | \$ 58,301,885 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,150,200 | \$ 4,150,200 | \$ - | \$ 4,150,200 | |
| 231 | Pineville City Schools | - | 17,638,350 | 17,638,350 | - | - | - | - | - | - | - | - | - | 1,255,580 | 1,255,580 | - | 1,255,580 | |
| 235 | Raceland City Schools | - | 38,491,964 | 38,491,964 | - | - | - | - | - | - | - | - | - | 2,740,038 | 2,740,038 | - | 2,740,038 | |
| 238 | Russell City Schools | - | 87,840,435 | 87,840,435 | - | - | - | - | - | - | - | - | - | 6,252,892 | 6,252,892 | - | 6,252,892 | |
| 239 | Russellville City Schools | - | 37,412,114 | 37,412,114 | - | - | - | - | - | - | - | - | - | 2,663,169 | 2,663,169 | - | 2,663,169 | |
| 240 | Science Hill City Schools | - | 15,957,595 | 15,957,595 | - | - | - | - | - | - | - | - | - | 1,135,936 | 1,135,936 | - | 1,135,936 | |
| 245 | Silver Grove City Schools | - | 10,015,995 | 10,015,995 | - | - | - | - | - | - | - | - | - | 712,985 | 712,985 | - | 712,985 | |
| 246 | Somerset City Schools | - | 61,529,291 | 61,529,291 | - | - | - | - | - | - | - | - | - | 4,379,942 | 4,379,942 | - | 4,379,942 | |
| 247 | Southgate City Schools | - | 8,761,297 | 8,761,297 | - | - | - | - | - | - | - | - | - | 623,670 | 623,670 | - | 623,670 | |
| 258 | Walton-Verona Independent Schools | - | 67,912,869 | 67,912,869 | - | - | - | - | - | - | - | - | - | 4,834,355 | 4,834,355 | - | 4,834,355 | |
| 259 | West Point City Schools | - | 6,059,785 | 6,059,785 | - | - | - | - | - | - | - | - | - | 431,364 | 431,364 | - | 431,364 | |
| 260 | Williamsburg City Schools | - | 28,792,747 | 28,792,747 | - | - | - | - | - | - | - | - | - | 2,049,602 | 2,049,602 | - | 2,049,602 | |
| 261 | Williamstown City Schools | - | 27,960,599 | 27,960,599 | - | - | - | - | - | - | - | - | - | 1,990,366 | 1,990,366 | - | 1,990,366 | |
| 870 | Ohio Valley Educational Cooperative | - | 16,838,851 | 16,838,851 | - | - | - | - | - | - | - | - | - | 1,198,668 | 1,198,668 | - | 1,198,668 | |
| 871 | West Kentucky Educational Cooperative | - | 8,406,744 | 8,406,744 | - | - | - | - | - | - | - | - | - | 598,431 | 598,431 | - | 598,431 | |
| 872 | Southeast South-Central Educational Cooperative | - | 1,581,728 | 1,581,728 | - | - | - | - | - | - | - | - | - | 112,595 | 112,595 | - | 112,595 | |
| 890 | Green River Regional Educational Cooperative | - | 8,935,066 | 8,935,066 | - | - | - | - | - | - | - | - | - | 636,040 | 636,040 | - | 636,040 | |
| 891 | Central KY Special Education Cooperative | - | 4,729,266 | 4,729,266 | - | - | - | - | - | - | - | - | - | 336,651 | 336,651 | - | 336,651 | |
| 892 | KY Valley Educational Cooperative | - | 6,437,273 | 6,437,273 | - | - | - | - | - | - | - | - | - | 458,235 | 458,235 | - | 458,235 | |
| 894 | KY Educational Development Corporation | - | 14,586,872 | 14,586,872 | - | - | - | - | - | - | - | - | - | 1,038,362 | 1,038,362 | - | 1,038,362 | |
| 895 | Northern KY Cooperative for Educational Services | - | 11,760,969 | 11,760,969 | - | - | - | - | - | - | - | - | - | 837,201 | 837,201 | - | 837,201 | |
| Total - Local School Districts and Educational Cooperatives | | \$ - | \$ 26,334,613,008 | \$ 26,334,613,008 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,874,620,653 | \$ 1,874,620,653 | \$ - | \$ 1,874,620,653 | |
| Total Non-University Employers | | 270,258,086 | 26,712,486,103 | 26,982,744,189 | 1,459,559 | 31,888,239 | 11,192,264 | 44,540,062 | 1,471,920 | 18,053,170 | 1,837,662 | 233,185,287 | 254,548,039 | 19,238,234 | 1,901,519,420 | 1,920,757,654 | (67,042,199) | 1,853,715,455 |
| State's Proportionate Share of Outflows/Inflows | | - | - | - | 147,527,765 | 3,221,942,196 | 555,108,348 | 3,924,578,309 | 157,458,080 | 1,823,685,955 | 186,015,818 | 9,024,908 | 2,176,184,761 | - | - | - | 164,639,642 | - |
| Total University and Non-University Employers | | \$ 980,548,460 | \$ 27,278,574,106 | \$ 28,259,122,566 | \$ 153,082,679 | \$ 3,341,772,125 | \$ 587,187,285 | \$ 4,082,042,089 | \$ 173,952,138 | \$ 1,891,048,628 | \$ 193,349,145 | \$ 587,187,283 | \$ 2,845,537,194 | \$ 64,557,851 | \$ 1,937,638,298 | \$ 2,002,196,149 | \$ - | \$ 1,837,556,507 |

The accompanying notes are an integral part of the schedules.

SCHEDULE OF REMAINING DEFERRED OUTFLOWS AND (INFLOWS)

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
SCHEDULE OF REMAINING DEFERRED OUTFLOWS AND (INFLOWS)
As Of and For The Fiscal Year Ended June 30, 2017

| Code | Employer | NPL Sensitivity 4.49% Discount Rate | | Recognition of Existing Deferred Outflows (Inflows) of Resources for Future Plan Years Ending June 30, | | | | | |
|---------------------------------|---|--|--|---|-----------------|-----------------|-----------------|------|------------|
| | | Less 1% Employer's Proportionate Share of Net Pension Liability | Plus 1% Employer's Proportionate Share of Net Pension Liability | 2019 | 2020 | 2021 | 2022 | 2023 | Thereafter |
| University Employers | | | | | | | | | |
| 263 | Eastern Kentucky University | \$ 239,691,376 | \$ 155,342,342 | \$ (21,411,447) | \$ (18,940,974) | \$ (22,688,953) | \$ (7,876,148) | \$ - | \$ - |
| 266 | Kentucky State University | 50,250,685 | 32,567,126 | (7,369,801) | (6,851,873) | (6,059,024) | (2,278,285) | - | - |
| 269 | Morehead State University | 128,274,195 | 83,133,629 | (12,906,490) | (11,584,382) | (13,192,602) | (4,469,581) | - | - |
| 270 | Murray State University | 141,581,103 | 91,757,745 | (15,803,284) | (14,344,023) | (16,471,004) | (5,803,128) | - | - |
| 273 | Western Kentucky University | 256,637,784 | 166,325,193 | (26,198,214) | (23,553,071) | (25,680,066) | (8,926,578) | - | - |
| 500 | KCTCS Central Office - University | 64,029,320 | 41,496,964 | (9,173,362) | (8,513,419) | (8,735,544) | (3,049,423) | - | - |
| | Total University | \$ 880,464,463 | \$ 570,622,999 | \$ (92,862,598) | \$ (83,787,742) | \$ (92,827,193) | \$ (32,403,143) | \$ - | \$ - |
| | State's Proportionate Share of NPL - University | \$ 701,713,537 | \$ 454,775,744 | \$ 101,371,030 | \$ 108,603,514 | \$ 104,371,903 | \$ 27,444,701 | \$ - | \$ - |
| Non-University Employers | | | | | | | | | |
| 400 | KCTCS CENTRAL OFFICE | \$ 76,176,393 | \$ 49,369,401 | \$ (20,947,766) | \$ (20,215,963) | \$ (18,844,384) | \$ (6,354,473) | \$ - | \$ - |
| 801 | KY High School Athletic Association | 2,949,389 | 1,911,479 | (418,025) | (389,691) | (423,152) | (141,650) | - | - |
| 805 | KY School Boards Association | 6,843,667 | 4,435,334 | (1,105,100) | (1,039,355) | (1,142,452) | (356,513) | - | - |
| 806 | KY Education Association | 837,857 | 543,009 | (138,112) | (130,063) | (136,034) | (39,615) | - | - |
| 807 | KY Academic Association | 539,506 | 349,650 | (83,045) | (77,863) | (83,357) | (27,294) | - | - |
| 809 | Jefferson County Teachers' Association | 244,500 | 158,459 | (35,464) | (33,115) | (35,548) | (11,359) | - | - |
| | | \$ 87,591,312 | \$ 56,767,332 | \$ (22,727,512) | \$ (21,886,050) | \$ (20,664,927) | \$ (6,930,904) | \$ - | \$ - |
| State Agencies | | | | | | | | | |
| 301 | Technical Education District - Madisonville | \$ 26,868,275 | \$ 17,413,145 | \$ (1,177,834) | \$ (919,719) | \$ (2,119,908) | \$ (797,449) | \$ - | \$ - |
| 302 | Technical Education District - Bowling Green | 27,407,112 | 17,762,362 | (2,301,309) | (2,038,018) | (2,411,998) | (832,944) | - | - |
| 303 | Technical Education District - Elizabethtown | 123,755 | 80,205 | (5,875,351) | (5,874,162) | (6,136,468) | (1,963,232) | - | - |
| 304 | Technical Education District - Frankfort | 21,796,315 | 14,126,043 | (4,864,706) | (4,655,316) | (4,041,865) | (1,287,689) | - | - |
| 305 | Technical Education District - Hazard | 25,630,053 | 16,610,662 | (3,602,222) | (3,356,002) | (3,147,256) | (1,026,945) | - | - |
| 308 | Adult Council on Post Secondary Education | 1,820,875 | 1,180,097 | (554,359) | (536,867) | (518,382) | (177,204) | - | - |
| 316 | Office of Career and Technical Education | 7,880,870 | 5,107,538 | 577,321 | 653,030 | (710,054) | (279,518) | - | - |
| 317 | Office of Secretary of Workforce Investment | 341,498 | 221,322 | (118,459) | (115,178) | (66,088) | (17,261) | - | - |
| 318 | Department for Vocational Rehabilitation | 39,327,087 | 25,487,616 | (7,536,576) | (7,158,773) | (7,768,621) | (2,593,735) | - | - |
| 320 | School for the Blind | 11,355,383 | 7,359,346 | (2,337,326) | (2,228,239) | (2,307,341) | (743,995) | - | - |
| 330 | School for the Deaf | 15,919,946 | 10,317,608 | (3,071,603) | (2,918,665) | (2,877,845) | (978,068) | - | - |
| 345 | Department of Education | 64,172,134 | 41,589,519 | (9,887,747) | (9,271,266) | (9,952,112) | (3,300,827) | - | - |
| 728 | Department of Corrections | 319,757 | 207,232 | (60,756) | (57,684) | (34,769) | (8,089) | - | - |
| 896 | Education Professional Standards Board | 4,453,183 | 2,886,078 | (679,294) | (636,514) | (768,492) | (326,835) | - | - |
| | | \$ 247,416,243 | \$ 160,348,773 | \$ (41,490,221) | \$ (39,113,373) | \$ (42,861,199) | \$ (14,333,791) | \$ - | \$ - |
| | State's Proportionate Share of NPL - Non-University | 33,112,365,896 | 21,459,897,916 | 346,214,265 | 664,314,538 | 404,038,085 | (7,964,488) | - | - |
| | Total | \$ 35,029,551,451 | \$ 22,702,412,764 | \$ 290,504,964 | \$ 628,130,887 | \$ 352,056,669 | \$ (34,187,625) | \$ - | \$ - |

The accompanying notes are an integral part of the schedules.

NOTES TO SCHEDULES

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
NOTES TO SCHEDULES
June 30, 2017

NOTE A - COMPREHENSIVE ANNUAL FINANCIAL REPORT

The Teachers' Retirement System of the State of Kentucky (TRS) is a cost-sharing multiple-employer defined benefit plan with a special funding situation established to provide retirement annuity plan coverage for local school districts and other public educational agencies in the state. TRS issues a publicly available Comprehensive Annual Financial Report (CAFR) that includes audited financial statements, notes and required supplementary information for the pension plan. That report is available online at the following link: <https://trs.ky.gov/financial-reports-information/>. The separately issued actuarial valuation is also available at the same link or the reports may be obtained by writing to TRS at:

Teachers' Retirement System Kentucky
477 Versailles Road
Frankfort, Kentucky 40601

Information that is available in the audited financial report and needed by employers for Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* is not repeated in the allocation schedules and related notes. Please refer to the TRS financial report referenced above for those items. Investment related information including earnings and asset allocation appears in Note 5 - Deposits with Financial Institutions and Investments. Pension related and GASB 67 and 68 compliant actuarial information appears in Note 4 - Net Pension Liability of Employers. Benefit information appears in Note 1 - Description of Retirement Annuity Plan under section C - Benefit Provisions. Required Supplementary Information (RSI) appears immediately following the Notes to Financial Statements. Please note the information in the actuarial section on pages 103 through 129 of the TRS CAFR is presented on the funding basis and should not be used for employer disclosures.

NOTE B - DEVELOPMENT OF THE SINGLE DISCOUNT RATE

The discount rate used to measure the total pension liability was 4.49%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and the 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 2038 plan year. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments through 2037 and a municipal bond index rate of 3.56% was applied to all periods of projected benefit payments after 2037. The Single Equivalent Interest Rate (SEIR) that discounts the entire projected benefit stream to the same amount as the sum of the present values of the two separate benefit payments streams was used to determine the total pension liability (TPL).

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
NOTES TO SCHEDULES
June 30, 2017
(Continued)

NOTE B - DEVELOPMENT OF THE SINGLE DISCOUNT RATE (CONTINUED)

The following table presents the net pension liability of TRS, calculated using the discount rate of 4.49%, as well as what TRS's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.49%) or 1-percentage-point higher (5.49%) than the current rate:

| <i>(in thousands)</i> | <u>1% Decrease (3.49%)</u> | <u>Current Discount Rate (4.49%)</u> | <u>1% Increase (5.49%)</u> |
|--------------------------------|--------------------------------|--|--------------------------------|
| Systems' Net Pension Liability | <u>\$35,029,551</u> | <u>\$28,259,123</u> | <u>\$22,702,413</u> |

June 30, 2016 is the actuarial valuation date upon which the TPL is based. The TPL as of June 30, 2017 was determined using a discount rate of 4.49%, which was based on a municipal bond index rate as of that date equal to 3.56%. An expected TPL is determined as of June 30, 2017 using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year and then applies the assumed interest rate for the year. The final TPL as of June 30, 2017 reflects that the assumed municipal bond index rate increase from 3.01% to 3.56%, resulting in a change in the SEIR from 4.20% to 4.49%. The impact of this change in the discount rate is a change in assumptions that is added to the expected TPL to determine the final TPL as of June 30, 2017.

NOTE C - DEFERRED OUTFLOWS AND DEFERRED INFLOWS OF RESOURCES BY SOURCE FOR THE PENSION PLAN AS A WHOLE

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 the amounts are labeled deferred inflows. If the amounts will increase pension expense the amounts are labeled deferred outflows. The amortization of these amounts is accomplished on a level dollar basis, with no interest included in the deferred amounts. Experience gains/losses and the impact of changes in actuarial assumptions, if any, are amortized over the average expected remaining service life of the active and inactive plan members at the beginning of the fiscal year. Investment gains and losses are amortized over a fixed five-year period.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
NOTES TO SCHEDULES
June 30, 2017
(Continued)

NOTE D - EMPLOYER CONTRIBUTIONS

The reconciliation between the employer contributions used for the schedule of employer allocations and the Statement of Changes in Fiduciary Net Position as of June 30, 2017 is presented below:

| | |
|---|------------------------------|
| Employer contributions included in the Schedule of Employer Allocations | \$ 1,024,145,694 |
| Unallocated contributions: | |
| Employer contributions on federally funded salary | 32,815,011 |
| Sick leave paid by employer | 1,786,132 |
| Critical shortage employer contributions | 218,089 |
| Re-employ retiree employer contributions | 1,051,929 |
| Teachers' Retirement System | <u>703,138</u> |
| Total employer contributions in the Statement of Changes in Fiduciary Net Position | <u>\$ 1,060,719,993*</u> |

** Employer contributions on the Statement of Changes in Fiduciary Net Position are the total of Other Employer Contributions of \$79,302,904 and State of Kentucky Contributions of \$981,417,089.*

Pursuant to KRS 161.565, university employers pay a 2.215% employee contribution on behalf of their employees. The schedule of employer allocations and schedule of pension amounts by employer take account of employer contributions by university employers and non-university employers. The schedule of employer allocations and schedule of pension amounts by employer additionally take account of the 2.215% employee contribution paid by university employers on behalf of their employees.

NOTE E - ALLOCATION METHODOLOGY

GASB 68 requires participating employers and TRS' only non-employer contributing entity to recognize their proportionate share of collective net pension liability and pension expense. These schedules are prepared to provide employers and the non-employer contributing entity with their calculated proportionate share. The collective amounts have been allocated based on actual employer contributions by employer type, university or non-university, during the measurement period of July 1, 2016 through June 30, 2017. Contributions from the employers and the non-employer contributing entity are recognized when due, based on statutory requirements.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY
NOTES TO SCHEDULES
June 30, 2017
(Continued)

NOTE F - SPECIAL FUNDING SITUATION

Employer contributions for non-federally funded salaries of employees of the local school district employers and regional cooperative employers are paid by the Commonwealth of Kentucky. In addition, the Commonwealth of Kentucky pays ad hoc annual cost of living adjustments provided by the General Assembly in past years for TRS retirees. The schedule of employer allocations sets forth the amounts associated with each employer under these special funding situations in the "State" contributions column.

NOTE G - SCHEDULE OF NET PENSION LIABILITY BY EMPLOYER

The employer proportionate share of the collective net pension liability is equal to the collective net pension liability multiplied by the employer's proportionate share percentage of either the university or non-university net pension liability for the fiscal year ending June 30, 2017 as shown in the schedule of employer allocations.

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
*GOVERNMENT AUDITING STANDARDS***



INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL SCHEDULES PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor’s Report

To the Board of Trustees
Teachers' Retirement System of the State of Kentucky
Frankfort, KY

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of employer allocations, schedule of pension amounts by employer, and schedule of remaining deferred outflows and (inflows) (collectively the Schedules) for the Teachers' Retirement System of the State of Kentucky as of and for the year ended June 30, 2017 and have issued our report thereon dated August 7, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedules referred to above, we considered the Teachers' Retirement System of the State of Kentucky’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedules, but not for the purpose of expressing an opinion on the effectiveness of the Teachers' Retirement System of the State of Kentucky’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Teachers' Retirement System of the State of Kentucky’s internal control.

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

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

Kentucky
Indiana
Ohio

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL SCHEDULES PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS* – (Continued)

Compliance and Other Matters

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

Purpose of this Report

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

MCM CPAs & Advisors LLP

Louisville, Kentucky
August 7, 2018