



# TEACHERS' RETIREMENT SYSTEM of the State of Kentucky

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## BOARD OF TRUSTEES

**BRENDA MCGOWN,**  
Chair  
Bowling Green

**BEN LITTLEPAGE, Ed.D.,**  
Vice Chair  
Murray

**PAUL BRUCE**  
Louisville

**WILLIAM CRAWFORD**  
Louisville

**HOLLIS GRITTON**  
Union

**LAURA SCHNEIDER**  
Walton

**LOUIS STRAUB**  
Louisville

**JOSH UNDERWOOD**  
Tollesboro

**ALISON WRIGHT**  
Georgetown

**MARK METCALF**  
State Treasurer

**ROBBIE FLETCHER, Ed.D.**  
Education Commissioner

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**GARY L. HARBIN, CPA**  
Executive Secretary

Quarterly Meeting of the  
Board of Trustees

## A G E N D A

September 15, 2025, 12:30 p.m. ET

Board called to order  
Roll call

1. Reports for Consent
2. Report of the Investment Committee
3. Report of the Governance and Audit Committee
4. Report of the Insurance Committee
5. Report of the Legislative Committee
6. Executive Secretary's Observations and Comments

General discussion

Adjournment

The meeting will be in the TRS boardroom at 479 Versailles Road, Frankfort, Kentucky.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA  
Executive Secretary

DATE: September 15, 2025

SUBJECT: Reports for Consent

1. Consideration/Approval of Minutes

- Quarterly Meeting, Board of Trustees, June 16, 2025
- Special Meeting, Governance and Audit Committee, June 16, 2025
- Special Meeting, Insurance Committee, June 16, 2025
- Special Meeting, Insurance Committee, July 14, 2025

2. Applications for Retirement and Annuity

The list of members who retired in June, July and August is included in the board materials. Attached is a summary of the payments and a comparison to the same period a year ago. Initial retirements for the period included 1,515 retirees with monthly payments totaling \$5,644,530.87. During the same period last year, 1,364 retirements resulted in monthly payments totaling \$5,052,825.23.

3. Survivor Benefits

The list of persons qualifying for survivor benefit payments for the quarter ended June 30 is included in the board materials. Seven survivor benefits commenced with a total monthly payment of \$1,120.

4. Life Insurance Benefits

The list of payments of life insurance benefits due to death of active and retired teachers for the quarter ended June 30, is included in the board materials. Thirteen payments to the estates or beneficiaries of active teachers and 316 payments to the estates or beneficiaries of retired teachers combined for total payments of \$1,606,000. During the same quarter in 2024, 327 payments amounted to \$1,596,000.

5. Refunds

The report of refunds for the quarter ended June 30 is included in the board materials. During the quarter, refunds paid consisted of:

Regular withdrawals	429	\$5,314,123.05
Deaths	39	\$1,214,398.49
Totals	468	\$6,528,521.54

During the same quarter in 2024, 483 refunds totaled \$7,242,204.39.

#### 6. Interim Financial Statements

Attached are the Interim Financial Statements for the quarter ended June 30.

Recommendation: The board is requested to approve the minutes and benefit payment reports as presented in the reports for consent. The Interim Financial Statements are for information and require no action.

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
QUARTERLY MEETING OF THE BOARD OF TRUSTEES  
JUNE 16, 2025

Minutes of Meeting:

After giving proper notice of a quarterly meeting, and a quorum being present, Chair Brenda McGown called the TRS Board of Trustees to order at 12:30 p.m. ET, Monday, June 16, 2025. The meeting was conducted in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members Present:

Brenda McGown, Chair  
Paul Bruce  
William Crawford  
Hollis Gritton  
Laura Schneider  
Louis Straub  
Alison Wright  
Mark Metcalf, State Treasurer  
Marshall Smith, proxy for interim education commissioner

Others Present:

Gary L. Harbin, TRS  
Robert Barnes, TRS  
Eric Wampler, TRS  
Tom Siderewicz, TRS  
Mark Whelan, TRS  
Tyler Boyd, TRS  
Brad Cook, TRS  
Grace Dotson, TRS  
Gregory Hall, TRS  
Margaret Hockensmith, TRS  
Courtney Mangione, TRS  
Becky Niece, TRS  
Nate Van Sickel, TRS  
Richard Dame, Aon Consulting  
Jessica Hiler, Kentucky Education Association  
Joel Woford, Kentucky Education Association  
Beth Atkinson, Office of State Budget Director  
Michael Clancy, Legislative Research Commission  
Tanner Billings, State Treasurer's Office  
Chance Stathers, State Treasurer's Office

1. Reports for Consent: Chair McGown asked the board to review and act on the reports for consent, including the following committee minutes and benefit payment reports:

- Minutes
  - March 17, 2025, Board of Trustees quarterly meeting

- March 17, 2025, Governance and Audit Committee special meeting
- March 17, 2025, Legislative Committee special meeting
- Applications for retirement and annuity
- Survivor benefits
- Life insurance benefits
- Refunds
- Interim Financial Statements for the quarter ended March 31, 2025

Board Action: The board considered the minutes and benefit payment reports as presented. Upon motion duly made by Ms. Schneider and seconded by Treasurer Metcalf, the board unanimously approved the minutes and benefits reports in the reports for consent. The Interim Financial Statements were for information, and the board took no action.

## 2. Report of Annual Trustee Elections and Board Organizational Matters

Annual Trustee Elections: Mr. Harbin reported concerning the election results for an active teacher trustee and a retired teacher trustee. The election was held in April and May, and Dr. Robbie Fletcher, education commissioner, certified the results on June 4. A copy of the letter certifying the election results is incorporated into the minutes.

Laura Schneider was reelected as the active teacher trustee. Brenda McGown was reelected as the retired teacher trustee. Their terms are July 1, 2025, through June 30, 2029.

Election of 2025-2026 Board Chair and Vice Chair: Mr. Harbin reported that KRS 161.340 provides that the board shall elect on an annual basis from its membership a chair and a vice chair. Mr. Harbin asked for nominations for the positions for fiscal 2026. Ms. Schneider nominated Ms. McGown to serve as chair. Mr. Gritton nominated Dr. Littlepage to serve as vice chair. No other nominations were made.

Board Action: Upon motion duly made by Mr. Gritton and seconded by Ms. Wright, the board unanimously reelected Ms. McGown as chair for fiscal 2026.

Board Action: Upon motion duly made by Ms. Schneider and seconded by Mr. Straub, the board unanimously reelected Dr. Littlepage as vice chair for fiscal 2026.

2025-2026 Committee Appointments: Chair McGown reported to the board concerning appointments she will make for the standing committees of the board.

Board Appointment of Investment Committee: Chair McGown reported to the board on her recommendation for the appointment of seven trustees as members of the Investment Committee and three trustees as alternates. Chair McGown asked for questions or comments. Chair McGown asked the board to act on the appointment of board members to the Investment Committee. Additionally, the executive secretary recommended the board ratify the appointment of two nationally recognized, investment experts to serve as non-voting members.

Board Action: Upon motion duly made by Mr. Straub and seconded by Treasurer Metcalf, the board unanimously voted to appoint Mr. Gritton (chair), Ms. McGown (vice chair), Mr. Bruce, Mr. Crawford, Dr. Littlepage, Mr. Straub and Mr. Underwood as committee members in accordance with KRS 161.250(1)(b)(3); appoint Ms. Schneider, Ms. Wright and Treasurer Metcalf as alternates; and ratify the appointment of Bevis Longstreth and George Philip to serve on the Investment Committee for fiscal 2026.

3. Report of the Investment Committee: Mr. Siderewicz reported to the board concerning the investment performance for the quarter ended March 31 and the quarterly meeting of the Investment Committee held on May 22.

Chair McGown asked for questions or comments. Chair McGown asked the board to act on the report by Mr. Siderewicz.

Board Action: Upon motion duly made by Ms. Schneider and seconded by Mr. Straub, the board unanimously accepted and ratified the report of the Investment Committee.

4. Report of the Governance and Audit Committee: The Governance and Audit Committee held a special meeting on June 16 prior to the board meeting. The committee reviewed the report of the internal auditor for fiscal 2025 work and approved the following annual business items:

- the internal auditor's plan for fiscal 2026 work
- Resolution Regarding Purchases or Sales of Investment Instruments  
BE IT RESOLVED, by the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, that the executive secretary or chief investment officer be, and they hereby are, authorized and empowered to execute purchases or sales of all investment instruments in the name of, or belonging to, the Teachers' Retirement System of the State of Kentucky, its nominee name "KENTRES," or its title holding organizations in any capacity and includes all investment instruments of the retirement system provided for in KRS 161.220 to 161.716 and KRS 161.990, whether designated retirement annuity, life insurance, health insurance trust or the Kentucky Teachers' Retirement System insurance trust.
- Transfer of Interest
- Transfer of Reserve Funds
- Fiscal 2026 Administrative Expense Budget Fund
- Internal Revenue Code Section 415(b) Limit
- Personnel Matters

The committee also accepted the GASB 68 and 75 reports as presented.

Chair McGown asked for questions or comments. Chair McGown asked the board to act on the report of the Governance and Audit Committee.

Board Action: Upon motion duly made by Treasurer Metcalf and seconded by Mr. Straub, the

board unanimously accepted and ratified the report of the Governance and Audit Committee, including adopting the Resolution Regarding Purchases or Sales of Investment Instruments.

5. Report of the Insurance Committee: The Insurance Committee held a special meeting on June 16 prior to the board meeting. Ms. Dotson reported to the board concerning the committee's approval of the Medicare Eligible Health Plan (MEHP) Medicare Advantage provider as recommended through the request for proposals (RFP) process.

Chair McGown asked for questions or comments. Chair McGown asked the board to act on the report of the Insurance Committee.

Board Action: Upon motion duly made by Ms. Schneider and seconded by Mr. Gritton, the board unanimously accepted and ratified the report of the Insurance Committee.

6. Executive Secretary's Observations and Comments: Mr. Harbin reported to the board on the number of retirements; activities of the Public Sector Healthcare Roundtable; recent meetings of the executive secretary; staff contributions to the work of national and state organizations; the GASB 68 and 75 audit reports; and the next meeting.

Adjournment: There being no further business to come before the board, upon motion duly made by Treasurer Metcalf and seconded by Ms. Schneider, the board voted to adjourn at 1:20 p.m.

#### CERTIFICATIONS

We, the chair and the executive secretary of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, do certify that the Minutes of Meeting were approved by the board on September 15, 2025.

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Brenda McGown, Chair

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Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content and legality.

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Robert B. Barnes, Deputy Executive Secretary  
and General Counsel

I, Margaret Hockensmith, do certify that I was present at the meeting and duly recorded the actions of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on June 16, 2025.

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Margaret Hockensmith  
Recording Secretary

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
SPECIAL MEETING OF THE GOVERNANCE AND AUDIT COMMITTEE  
JUNE 16, 2025

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Vice Chair Hollis Gritton called the Governance and Audit Committee to order at 11:57 a.m. ET, Monday, June 16, 2025. The meeting was conducted in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Hollis Gritton, Vice Chair

Louis Straub

Paul Bruce, Alternate

Marshall Smith, Alternate and proxy for education commissioner

Others present:

Brenda McGown, Trustee

Gary L. Harbin, TRS

Robert Barnes, TRS

Eric Wampler, TRS

Mark Whelan, TRS

Tyler Boyd, TRS

Brad Cook, TRS

Grace Dotson, TRS

Greg Hall, TRS

Margaret Hockensmith, TRS

Courtney Mangione, TRS

Nate Van Sickle, TRS

Richard Dame, Aon Consulting

1. Review of Fiscal 2025 Audit Activities: Mr. Cook presented the report of the internal auditor concerning work performed in fiscal 2025. No action was requested.

2. Recommendation of Fiscal 2026 Audit Work Plan: Mr. Cook reviewed the fiscal 2026 audit work plan and requested its approval.

3. Report on the Resolution Regarding Purchases or Sales of Investment Instruments: Mr. Harbin reported to the committee concerning the resolution regarding the purchases and sales of investment instruments. The executive secretary recommended adoption of the following resolution.

BE IT RESOLVED, by the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, that the executive secretary or chief investment officer be, and they hereby are, authorized and empowered to execute purchases or sales of all investment instruments in the name of, or belonging to, the Teachers' Retirement System of the State of Kentucky, its nominee name "KENTRES," or its title holding organizations in any capacity and includes all investment instruments of the retirement system provided for in KRS 161.220 to 161.716 and KRS 161.990, whether designated retirement annuity, life



insurance, health insurance trust or the Kentucky Teachers' Retirement System insurance trust.

4. Report on the Transfer of Interest: KRS 161.440 requires that a transfer of interest be made from the Guarantee Fund to other funds, except the Expense Fund and Health Insurance Trust. The executive secretary recommended that authority be granted to make the required transfer of funds as of July 1, 2025.

5. Report on the Transfer of Reserve Funds: KRS 161.420 requires the transfer of an amount equal to the accounts of members retiring on July 1, along with an equal amount from the State Accumulation Fund, and periodically throughout the year, to the Allowance Reserve Fund. The executive secretary recommended that authority be granted to make the required transfers during fiscal 2026.

6. Report on the Fiscal 2026 Administrative Expense Fund Budget: The state budget adopted by the legislature sets amounts that the retirement system may expend for administration during a fiscal year. The allowable budget of \$22,134,400 was approved by the legislature for the 2026 fiscal year. A copy of the proposed fiscal 2026 administrative budget was provided to the committee, and the executive secretary recommended its approval in the amount of \$22,134,400, as provided for in the state budget.

7. Report on the Internal Revenue Code Section 415(b) Limit: KRS 161.611 authorizes a retirement benefit plan for the sole purpose of enabling TRS to apply the same formula for determining benefits payable to all members whose benefits under the retirement system are limited by Section 415 of the Internal Revenue Code. This plan requires annual transfers from employer contributions to fund the limited benefit. The executive secretary recommended that authority be granted for the executive secretary to make the required transfers.

8. Report on Personnel Matters: The executive secretary recommended authorization to approve salary advancements for all eligible TRS employees as provided by TRS's employee compensation plan consistent with the pay increase in the state budget for state employees during fiscal 2026.

9. GASB 68 and 75 Audit Reports: Mr. Whelan reported on the GASB 68 and 75 reports from the Kentucky Auditor of Public Accounts.

Committee Action: Upon motion duly made by Mr. Bruce and seconded by Mr. Smith, the committee unanimously approved items No. 2 through No. 8. as presented and reported the actions to the board for ratification and approval.

Committee Action: Upon motion duly made by Mr. Straub and seconded by Mr. Smith, the committee unanimously accepted the GASB 68 and 75 reports as presented and reported them to the board for ratification and approval.

Adjournment: There being no further business to come before the committee, upon motion duly made by Mr. Straub seconded by Mr. Bruce and by unanimous consent of the committee, Vice Chair Gritton declared the meeting adjourned at 12:09 p.m.

### **CERTIFICATIONS**

We, the chair of the Governance and Audit Committee and the executive secretary of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, do certify that the Minutes of Meeting of the Governance and Audit Committee were approved on September 15, 2025.

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Hollis Gritton, Vice Chair

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Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content and legality.

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Robert B. Barnes, Deputy Executive Secretary  
and General Counsel

I, Margaret Hockensmith, do certify that I was present at the meeting and duly recorded the actions of the Governance and Audit Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on June 16, 2025.

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Margaret Hockensmith  
Recording Secretary

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
SPECIAL MEETING OF THE INSURANCE COMMITTEE  
June 16, 2025

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Chair Laura Schneider called the Insurance Committee to order at 11 a.m., Monday, June 16, 2025. The meeting was conducted in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Laura Schneider, Chair  
Brenda McGown  
Louis Straub  
Marshall Smith, Alternate

Others present:

Gary L. Harbin, TRS  
Eric Wampler, TRS  
Beau Barnes, TRS  
Mark Whelan, TRS  
Grace Dotson, TRS  
Greg Hall, TRS  
Margaret Hockensmith, TRS  
Courtney Mangione, TRS  
Richard Dame, Aon Consulting

It was announced in open session that the items on the agenda should be discussed in closed session in accordance with KRS 61.810(1)(f).

Committee Action: Upon motion duly made by Ms. McGown and seconded by Mr. Smith, the Insurance Committee unanimously voted to enter closed session in accordance with KRS 61.810(1)(f). Ms. Hockensmith, Mr. Whelan and Mr. Hall left the meeting, and the committee entered closed session at 11:02 a.m.

The committee returned to open session at 11:45 a.m. No action was taken in closed session. By unanimous consent, the committee voted to return to open session.

Request for Proposals for MEHP – Medicare Advantage Provider: Ms. Dotson recommended the Medicare Advantage provider as a result of the request for proposals (RFP).

Committee Action: Upon motion duly made by Mr. Straub and seconded by Ms. McGown, the committee unanimously approved the Medicare Advantage provider as recommended through the RFP process.

Request for Proposals for MEHP – Medicare Part D provider: Staff reported that work is ongoing to make a recommendation for a Medicare Part D provider and a recommendation to the committee was anticipated in July with a report on ratification of the selection of a vendor made to the board at its quarterly meeting in September.

Adjournment: There being no further business to come before the committee and upon motion duly made by Ms. McGown and seconded by Mr. Straub, Chair Schneider declared the meeting adjourned at 11:56 a.m.

#### CERTIFICATIONS

We, the chair of the Insurance Committee and the executive secretary of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, do certify that the Minutes of Meeting were approved on September 15, 2025.

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Laura Schneider, Chair

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Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content and legality.

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Robert B. Barnes, Deputy Executive Secretary  
and General Counsel

I, Margaret Hockensmith, do certify that I was present at the meeting and duly recorded the actions of the Insurance Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on June 16, 2025.

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Margaret Hockensmith  
Recording Secretary

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF KENTUCKY  
SPECIAL MEETING OF THE INSURANCE COMMITTEE  
July 14, 2025

Minutes of Meeting:

After giving proper notice of a special meeting, and a quorum being present, Chair Laura Schneider called the Insurance Committee to order at 10:30 a.m., Monday, July 14, 2025. The meeting was conducted in the boardroom at 479 Versailles Road, Frankfort, Kentucky.

Members present:

Laura Schneider, Chair  
Brenda McGown  
Louis Straub  
Josh Underwood  
Marshall Smith, Alternate

Others present:

Gary L. Harbin, TRS  
Eric Wampler, TRS  
Grace Dotson, TRS  
Margaret Hockensmith, TRS  
Courtney Mangione, TRS  
Richard Dame, Aon Consulting

It was announced in open session that the items on the agenda should be discussed in closed session in accordance with KRS 61.810(1)(f).

Committee Action: Upon motion duly made by Ms. McGown and seconded by Mr. Underwood, the Insurance Committee unanimously voted to enter closed session in accordance with KRS 61.810(1)(g). The committee entered closed session at 10:32 a.m.

The committee returned to open session at 11 a.m. No action was taken in closed session. By unanimous consent, the committee voted to return to open session.

Request for Proposals for MEHP – Medicare Part D Provider: Mr. Dame and staff recommended the Medicare Part D provider as a result of the request for proposals (RFP).

Committee Action: Upon motion duly made by Mr. Smith and seconded by Ms. McGown, the committee unanimously approved the Medicare Part D provider as recommended through the RFP process.

Adjournment: There being no further business to come before the committee and upon motion duly made by Mr. Underwood and seconded by Mr. Straub, Chair Schneider declared the meeting adjourned at 11:15 a.m.

## CERTIFICATIONS

We, the chair of the Insurance Committee and the executive secretary of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky, do certify that the Minutes of Meeting were approved on September 15, 2025.

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Laura Schneider, Chair

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Gary L. Harbin, Executive Secretary

I, Robert B. Barnes, do certify adherence to the Kentucky Open Meetings Act, KRS 61.800 et seq., in the conduct of this meeting. I have reviewed the minutes for form, content and legality.

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Robert B. Barnes, Deputy Executive Secretary  
and General Counsel

I, Margaret Hockensmith, do certify that I was present at the meeting and duly recorded the actions of the Insurance Committee of the Board of Trustees of the Teachers' Retirement System of the State of Kentucky at its meeting on July 14, 2025.

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Margaret Hockensmith  
Recording Secretary

***Teachers' Retirement System of Kentucky***  
**Initial Applications for Retirement and Annuity**  
**2025**

	June	July	August	Total	Same Period 2024
<b>Handicapped Child</b>	<i>0</i> \$0.00	<i>0</i> \$0.00	<i>0</i> \$0.00	<i>0</i> \$0.00	<i>0</i> \$0.00
<b>Disability Retirement</b>	<i>4</i> \$13,375.37	<i>5</i> \$17,938.21	<i>11</i> \$34,575.96	<i>20</i> \$65,889.54	<i>28</i> \$76,472.72
<b>Service Retirement</b>	<i>311</i> \$1,061,010.62	<i>853</i> \$3,299,664.91	<i>330</i> \$1,215,377.30	<i>1,494</i> \$5,576,052.83	<i>1,334</i> \$4,972,528.25
<b>Beneficiary of Member Eligible to Retire</b>	<i>0</i> \$0.00	<i>0</i> \$0.00	<i>1</i> \$2,588.50	<i>1</i> \$2,588.50	<i>2</i> \$3,824.26
<b>TOTALS</b>	<i>315</i> \$1,074,385.99	<i>858</i> \$3,317,603.12	<i>342</i> \$1,252,541.76	<i>1,515</i> \$5,644,530.87	<i>1,364</i> \$5,052,825.23

**Reports for Consent**  
**Member Account Refunds**  
**For the period April 2025 - June 2025**

Active Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
April	143	905,642.57	226,410.61	731,610.59	1,863,663.77
May	179	1,008,911.02	252,227.77	867,660.45	2,128,799.24
June	107	726,641.32	181,591.00	413,427.72	1,321,660.04
Total	429				5,314,123.05

Deceased Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
April	14	228,427.65	47,839.39	257,632.66	533,899.70
May	13	253,062.11	63,265.50	119,304.02	435,631.63
June	12	88,670.56	22,144.07	134,052.53	244,867.16
Total	39				1,214,398.49

Total Refunds	Count	Net Refund	Taxes Withheld	Rollovers	Total
April	157	1,134,070.22	274,250.00	989,243.25	2,397,563.47
May	192	1,261,973.13	315,493.27	986,964.47	2,564,430.87
June	119	815,311.88	203,735.07	547,480.25	1,566,527.20
Total	468				6,528,521.54



# **TEACHERS' RETIREMENT SYSTEM**

## **OF THE STATE OF KENTUCKY**



***INTERIM FINANCIAL STATEMENTS***

**QUARTER ENDED JUNE 30, 2025**  
**(FAIR VALUE - UNAUDITED)**

**Statements of Plan Net Assets**  
**as of June 30, 2025 and 2024**  
(Fair Value - Unadjusted & Unaudited )

	Retirement Annuity Trust		Health Insurance Trust		Life Insurance Trust		Other Funds		TOTAL	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
<b>ASSETS</b>										
Cash	\$ 225,080,015	\$ 259,820,243	\$ 146,069,251	\$ 158,491,246	\$ 117,506	\$ 408,925	\$ 183,305	\$ 190,502	\$ 371,450,077	\$ 418,910,916
Receivables										
Contributions	50,510,743	50,326,612	14,201,383	12,521,802	39,981	55,791			64,752,107	62,904,205
State of Kentucky	46,913,058	-	-	-	307,498	55,327			47,220,556	55,327
Investment Income	67,162,242	73,083,001	13,064,841	7,854,183	300,375	328,869	4,189	4,439	80,531,647	81,270,492
Investment Sales Receivable	35,539,895	22,671,447	6,340,030	4,171,118	3,207	1,350			41,883,132	26,843,915
Installment Account Receivable	7,669	7,669							7,669	7,669
Other Receivables	20,026	19,296	53,091,378	49,992,663					53,111,404	50,011,959
Due from Other Funds	12,391,597	10,135,426							12,391,597	10,135,426
Total Receivables	212,545,230	156,243,451	86,697,632	74,539,766	651,061	441,337	4,189	4,439	299,898,112	231,228,993
Investments at Market Value										
Short Term Investments	408,085,593	572,635,564	154,235,574	190,546,793	6,412,195	4,919,258	391,675	374,263	569,125,037	768,475,878
Bonds and Mortgages	3,468,774,136	3,344,709,780	384,292,079	247,128,630	13,583,627	16,758,846	202,454	202,656	3,866,852,296	3,608,799,912
Stocks	17,258,891,199	15,374,903,827	2,253,560,495	1,823,215,375	72,505,772	62,780,493	676,639	595,103	19,585,634,105	17,261,494,798
Alternative Investments	2,300,693,070	2,079,165,274	275,496,532	246,078,333	7,051,647	6,429,611			2,583,241,249	2,331,673,218
Real Estate	1,741,122,706	1,712,653,006	189,603,933	156,478,824	7,962,075	7,037,595			1,938,688,714	1,876,169,425
Additional Categories	2,873,335,848	2,688,094,277	534,169,297	488,999,159	3,350,477	3,048,893			3,410,855,622	3,180,142,329
Total Investments	28,050,902,552	25,772,161,728	3,791,357,910	3,152,447,114	110,865,793	100,974,696	1,270,768	1,172,022	31,954,397,023	29,026,755,560
Capital Assets	4,316,898	5,729,384							4,316,898	5,729,384
( net of accumulated depreciation )										
Total Assets	28,492,844,695	26,193,954,806	4,024,124,793	3,385,478,126	111,634,360	101,824,958	1,458,262	1,366,963	32,630,062,110	29,682,624,853
<b>LIABILITIES</b>										
Liabilities										
Accrued Expenses and Other Liabilities	3,268,037	3,447,683	35,606,280	22,931,226					38,874,317	26,378,909
State of Kentucky	-	15,085,250	3,993,644	16,872,140	-	-			3,993,644	31,957,390
Investment Purchases Payable	74,903,999	48,065,459	18,496,099	15,741,084	975	-	-	-	93,401,073	63,806,543
Investment Fees Payable	19,962,231	19,220,337	2,579,102	2,278,030	82,442	80,086	-	-	22,623,775	21,578,453
Due to Other Funds	-	-	12,166,798	9,944,788	219,353	185,760	5,446	4,878	12,391,597	10,135,426
Total Liabilities	98,134,267	85,818,729	72,841,923	67,767,268	302,770	265,846	5,446	4,878	171,284,406	153,856,721
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	\$ 28,394,710,428	\$ 26,108,136,077	\$ 3,951,282,870	\$ 3,317,710,858	\$ 111,331,590	\$ 101,559,112	\$ 1,452,816	\$ 1,362,085	\$ 32,458,777,704	\$ 29,528,768,132

**Statements of Changes in Plan Net Assets**  
**For the Twelve Months Ended June 30, 2025 and 2024**  
(Fair Value - Unadjusted & Unaudited)

	Retirement Annuity Trust		Health Insurance Trust		Life Insurance Trust		Other Funds		TOTAL	
	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024	FY 2025	FY 2024
<b>ADDITIONS</b>										
<b>Contributions</b>										
Employer- State Paid	\$ 1,311,423,491	\$ 1,085,041,513	\$ 104,648,371	\$ 96,418,669	\$ 2,723,129	\$ 2,595,258	\$ -	\$ -	\$ 1,418,794,991	\$ 1,184,055,440
Employer- LSD, Other	83,712,219	93,640,460	133,429,904	127,901,507	803,254	761,504	-	-	217,945,377	222,303,471
Member- Active	404,088,671	385,906,512	161,421,917	155,335,720			65,714	17,740	565,576,302	541,259,972
Member- Retired			63,927,584	62,931,011					63,927,584	62,931,011
Recovery Income			183,753,942	156,776,531					183,753,942	156,776,531
<b>Total Contribution</b>	<b>1,799,224,381</b>	<b>1,564,588,485</b>	<b>647,181,718</b>	<b>599,363,438</b>	<b>3,526,383</b>	<b>3,356,762</b>	<b>65,714</b>	<b>17,740</b>	<b>2,449,998,196</b>	<b>2,167,326,425</b>
<b>Investment Income/(Loss)</b>										
<b>Net Appreciation/(Depreciation) in</b>										
Fair Value of Investments	2,625,957,677	2,381,075,925	345,680,348	288,185,945	10,782,853	8,920,554	81,334	89,132	2,982,502,212	2,678,271,556
Interest	247,117,993	237,648,164	52,117,751	43,427,659	861,092	970,215	32,392	35,628	300,129,228	282,081,666
Dividends	234,232,759	250,196,624	21,158,547	17,729,767	703,260	692,275	9,341	9,033	256,103,907	268,627,699
Rental Income, Net	26,126,325	24,113,698							26,126,325	24,113,698
Securities Lending, Net	4,916,829	2,566,720	3,796		54,901	39,558	1,019	457	4,976,545	2,606,735
<b>Gross Investment Income</b>	<b>3,138,351,583</b>	<b>2,895,601,131</b>	<b>418,960,442</b>	<b>349,343,371</b>	<b>12,402,106</b>	<b>10,622,602</b>	<b>124,086</b>	<b>134,250</b>	<b>3,569,838,217</b>	<b>3,255,701,354</b>
<b>Less Investment Expense</b>	<b>(81,387,131)</b>	<b>(81,907,104)</b>	<b>(9,619,074)</b>	<b>(9,049,993)</b>	<b>(297,376)</b>	<b>(307,517)</b>	<b>-</b>	<b>-</b>	<b>(91,303,581)</b>	<b>(91,264,614)</b>
<b>Net Investment Income</b>	<b>3,056,964,452</b>	<b>2,813,694,027</b>	<b>409,341,368</b>	<b>340,293,378</b>	<b>12,104,730</b>	<b>10,315,085</b>	<b>124,086</b>	<b>134,250</b>	<b>3,478,534,636</b>	<b>3,164,436,740</b>
<b>Total Additions</b>	<b>4,856,188,833</b>	<b>4,378,282,512</b>	<b>1,056,523,086</b>	<b>939,656,816</b>	<b>15,631,113</b>	<b>13,671,847</b>	<b>189,800</b>	<b>151,990</b>	<b>5,928,532,832</b>	<b>5,331,763,165</b>
<b>DEDUCTIONS</b>										
Benefits	2,522,487,471	2,466,971,497			5,825,052	6,106,000	98,500	66,317	2,528,411,023	2,473,143,814
Refunds of Contributions	32,448,673	32,921,776							32,448,673	32,921,776
Under 65 Insurance Expenses			148,978,602	119,207,504					148,978,602	119,207,504
Over 65 Insurance Expenses			271,750,462	244,030,539					271,750,462	244,030,539
Administrative Expense	14,678,338	14,807,287	2,222,010	2,120,996	33,593	36,650	568	398	16,934,509	16,965,331
<b>Total Deductions</b>	<b>2,569,614,482</b>	<b>2,514,700,560</b>	<b>422,951,074</b>	<b>365,359,039</b>	<b>5,858,645</b>	<b>6,142,650</b>	<b>99,068</b>	<b>66,715</b>	<b>2,998,523,269</b>	<b>2,886,268,964</b>
<b>Net Increase ( Decrease )</b>	<b>2,286,574,351</b>	<b>1,863,581,952</b>	<b>633,572,012</b>	<b>574,297,777</b>	<b>9,772,468</b>	<b>7,529,197</b>	<b>90,732</b>	<b>85,275</b>	<b>2,930,009,563</b>	<b>2,445,494,201</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>										
Beginning of year	26,108,136,077	24,244,554,125	3,317,710,858	2,743,413,081	101,559,122	94,029,915	1,362,084	1,276,810	29,528,768,141	27,083,273,931
Ending of period	\$ 28,394,710,428	\$ 26,108,136,077	\$ 3,951,282,870	\$ 3,317,710,858	\$ 111,331,590	\$ 101,559,112	\$ 1,452,816	\$ 1,362,085	\$ 32,458,777,704	\$ 29,528,768,132

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA  
Executive Secretary

DATE: September 15, 2025

SUBJECT: Report of the Investment Committee

### 1. Investment Committee Meeting and Actions

The Investment Committee met August 28 and approved investments of \$50 million from the Retirement Annuity Trust and \$10 million from the Health Insurance Trust in Baillie Gifford Private Companies III.

The committee also approved the proxy voting report for the quarter ended June 30, 2025, and reported it to the board. As required by law, the report will be published on the TRS website.

Outside investor, Fort Washington reported on its portfolios.

### 2. Performance

The Retirement Annuity Trust's portfolio gained 7.92% for the quarter and 12.34% for the fiscal year. The Health Insurance Trust's portfolio gained 7.71% for the quarter and 12.58% for the year. Each was in line with its policy index.

A detailed investment performance report is attached, as is the quarterly transaction report.

### 3. Staff's Comments on Economic and Market Conditions

Equity markets fueled a strong quarter with a 12% gain in emerging markets represented by the MSCI Emerging Markets Index, an 11.8% gain in international markets represented by the MSCI EAFE Index and a 10.94% increase in the U.S. market as measured by the S&P 500. This came as the U.S. markets rebounded after an initial, sharp drawdown related to tariffs. Also fueling the S&P 500 was the recovery of the information technology sector, which returned 23.7%.

U.S. equity was outpaced slightly by developed international markets driven, in part, by a weakening U.S. dollar and stimulus measures by foreign governments.

Among the largest countries in the region, the top performers were South Korea and Taiwan, which benefited from renewed positive sentiment around companies contributing to artificial intelligence development.

Recommendation: The executive secretary recommends that the board accept and ratify the Report of the Investment Committee.

*Teachers' Retirement System of the State of Kentucky*  
*Retirement Annuity Trust*  
*Quarterly Investment Performance*  
*Gross Returns*  
*For the Period Ended June 30, 2025*

Final

	Market Value	Last Qtr	FYTD	1-Year	3-Year*	5-Year*	10-Year*	20-Year*
<b>TOTAL PLAN</b>	\$ 28,051,242,981.54	7.92	12.34	12.34	11.74	10.12	8.67	7.81
<b><i>Policy Benchmark</i></b>		7.31	12.06	12.06	12.55	10.75	8.97	-
<b><u>Total Equity</u></b>	\$ 17,351,404,379.02	12.00	16.31	16.31	17.28	13.43	10.65	9.04
<b><u>Domestic Equity</u></b>	\$ 11,269,740,774.52	11.55	14.51	14.51	18.63	15.64	12.35	10.38
<i>S&amp;P 1500 Index</i>		10.57	14.48	14.48	19.02	16.35	13.23	10.63
<b><u>All-Cap Equities</u></b>	\$ 597,469,285.45	10.24	16.62	16.62	18.94	17.11	-	-
<i>Russell 3000 Index</i>		10.99	15.30	15.30	19.08	15.96	-	-
<b><u>Large-Cap Equities</u></b>	\$ 9,228,554,756.63	12.54	15.84	15.84	19.99	16.42	12.92	10.60
<i>S&amp;P 500 Index</i>		10.94	15.16	15.16	19.71	16.64	13.65	10.73
<b><u>Mid-Cap Equities</u></b>	\$ 834,598,977.74	6.69	7.47	7.47	11.31	10.08	8.97	-
<i>S&amp;P 400 Index</i>		6.71	7.53	7.53	12.83	13.44	9.25	-
<b><u>Small-Cap Equities</u></b>	\$ 609,117,754.70	5.59	4.45	4.45	9.10	10.97	8.07	8.71
<i>S&amp;P 600 Index</i>		4.90	4.60	4.60	7.65	11.68	8.02	8.65
<b><u>International Equity</u></b>	\$ 6,081,663,604.50	12.86	19.71	19.71	14.32	8.87	7.15	-
<i>MSCI AC World Ex US</i>		12.30	18.38	18.38	14.59	10.68	6.64	-
<b><u>Fixed Income</u></b>	\$ 3,516,345,300.94	1.29	5.67	5.67	2.93	-0.45	2.31	3.77
<i>Bloomberg Barclays Govt/Credit Index</i>		1.22	5.89	5.89	2.61	-0.83	1.92	3.14
<b><u>Real Estate</u></b>	\$ 1,741,122,706.15	1.14	2.20	2.20	-1.06	5.58	7.59	7.67
<b><u>In House Real Estate Equity</u></b>	\$ 389,535,008.59	1.75	4.40	4.40	5.26	4.74	6.76	7.57
<i>CPI plus 2%</i>		1.09	4.73	4.73	4.96	6.67	5.12	4.61
<b><u>Core Real Estate</u></b>	\$ 822,544,448.88	1.38	2.74	2.74	-2.48	4.90	6.94	-
<i>NCREIF ODCE (VW) Index</i>		1.03	3.54	3.54	-5.43	3.42	5.35	-
<b><u>Non-Core Real Estate</u></b>	\$ 529,043,248.68	0.34	-0.20	-0.20	-3.42	8.20	9.93	-
<i>NCREIF Property Index</i>		1.20	4.23	4.23	-2.75	3.70	5.22	-
<b><u>Private Equity</u></b>	\$ 2,300,693,069.44	3.21	7.41	7.41	5.86	15.82	12.71	-
<b><u>Mature Private Equity</u></b>	\$ 1,536,969,022.52	3.38	7.31	7.31	5.34	15.23	10.95	-
<i>S&amp;P 500 Index plus 3%</i>		11.77	18.62	18.62	23.30	20.14	17.06	-
<b><u>Private Equity &lt; 5 Years</u></b>	\$ 763,724,046.92	2.61	7.32	7.32	6.81	18.01	-	-
<b><u>Additional Categories (Evergreen and Non-Evergreen)</u></b>	\$ 2,395,518,794.89	2.38	9.67	9.67	7.85	7.49	5.45	-
<i>B of A Merrill Lynch U.S. High Yield Master II Constrained</i>		3.58	10.24	10.24	9.86	6.00	5.29	-
<b><u>Timberland</u></b>	\$ 518,463,655.48	0.70	7.22	7.22	6.69	4.73	3.32	-
<i>NCREIF Timberland Index</i>		1.44	5.32	5.32	8.74	8.22	5.43	-
<b><u>Cash (Unallocated)</u></b>	\$ 227,695,075.62	1.05	4.75	4.75	4.63	2.83	1.99	1.88
<i>90 Day T-Bill</i>		1.04	4.68	4.68	4.56	2.76	1.96	1.67

**Total Trust Gross Return for 30-year period\***

**7.95**

\*Returns are annualized for periods longer than one year

\*\* Prior to July 1, 2008, TRS did not benchmark overall fund performance. Effective July 1, 2008, the Board of Trustees approved a Policy Index that represents the returns of appropriate benchmarks for the various asset classes weighted by the mid-point of the strategic range for the current fiscal year.

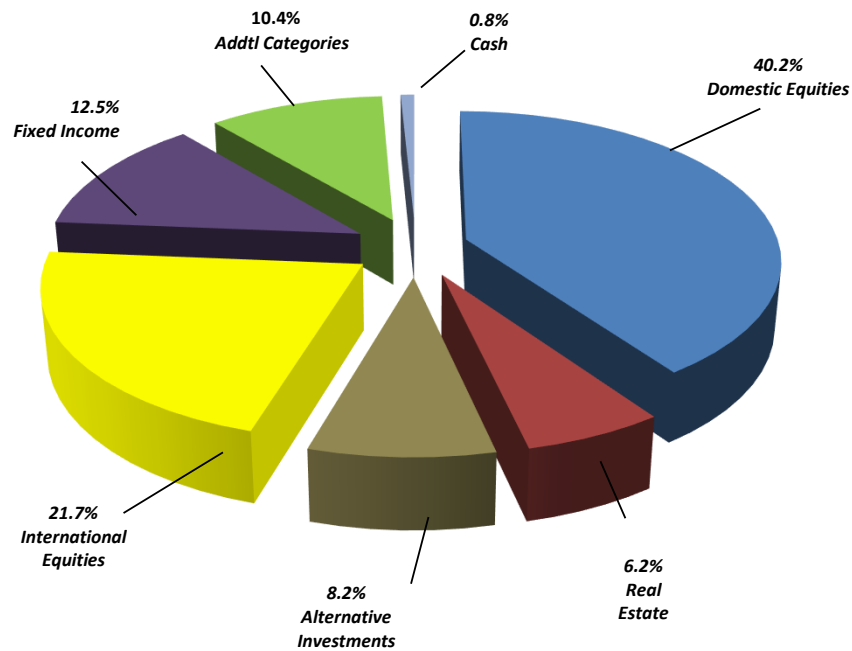
# Teachers' Retirement System of Kentucky

## Quarterly Investment Update

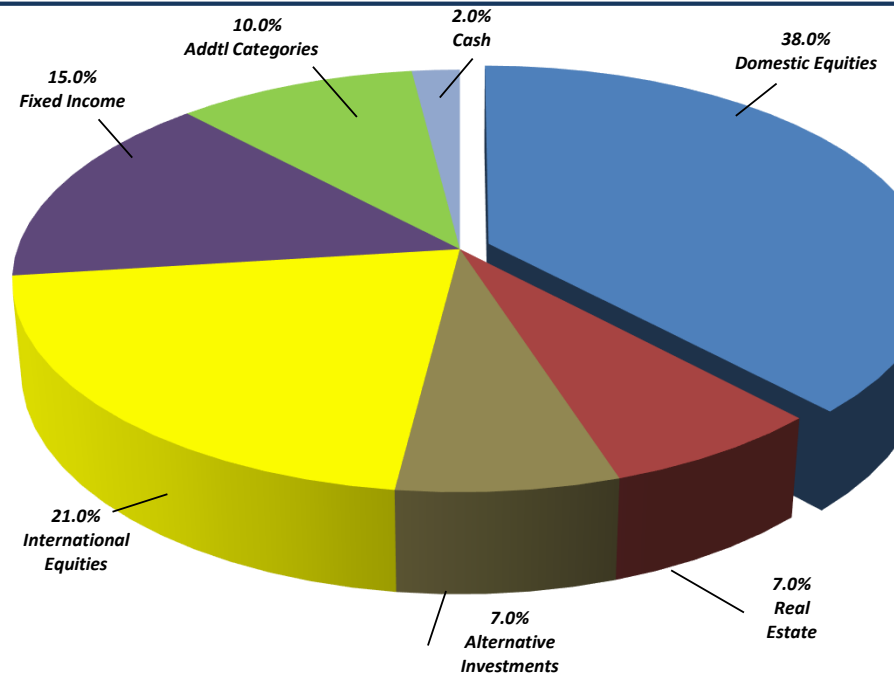
For the period ended June 30, 2025

(\$ in millions)	\$'s	6/30/2025 Actual %	3/31/2025 Actual %	Target %	Strategic Ranges
Domestic Equities	\$11,269.7	40.2%	39.1%	38.0%	29.0 - 40.0%
Real Estate	1,741.1	6.2%	6.6%	7.0%	4.0 - 10.0%
Alternative Inv.	2,300.7	8.2%	8.5%	7.0%	4.0 - 10.0%
International Equities	6,081.7	21.7%	20.5%	21.0%	16.0 - 27.0%
Fixed Income	3,516.3	12.5%	13.3%	15.0%	8.0 - 22.0%
Addtl Categories	2,914.0	10.4%	11.0%	10.0%	4.0 - 15.0%
Cash	227.7	0.8%	1.0%	2.0%	1.0 - 5.0%
<b>Total</b>	<b>\$28,051.2</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

**ACTUAL %**



**TARGET %**



*Teachers' Retirement System of the State of Kentucky*  
*Health Insurance Trust*  
*Quarterly Investment Performance*  
*Gross Returns*  
*For the Period Ended June 30, 2025*

FINAL

	<u>Market Value</u>	<u>Last Qtr</u>	<u>FYTD</u>	<u>1-Year</u>	<u>3-Year*</u>	<u>5-Year*</u>	<u>10-Year*</u>	<u>20-Year*</u>
<b><u>TOTAL PLAN</u></b>	\$ 3,791,357,909.87	7.71	12.58	12.58	12.42	11.10	8.57	-
<i>Policy Benchmark</i>		7.43	12.16	12.16	12.60	10.79	8.52	-
<b><u>Total Equity</u></b>	\$ 2,261,565,787.24	11.91	16.82	16.82	18.37	13.89	10.26	-
<b><u>Domestic Equity</u></b>	\$ 1,396,861,076.42	11.55	15.60	15.60	20.61	10.32	-	-
<i>S&amp;P 500 Index</i>		10.94	15.16	15.16	19.71	16.64	-	-
<i>Russell 3000</i>		10.99	15.30	15.30	19.08	15.96	-	-
<b><u>International Equities</u></b>	\$ 864,704,710.82	12.47	18.35	18.35	-	-	-	-
<i>MSCI AC World ex USA IMI Index</i>		12.97	18.47	18.47	-	-	-	-
<b><u>Fixed Income</u></b>	\$ 391,369,932.65	1.63	6.15	6.15	3.68	0.42	2.43	-
<i>Barclays Government Credit</i>		1.22	5.89	5.89	2.61	-0.83	1.92	-
<b><u>Real Estate</u></b>	\$ 189,603,933.03	0.78	1.49	1.49	-2.73	7.91	9.77	-
<b><u>Core Real Estate</u></b>	\$ 104,437,701.40	1.57	3.17	3.17	-1.38	6.77	-	-
<i>NCREIF ODCE (VW)</i>		1.03	3.54	3.54	-5.43	3.42	-	-
<b><u>Non-Core Real Estate</u></b>	\$ 85,166,231.63	-0.18	-0.77	-0.77	-4.31	8.73	10.57	-
<i>NCREIF Property Index</i>		1.20	4.23	4.23	-2.75	3.70	5.22	-
<b><u>Private Equity</u></b>	\$ 275,496,532.30	1.71	4.94	4.94	4.66	16.43	14.21	-
<b><u>Mature Private Equity</u></b>	\$ 151,121,784.24	1.14	2.65	2.65	3.22	16.19	14.27	-
<i>S&amp;P 500 plus 3%</i>		11.77	18.62	18.62	23.30	20.14	17.06	-
<b><u>Private Equity &lt; 5 Years</u></b>	\$ 124,374,748.06	2.51	7.78	7.78	6.71	15.93	-	-
<b><u>Additional Categories</u></b>								
<i>B of A Merrill Lynch High Yield Master II</i>	\$ 546,066,325.97	2.76	9.85	9.85	8.12	7.22	5.23	-
<b><u>Cash (Unallocated)</u></b>								
<i>90 Day T-Bill</i>	\$ 127,255,398.68	1.12	4.67	4.67	4.55	2.96	2.07	-
		1.04	4.68	4.68	4.56	2.76	1.96	-

\*Returns are annualized for periods longer than one year

\*\* Prior to July 1, 2015, TRS did not benchmark overall fund performance. Effective July 1, 2015, the Board of Trustees approved a Policy Index that represents the returns of appropriate benchmarks for the various asset classes weighted by the mid point of the strategic range for the current fiscal year.

# Teachers' Retirement System of Kentucky

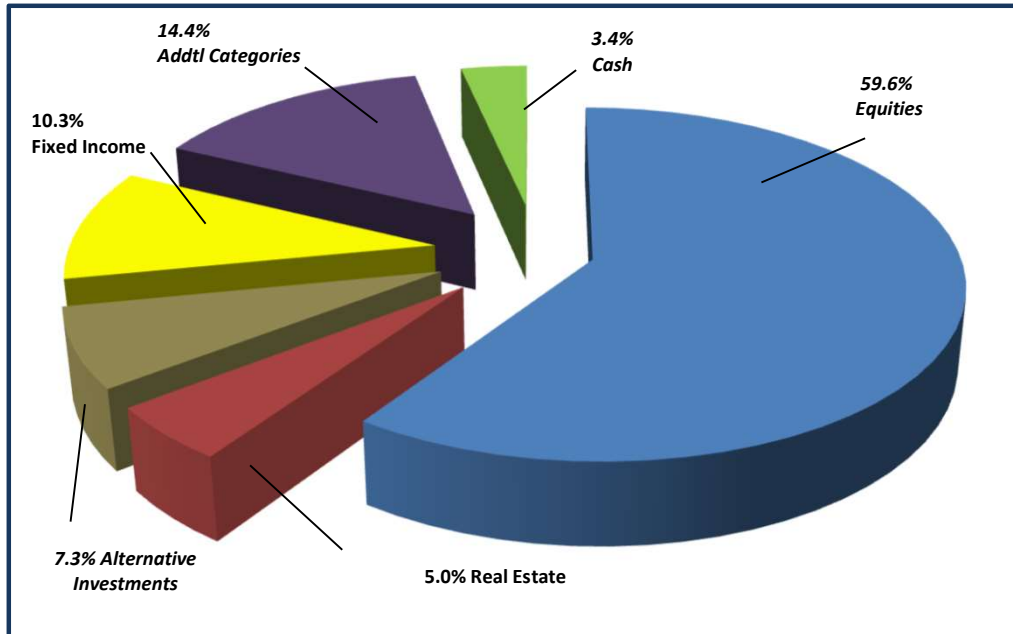
## Insurance Trust Fund

Quarterly Investment Update

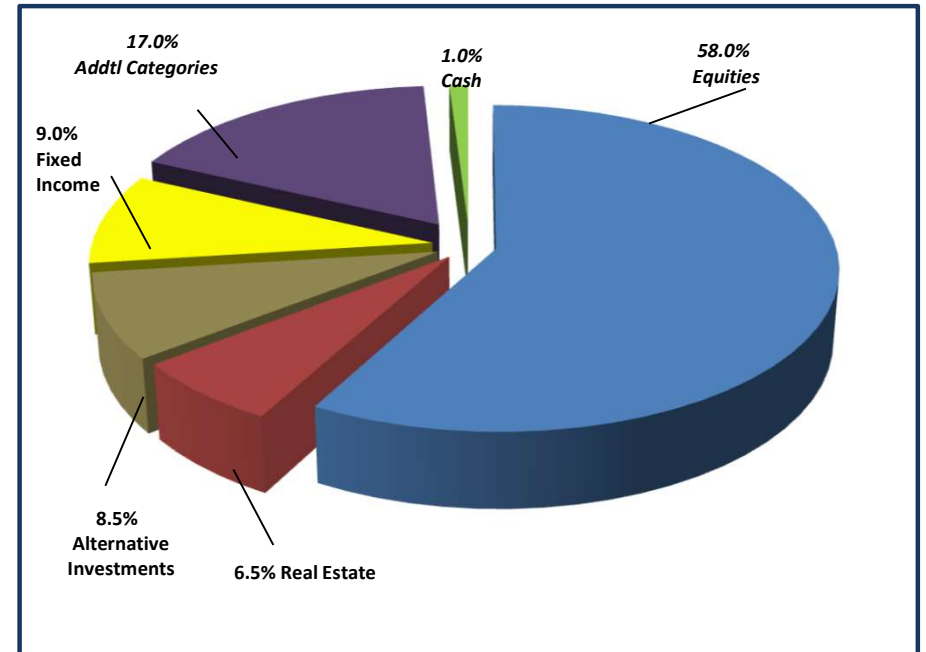
For the period ended June 30, 2025

(\$ in thousands)	\$'s	6/30/2025 Actual %	3/31/2025 Actual %	Target %	Strategic Ranges
Equities	\$2,261,565.8	59.6%	58.0%	58.0%	51.0 - 64.0%
Real Estate	\$189,603.9	5.0%	5.5%	6.5%	4.0 - 12.0%
Alternative Inv.	\$275,496.6	7.3%	7.9%	8.5%	5.0 - 12.0%
Fixed Income	\$391,369.9	10.3%	9.5%	9.0%	6.0 - 14.0%
Addtl Categories	\$546,066.3	14.4%	15.9%	17.0%	14.0 - 25.0%
Cash	\$127,255.4	3.4%	3.2%	1.0%	0.0 - 5.0%
<b>Total</b>	<b><u>\$3,791,357.9</u></b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	<b><u>100.0%</u></b>	

**ACTUAL %**



**TARGET %**





TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA  
Executive Secretary

DATE: September 15, 2025

SUBJECT: Report of the Governance and Audit Committee

The Governance and Audit Committee will meet September 15 prior to the quarterly board meeting. Any actions by the committee will be reported to the board.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA  
Executive Secretary

DATE: September 15, 2025

RE: Report of the Insurance Committee

On September 15, prior to the quarterly board meeting, the Insurance Committee will meet. Thereafter, the committee will report to the board on the following matters:

1. KEHP rates for 2026. A health insurance benefit supplement is being recommended to the committee for the Kentucky Employees' Health Plan (KEHP) up to \$1,044.96 per month in 2026 for those retirees fulfilling the necessary service requirements. This includes a KEHP administrative fee of \$8 per person per month for plan year 2026.
2. MEHP rate for 2026. A rate is being recommended to the committee of up to \$200 per month for the 2026 TRS Medicare Eligible Health Plan (MEHP), which includes a combined Humana Medicare Advantage plan and Express Scripts Medicare Part D drug plan, for those retirees fulfilling the necessary service requirements.

Any actions by the Insurance Committee will be reported to the board with a request for those actions to be accepted and ratified.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA  
Executive Secretary

DATE: September 15, 2025

SUBJECT: Report of the Legislative Committee

The Legislative Committee will meet on September 15 prior to the quarterly board meeting to discuss possible legislation for the 2026 regular session. Any actions by the committee will be reported to the board.

TO: Board of Trustees of the Teachers' Retirement System of the State of Kentucky

FROM: Gary L. Harbin, CPA  
Executive Secretary

DATE: September 15, 2025

SUBJECT: Executive Secretary's Observations and Comments

1. Trustee Education Program: The TRS Board of Trustees always has been devoted to gaining timely and relevant training on matters related to the proper administration of TRS. The board expressed its dedication to continuing education on November 17, 2008, when it adopted the Teachers' Retirement System Trustee Education Program in accordance with KRS 161.250(3)(c). The policy is contained in Appendix 9 of the Board Governance Manual. Chapter 3, subparagraph 6 of the policy provides that the executive secretary will report concerning this program each year at the September board meeting.

From July 2024 through June 2025, trustees accumulated a combined 501 hours of approved training in accordance with the program. The training activities included a mix of programs and activities presented by national retirement associations, TRS staff and TRS service providers with expertise in investments, law and actuarial concepts. Topics covered a broad range of subjects, including pension and health insurance benefits administration, investment concepts, legal compliance, fiduciary duty and other matters that enhance the effectiveness of trustees in fulfilling their roles and satisfying their duties under law.

TRS staff also assisted with providing specific training to trustees. TRS staff presented a one-day workshop that focused primarily on investment concepts, ethics and governance matters.

2. Annual Trustee Workshop: TRS staff is planning a one-day trustee workshop that will focus on current issues in the administration of TRS. Staff anticipates presentations on funding, plan design, actuarial issues, investment concepts, ethics, governance and other matters. The trustee workshop tentatively is scheduled for Monday, November 24, 2025.

3. GASB Statement Nos. 67 and 68: In 2012, the Governmental Accounting Standards Board (GASB) approved two statements concerning the accounting and financial reporting of pensions by state and local governments and pension plans. Statement No. 67, *Financial Reporting for Pension Plans*, addresses financial reporting for state and local government pension plans. Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes accounting and financial reporting requirements for governments that provide their employees with pensions.

Because of some concern expressed previously as to how these accounting standards apply to Kentucky school districts, particularly whether these accounting standards would affect the budgets of the districts, two important points should be noted.

First, as a reminder, GASB standards generally apply only to financial reporting. They do not mandate how a governmental pension plan is to be funded. In Kentucky, the commonwealth has

a statutory obligation to provide pension funding through the employer retirement contributions it makes on behalf of teachers and administrators and payments toward the unfunded liability. As such, the responsibility for making employer contributions and addressing the unfunded liability of TRS 1, TRS 2 and TRS 3 rests with the commonwealth, not the local school districts. These GASB accounting standards do not change the funding responsibility. GASB accounting standards do not require school districts to make employer contributions to TRS.

Second, while these GASB accounting standards impose financial reporting standards on governmental employers regarding pension liability, Kentucky is different from most other states in that Kentucky teachers and administrators generally are treated as employees of the commonwealth for pension and other purposes. Given this circumstance, GASB has confirmed that the commonwealth is responsible for reporting the annual required contributions and pension liabilities. Furthermore, GASB also has confirmed that Kentucky schools are not required to report a share of the pension liability in district financial statements.

TRS published the accounting information required under Statement No. 67 in TRS's annual financial report for the fiscal years ending June 30, 2024, and 2023.

TRS has published the GASB Statement No. 68 report prepared as of and for the year ended June 30, 2024 for use by the state and other TRS employers. TRS's report was audited by the state auditor, which expressed the opinion that the schedules present fairly, in all material respects, the employer allocation and other matters addressed.

GASB Statement Nos. 74 and 75: In 2015, GASB approved two statements concerning the accounting and financial reporting of other postemployment benefits (OPEB) by state and local governments and benefit plans. Statement No. 74, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, addresses financial reporting for OPEB plans. Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, establishes new accounting and financial reporting requirements for governments that provide their employees with OPEB.

TRS published the accounting information required under Statement No. 74 in TRS's annual financial report for the fiscal years ending June 30, 2024, and 2023.

TRS has published the GASB Statement No. 75 report prepared as of and for the fiscal year ended June 30, 2024, for use by the state and other TRS employers. TRS's report was audited by the state auditor, which expressed the opinion that the schedules present fairly, in all material respects, the employer allocation and other matters addressed.

The GASB Statement Nos. 68 and 75 reports and the audit reports are available for review.

4. Executive Secretary's Meetings: The executive secretary has had meetings with several groups recently and will report to the board concerning the following:

July 14	Meeting with Molpus
July 16	Meeting with Molpus

July 18	Meeting with Humana
July 21	Meeting with Public Sector Health Care Roundtable and Medicaid Services
July 22	Meeting with Public Sector Health Care Roundtable
July 25	Meeting with Ice Miller
July 30	Meeting with Perry Golkin
August 14	Meeting with Curt Scott of Todd Asset Management
August 15	Meeting with Microsoft
August 20	Meeting with Microsoft
August 22	Presented at Kentucky Retired Teachers Association Jefferson County workshop
August 26	Meeting with Todd Asset Management
August 26	Meeting with Know Your Rx Coalition
August 28	Meeting with Coalition to Preserve Retirement Security
September 3	Meeting with Kentucky Education Association president and vice president

7. Next Meeting: The next quarterly meeting of the board will be December 15.