

# State Teachers Retirement System

*Administered by*

*The West Virginia Consolidated Public Retirement Board*

2019



**Audited Schedules of Employer  
Allocations and Pension Amounts  
by Employer**

*Serving Those Who Serve West Virginia*



**Fiscal Year Ended June 30, 2019**

State Teachers Retirement System  
Audited Schedules of Employer Allocations and Pension Amounts By Employer  
As of and for the Year Ended June 30, 2019

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## INDEPENDENT AUDITOR'S REPORT

To the Members of the  
West Virginia Consolidated Public Retirement Board  
Charleston, West Virginia

### Report on the Schedules

We have audited the accompanying schedule of employer allocations of the State Teachers Retirement System (TRS), administered by the West Virginia Consolidated Public Retirement Board, as of and for the year ended June 30, 2019, and the related notes. We have also audited the total for all entities of the columns titled net pension asset (liability), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions (specified column totals) included in the accompanying schedule of pension amounts by employer of the TRS as of and for the year ended June 30, 2019, and the related notes.

### 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 opinions on the schedule of employer allocations and the specified column totals included in the schedule of pension amounts by employer based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer are free from material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer, 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts 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 schedule of employer allocations and specified column totals included in the schedule of pension amounts by employer.

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

### **Opinions**

In our opinion, the schedules referred to above present fairly, in all material respects, the employer allocations and net pension asset (liability), total deferred outflows of resources, total deferred inflows of resources, and total pension expense excluding that attributable to employer-paid member contributions for the total of all participating entities for the State Teachers Retirement System, as of and for the year ended June 30, 2019, in accordance with accounting principles generally accepted in the United States of America.

### **Other Matter**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the West Virginia Consolidated Public Retirement Board as of and for the year ended June 30, 2019, and our report thereon dated October 15, 2019, expressed an unmodified opinion on those financial statements.

### **Restrictions on Use**

Our report is intended solely for the information and use of the West Virginia Consolidated Public Retirement Board, the State Teachers Retirement System's participating employers and their auditors and is not intended to be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Seattle & Stalaker, PLLC".

Charleston, West Virginia  
March 5, 2020

**STATE TEACHERS RETIREMENT SYSTEM**  
*Schedule of Employer Allocations*  
**For the Year Ended June 30, 2019**

Employer	Employer Contributions	State Payment Made "On Behalf" of Employers	Total Employer Contributions	Employer Allocation Percentage
Barbour County Board of Education	\$ 134,546	\$ 15,008	\$ 149,554	0.031058%
Berkeley County Board of Education	1,668,786	186,146	1,854,932	0.385220%
Boone County Board of Education	101,357	11,306	112,663	0.023397%
Braxton County Board of Education	99,048	11,048	110,096	0.022864%
Brooke County Board of Education	273,831	30,545	304,376	0.063211%
Cabell County Board of Education	1,101,830	122,905	1,224,735	0.254345%
Calhoun County Board of Education	56,557	6,309	62,866	0.013056%
Clay County Board of Education	103,742	11,572	115,314	0.023948%
Doddridge County Board of Education	363,363	40,532	403,895	0.083878%
Fayette County Board of Education	488,731	54,516	543,247	0.112818%
Gilmer County Board of Education	106,507	11,880	118,387	0.024586%
Grant County Board of Education	109,119	12,172	121,291	0.025189%
Greenbrier County Board of Education	460,885	51,410	512,295	0.106390%
Hampshire County Board of Education	86,457	9,644	96,101	0.019958%
Hancock County Board of Education	391,055	43,621	434,676	0.090271%
Hardy County Board of Education	41,224	4,598	45,822	0.009516%
Harrison County Board of Education	1,199,792	133,832	1,333,624	0.276958%
Jackson County Board of Education	389,192	43,413	432,605	0.089841%
Jefferson County Board of Education	916,951	102,282	1,019,233	0.211668%
Kanawha County Board of Education	1,967,365	219,452	2,186,817	0.454144%
Lewis County Board of Education	215,172	24,002	239,174	0.049670%
Lincoln County Board of Education	180,213	20,102	200,315	0.041600%
Logan County Board of Education	345,446	38,533	383,979	0.079742%
Marion County Board of Education	1,292,759	144,202	1,436,961	0.298419%
Marshall County Board of Education	973,885	108,633	1,082,518	0.224810%
Mason County Board of Education	426,157	47,536	473,693	0.098374%
McDowell County Board of Education	307,747	34,328	342,075	0.071040%
Mercer County Board of Education	700,332	78,119	778,451	0.161664%
Mineral County Board of Education	387,920	43,271	431,191	0.089547%
Mingo County Board of Education	240,115	26,784	266,899	0.055428%
Monongalia County Board of Education	1,498,271	167,126	1,665,397	0.345859%
Monroe County Board of Education	110,956	12,377	123,333	0.025613%
Morgan County Board of Education	206,311	23,013	229,324	0.047625%
Nicholas County Board of Education	181,287	20,222	201,509	0.041848%
Ohio County Board of Education	544,053	60,687	604,740	0.125588%
Pendleton County Board of Education	21,076	2,351	23,427	0.004865%
Pleasants County Board of Education	188,909	21,072	209,981	0.043607%
Pocahontas County Board of Education	70,854	7,904	78,758	0.016356%
Preston County Board of Education	183,334	20,450	203,784	0.042321%
Putnam County Board of Education	907,467	101,224	1,008,691	0.209478%
Raleigh County Board of Education	710,632	79,268	789,900	0.164041%
Randolph County Board of Education	183,908	20,514	204,422	0.042453%
Ritchie County Board of Education	174,489	19,464	193,953	0.040279%
Roane County Board of Education	60,517	6,751	67,268	0.013970%
Summers County Board of Education	70,511	7,865	78,376	0.016277%
Taylor County Board of Education	128,929	14,382	143,311	0.029762%
Tucker County Board of Education	34,942	3,898	38,840	0.008066%
Tyler County Board of Education	205,858	22,963	228,821	0.047520%
Upshur County Board of Education	255,346	28,483	283,829	0.058944%
Wayne County Board of Education	347,459	38,758	386,217	0.080207%
Webster County Board of Education	76,774	8,564	85,338	0.017722%
Wetzel County Board of Education	672,388	75,002	747,390	0.155213%
Wirt County Board of Education	69,798	7,786	77,584	0.016112%
Wood County Board of Education	1,283,820	143,205	1,427,025	0.296355%
Wyoming County Board of Education	305,456	34,072	339,528	0.070511%
Bluefield State College	57,177	6,378	63,555	0.013199%
River Valley Child Development Services	17,402	1,941	19,343	0.004017%
Concord University	59,069	6,589	65,658	0.013635%
Fairmont State University	62,247	6,943	69,190	0.014369%
Glenville State College	104,835	11,694	116,529	0.024200%
Marshall University Research Corp	17,870	1,993	19,863	0.004125%
Marshall University	302,529	33,746	336,275	0.069835%
Shepherd University	36,597	4,082	40,679	0.008448%
West Liberty University	45,653	5,092	50,745	0.010538%

The accompanying notes are an integral part of this schedule

**STATE TEACHERS RETIREMENT SYSTEM**  
*Schedule of Employer Allocations*  
**For the Year Ended June 30, 2019**

Employer	Employer Contributions	State Payment Made "On Behalf" of Employers	Total Employer Contributions	Employer Allocation Percentage
West Virginia School for the Deaf and Blind	576,536	64,310	640,846	0.133087%
West Virginia State University	68,288	7,617	75,905	0.015763%
West Virginia University	701,949	78,300	780,249	0.162037%
Southern West Virginia Community & Technical College	65,693	7,328	73,021	0.015165%
West Virginia Northern Community College	30,239	3,373	33,612	0.006980%
West Virginia Network	14,187	1,583	15,770	0.003275%
Blue Ridge Community and Technical College	10,473	1,168	11,641	0.002418%
Pierpont Community & Technical College	8,069	900	8,969	0.001863%
New River Community and Technical College	9,086	1,013	10,099	0.002097%
West Virginia University at Parkersburg	10,510	1,172	11,682	0.002426%
West Virginia Council for Community & Technical College Education	3,339	373	3,712	0.000771%
West Virginia Department of Education	2,393,453	266,980	2,660,433	0.552502%
Bridge Valley Community & Technical College	14,645	1,634	16,279	0.003381%
West Virginia Higher Education Policy Commission	48,039	5,358	53,397	0.011089%
Eastern Panhandle Instructional Cooperative	408,885	45,609	454,494	0.094386%
Southern Educational Services Cooperative	167,167	18,647	185,814	0.038589%
Mountain State Educational Services Cooperative	278,138	31,025	309,163	0.064205%
State of WV Special Funding - SAF	97,748,005	10,903,385	108,651,390	22.564018%
State of WV Special Funding - ARC Contributions	306,319,491	34,168,665	340,488,156	70.710380%
	<u>\$ 433,203,000</u>	<u>\$ 48,322,000</u>	<u>\$ 481,525,000</u>	<u>100.000000%</u>

The accompanying notes are an integral part of this schedule

**STATE TEACHERS RETIREMENT SYSTEM**  
*Schedule of Pension Amounts by Employer*  
**As of and for the Year Ended June 30, 2019**

Employer	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense Excluding that Attributable to Employer-Paid Member Contributions			Total Employer Pension Expense Excluding that Attributable to Employer-Paid Member Contributions
	Net Pension Asset (Liability)	Differences Between Expected and Actual Experience	Changes in Proportion Between Employer Contributions and Differences of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	Changes in Proportion Between Employer Contributions and Differences of Contributions	Proportionate Shares of Allocable Pension Expense	Net Amortization of Deferred	
Barbour County Board of Education	\$ (924,029)	\$ 4,617	\$ 428,504	\$ 453,072	\$ (31,583)	\$ (25,131)	\$ (47,735)	\$ 103,227	\$ 113,728	\$ 216,955
Beekee County Board of Education	(11,460,954)	57,267	1,846,433	2,151,161	(31,708)	(311,708)	(3,041,163)	1,280,804	(3,064,517)	1,686,865
Bonny County Board of Education	(696,101)	3,478	863,013	881,521	(23,792)	(183,962)	(3,139,761)	777,764	(913,700)	(835,936)
Bronx County Board of Education	(680,243)	3,399	320,603	14,688	(18,501)	(183,962)	(225,713)	75,993	(79,993)	1,093
Brooke County Board of Education	(1,880,635)	9,397	361,954	40,606	(64,279)	(51,148)	(828,260)	210,093	(79,993)	130,100
Cabell County Board of Education	(7,567,199)	37,811	888,459	1,089,659	(258,643)	(205,808)	(387,849)	845,361	(483,084)	1,328,445
Calhoun County Board of Education	(588,438)	1,941	149,209	8,387	(13,277)	(105,665)	(239,353)	43,394	(48,488)	91,882
Clay County Board of Education	(712,494)	3,560	94,946	113,890	(24,353)	(19,378)	(246,901)	79,595	(115,618)	(36,023)
Doddridge County Board of Education	(2,495,514)	12,469	783,413	849,764	(85,296)	(67,872)	-	278,784	317,809	596,593
Fayette County Board of Education	(3,356,528)	16,772	72,473	51,633	(114,725)	(91,289)	(748,354)	374,971	(132,413)	242,558
Gilmer County Board of Education	(731,476)	3,655	367,042	386,491	(25,002)	(19,894)	(72,295)	81,716	(154,178)	235,894
Grant County Board of Education	(749,416)	3,745	494,051	16,181	(20,382)	(20,382)	(371,210)	83,270	(89,316)	173,036
Greensboro County Board of Education	(3,165,284)	15,816	692,064	776,224	(108,188)	(86,088)	(680,037)	353,606	(263,38)	379,944
Hampshire County Board of Education	(593,785)	2,967	302,794	318,582	(20,295)	(16,149)	(672,611)	66,334	(16,213)	82,547
Hancock County Board of Education	(2,685,717)	13,420	299,573	379,989	(91,797)	(73,045)	(324,471)	300,032	(13,176)	313,208
Huany County Board of Education	(283,117)	1,415	297,298	370,826	(9,677)	(7,700)	(291,956)	31,628	(59,948)	91,576
Harrison County Board of Education	(82,39,974)	41,173	1,453,311	1,364,339	(281,659)	(224,106)	(2,614,925)	920,520	(145,079)	775,441
Jackson County Board of Education	(632,918)	13,356	632,918	703,987	(91,359)	(72,697)	(2,629,929)	298,603	(58,480)	240,123
Jefferson County Board of Education	(6,297,485)	31,467	1,443,868	135,973	(171,275)	(1,712,755)	(1,762,090)	703,517	(32,537)	1,016,054
Kanawha County Board of Education	(13,511,561)	67,513	5,906,167	291,738	(461,819)	(367,480)	(5,877,532)	1,509,429	(606,428)	2,115,857
Lewis County Board of Education	(1,477,767)	7,384	633,380	672,672	(40,191)	(40,191)	(506,729)	165,087	(60,170)	225,257
Lincoln County Board of Education	(2,372,671)	6,184	193,260	26,723	(42,303)	(33,661)	(495,930)	138,265	(33,279)	104,986
Logan County Board of Education	(1,237,461)	11,854	614,931	678,010	(64,525)	(61,490)	(1,149,309)	265,037	(59,898)	324,935
Marion County Board of Education	(8,878,476)	44,363	4,132,065	191,701	(303,462)	(181,472)	(118,801)	947,197	(392,314)	1,586,467
Marshall County Board of Education	(6,688,482)	33,420	1,330,278	1,444,116	(28,609)	(181,910)	(479,641)	791,949	(24,924)	572,888
Mason County Board of Education	(2,926,795)	14,624	1,187,494	1,265,312	(100,037)	(79,601)	(4,796,411)	326,964	(64,032)	(47,862)
McDowell County Board of Education	(12,913,561)	10,561	413,762	469,938	(72,241)	(57,483)	(1,099,378)	236,114	(306,651)	(70,337)
Mercer County Board of Education	(4,809,780)	24,033	1,231,873	1,359,977	(164,396)	(130,814)	(1,939,457)	537,319	(234,614)	302,705
Mingo County Board of Education	(2,664,176)	8,342	411,577	57,524	(91,060)	(72,459)	(484,050)	297,626	(81,063)	216,562
Mineral County Board of Education	(1,649,078)	13,210	181,033	8,240	(56,365)	(44,851)	(423,789)	184,225	(357,017)	(172,792)
Monongalia County Board of Education	(10,289,897)	51,415	1,462,645	222,176	(351,704)	(279,859)	(3,000,506)	1,149,525	(408,852)	1,558,377
Monroe County Board of Education	(762,031)	3,808	114,736	134,998	(20,725)	(95,901)	(95,901)	85,129	(34,537)	119,666
Morgan County Board of Education	(1,416,925)	7,080	376,640	414,314	(48,430)	(38,537)	(39,512)	158,290	(45,226)	203,516
Nicholas County Board of Education	(1,245,050)	6,221	280,555	313,659	(42,555)	(33,862)	(667,749)	139,089	(24,754)	13,709
Nicholas County Board of Education	(3,736,458)	18,670	521,770	80,676	(127,710)	(101,622)	(1,112,602)	417,414	(24,754)	392,660
Pendleton County Board of Education	(144,742)	723	153,720	157,568	(4,947)	(3,937)	(2,294,410)	16,170	(64,032)	(47,862)
Pleasants County Board of Education	(1,297,383)	6,483	358,711	393,207	(44,344)	(35,285)	(619,715)	144,936	(47,862)	(47,862)
Pocahontas County Board of Education	(486,619)	2,431	258,640	10,507	(16,632)	(13,235)	(12,869)	54,362	52,712	179,074
Preston County Board of Education	(1,259,122)	6,291	1,031,627	27,187	(43,056)	(34,245)	(675,184)	140,661	(58,19)	146,480
Putnam County Board of Education	(6,232,329)	31,148	736,160	901,868	(213,018)	(169,503)	(410,496)	696,228	(32,784)	663,454
Raleigh County Board of Education	(4,880,500)	24,386	1,397,446	1,053,778	(166,813)	(132,737)	(3,097,807)	545,220	(287,335)	257,885
Randolph County Board of Education	(1,263,049)	6,311	231,450	265,032	(34,352)	(34,352)	(614,094)	141,100	(261,919)	(120,819)
Ritchie County Board of Education	(1,198,369)	5,988	258,848	290,711	(40,960)	(32,593)	(149,339)	133,875	(21,808)	155,683
Roane County Board of Education	(415,631)	2,077	46,943	57,994	(14,206)	(11,304)	(245,414)	46,432	(75,549)	(29,117)
Summers County Board of Education	(484,269)	2,420	383,627	396,053	(16,552)	(13,171)	(419,427)	54,100	(82,503)	(28,403)
Taylor County Board of Education	(885,470)	4,424	465,799	489,342	(50,265)	(24,083)	(289,936)	98,919	(35,324)	63,595
Tucker County Board of Education	(1,939,977)	1,999	163,260	169,641	(6,327)	(6,327)	(179,474)	26,809	33,116	59,225
Tyler County Board of Education	(413,801)	7,064	528,407	30,526	(48,323)	(38,452)	(66,945)	157,941	15,317	173,258
Upshur County Board of Education	(1,753,685)	8,763	974,984	978,696	(59,940)	(47,696)	(868,627)	195,911	(49,519)	245,430
Wayne County Board of Education	(2,386,295)	11,924	942,094	1,005,542	(81,562)	(64,901)	(1,303,153)	266,582	12,132	278,714
Webster County Board of Education	(527,260)	2,635	201,071	215,090	(18,022)	(14,340)	(232,732)	58,902	(87,060)	(28,158)
Weitzel County Board of Education	(4,617,852)	23,074	1,822,645	1,945,426	(157,836)	(125,594)	(196,299)	515,879	(479,729)	1,203,323
Wirt County Board of Education	(479,360)	2,395	251,018	10,350	(16,384)	(13,037)	(108,345)	53,551	15,003	68,554
Wood County Board of Education	(8,817,068)	44,056	1,957,125	190,375	(301,363)	(239,802)	(1,370,940)	984,989	(263,081)	1,104,415
Wyoming County Board of Education	(2,097,823)	10,482	919,893	975,671	(71,703)	(57,055)	(1,291,463)	234,356	(28,403)	(28,403)
Briefield State College	(92,693)	1,962	69,849	80,290	(13,422)	(10,680)	(137,452)	43,869	(45,250)	(1,381)
River Valley Child Development Services	(119,513)	597	13,293	16,470	(4,085)	(3,250)	(39,512)	13,351	(9,923)	3,428
Concord University	(405,665)	2,027	321,166	8,759	(13,865)	(11,033)	(487,151)	45,318	(154,065)	(108,745)
Farmont State University	(427,502)	2,136	-	11,367	(14,612)	(11,627)	(363,797)	47,758	(174,969)	(127,211)
Glenville State College	(719,991)	3,598	101,609	120,753	(24,609)	(19,582)	(582,447)	80,433	(176,621)	(96,188)

The accompanying notes are an integral part of this schedule

**STATE TEACHERS RETIREMENT SYSTEM**  
*Schedule of Pension Amounts by Employer*  
As of and for the Year Ended June 30, 2019

Employer	Deferred Outflows of Resources			Deferred Inflows of Resources			Pension Expense Excluding that Attributable to Employer-Paid Member Contributions				
	Net Pension Asset (Liability)	Differences Between Expected and Actual Experience	Changes in Proportion Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows of Resources	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Pension Plan	Changes in Proportion Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows of Resources	Proportionate Shares of Allocable Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Employer Pension Expense Excluding That Attributable to Employer-Paid Member Contributions
Marshall University Research Corp	(122,726)	613	21,662	2,492.5	(4,195)	(3,338)	(41,621)	(49,154)	13,710	(5,675)	8,035
Marshall University	(2,077,711)	10,382	28,028	83,271	(71,015)	(56,508)	(829,044)	(956,567)	232,109	(332,921)	(100,812)
Shepherd University	(251,342)	1,256	22,083	28,766	(8,591)	(6,836)	(52,430)	(67,857)	28,078	(61,770)	(33,692)
West Liberty University	(313,524)	1,567	15,505	23,842	(10,716)	(8,527)	(196,727)	(215,970)	35,025	(63,930)	(28,905)
West Virginia School for the Deaf and Blind	(3,959,566)	19,785	481,401	586,680	(135,336)	(107,690)	(816,175)	(1,059,201)	442,339	(96,674)	345,665
West Virginia State University	(468,976)	2,343	18,622	31,091	(16,029)	(12,755)	(378,747)	(407,531)	52,391	(127,412)	(75,021)
West Virginia University	(4,820,878)	24,088	111,443	104,091	(164,775)	(131,115)	(3,303,757)	(3,599,647)	538,359	(1,260,004)	(721,445)
Southern West Virginia Community & Technical College	(451,185)	2,254	32,027	44,023	(15,421)	(12,271)	(151,611)	(179,303)	50,404	(100,384)	(49,980)
West Virginia Northern Community College	(207,667)	1,038	21,480	27,002	(7,098)	(5,648)	(65,864)	(78,610)	23,199	(56,173)	(32,974)
West Virginia Network	(97,437)	487	5,694	8,285	(3,330)	(2,650)	(19,936)	(25,916)	10,885	(8,938)	1,947
Blue Ridge Community and Technical College	(71,940)	359	10,682	12,594	(2,459)	(1,957)	(8,110)	(12,526)	8,037	925	8,962
Pierpont Community & Technical College	(55,427)	277	9,244	10,718	(1,894)	(1,507)	(5,009)	(8,410)	6,192	1,553	7,745
New River Community and Technical College	-	-	3,395	3,395	-	-	(111,369)	(111,369)	-	(45,590)	(45,590)
West Virginia University	(62,389)	312	10,753	12,412	(2,132)	(1,697)	(175,803)	(179,632)	6,970	(51,597)	(44,627)
West Virginia University at Parkersburg	(72,178)	361	10,965	12,884	(2,467)	(1,963)	(49,940)	(54,370)	8,063	(8,925)	(8,862)
West Virginia University at Parkersburg	(22,939)	115	4,694	495	(784)	(624)	(55,819)	(57,227)	2,563	(22,462)	(19,799)
West Virginia Council for Community & Technical College Education	(1,643,787)	82,135	2,745,038	3,182,095	(561,839)	(447,068)	(2,420,573)	(3,429,480)	1,836,340	(269,757)	1,566,583
Bridge Valley Community & Technical College	(100,591)	503	43,145	45,820	(2,172)	(2,736)	(3,438)	(241,762)	11,237	(64,544)	(53,307)
West Virginia Higher Education Policy Commission	(329,917)	1,648	46,198	7,123	(11,276)	(8,973)	(69,973)	(57,230)	36,856	26,813	63,669
Eastern Panhandle Instructional Cooperative	(2,808,145)	14,031	2,487,962	60,633	(95,981)	(76,374)	(31,225)	(172,355)	313,709	559,093	872,802
Southern Educational Services Cooperative	(1,148,089)	5,737	1,017,184	24,789	(39,241)	(31,225)	-	(70,466)	128,257	228,581	356,838
Mountain State Educational Services Cooperative	(1,910,209)	9,545	1,692,408	41,245	(65,290)	(51,953)	-	(117,243)	213,397	380,316	593,713
State of WV Special Funding - SAF	(671,318,120)	3,354,367	59,967,561	77,816,828	(22,945,350)	(18,258,126)	(97,357,038)	(138,560,514)	74,995,575	(18,410,105)	56,585,470
State of WV Special Funding - ARC Contributions	(2,103,754,716)	10,511,803	133,020,122	188,955,568	(71,905,391)	(57,216,718)	(95,412,322)	(224,534,431)	235,018,679	18,706,944	253,724,923
	\$ (2,975,171,000)	\$ 14,866,000	\$ 245,858,408	\$ 64,239,000	\$ (101,690,000)	\$ (80,917,000)	\$ (245,858,408)	\$ (428,465,408)	\$ 332,368,000	\$ -	\$ 332,368,000



## STATE TEACHERS RETIREMENT SYSTEM

### NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER

#### 1 - NATURE OF ENTITY

The State Teachers' Retirement System (TRS) is a multiple employer defined benefit cost sharing public employee retirement system covering all full-time employees of the 55 county public school systems in the State and certain personnel of the 13 State-supported institutions of higher education, State Department of Education and the Higher Education Policy Commission hired prior to July 1, 1991. Employees of the State-supported institutions of higher education and the Higher Education Policy Commission hired after June 30, 1991, are required to participate in the Higher Education Retirement System. TRS closed membership to new hires effective July 1, 1991. However, effective July 1, 2005, all new employees hired for the first time are required to participate in TRS.

During fiscal year 1991, the West Virginia State Legislature created the Consolidated Public Retirement Board (the Board) to administer nine of the State of West Virginia's ten retirement plans. The Board is managed by a Board of Trustees, which consists of, by virtue of their position, the Governor, State Auditor, State Treasurer, and Secretary of the Department of Administration, together with the following gubernatorial appointments that are subject to the advice and consent of the State Senate: four residents of the State who are not participants in the retirement plans, one State and one non-State employee participant in the Public Employees' Retirement System, and one participant each from the other seven defined benefit plans administered by the Board.

Chapter 18, Article 7A of the West Virginia State Code assigns the authority to establish and amend the provisions of the plan to the State Legislature.

#### 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Introduction - The Government Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes financial reporting requirements for governments that provide employees with pension benefits. GASB Statement No. 68 requires governmental employers to recognize a net pension liability and/or a net pension asset as employees earn pension benefits. Governments participating in TRS will recognize their proportionate share of the collective pension amounts for all benefits provided through the plan.

Basis of Accounting - The schedule of pension amounts by employer of the Plan has been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles for governmental units.

Basis of Allocation - Pension amounts have been allocated to each participating employer and non-employer contributing entity based on their proportionate share of employer and non-employer contributions to the TRS for the fiscal year ended June 30, 2019. Employer contributions are recognized when due. Retroactive service, military service, out of state service, and back pay employer contributions related to prior fiscal years have been excluded from the allocation. Employer contributions made by the non-employer contributing entity on behalf of participating employers have been allocated to the non-employer contributing entity in accordance with the special funding situation requirements of GASB 68. See Note 7, special funding situation, for additional discussion, and Note 8 for discussion of contributions that are not in a special funding situation.

## STATE TEACHERS RETIREMENT SYSTEM

### NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND PENSION AMOUNTS BY EMPLOYER (Continued)

#### **2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Accounting Estimates - The preparation of the schedules of employer allocations and pension amounts by employer in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense as of the measurement date. Actual amounts could differ from those estimates.

Investments - All defined benefit plan funds not required to meet disbursement needs are invested in accordance with the West Virginia Code, as well as policies established by the West Virginia Investment Management Board (WVIMB). The WVIMB has established various investment pools to provide for the investment of the defined benefit plans' assets. These investment pools are structured as multiparticipant variable net asset funds.

The WVIMB was organized on April 25, 1997, as a public body corporate created by West Virginia Code Section 12-6-1 to provide prudent fiscal administration and investment management services to designated state pension funds, the state's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other state government funds. The WVIMB is governed by a Board of Trustees, consisting of thirteen members. The Governor, the State Auditor, and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other WVIMB Trustees for a term of six years.

Measurement Date - Net pension liability, deferred inflows of resources, deferred outflows of resources, and pension expense were determined by actuarial valuations as of July 1, 2018 rolled forward to June 30, 2019, which is the measurement date.

#### **3 - AMORTIZATION**

The net difference between projected and actual investment earnings on pension plan investments is amortized over a five-year period. All other deferred outflows of resources and deferred inflows of resources relating to pension amounts reported in these schedules are amortized and included in pension expense over the average expected remaining service life of 5.45 years.

The amortization of the deferred outflows and deferred inflows related to changes in the proportionate share of contributions from year to year for each entity is available from the West Virginia Public Retirement Board.

Information regarding the amortization of deferred outflows and deferred inflows of resources related to pension amounts follows:

STATE TEACHERS RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER  
(Continued)

**3 - AMORTIZATION (Continued)**

Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments (in thousands, except for the recognition period):

<u>Measurement date June 30</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ 244,714	\$ 524,259	\$ (508,789)	\$ (144,907)	\$ 130,863			
Recognition period (years)	5.00	5.00	5.00	5.00	5.00			
Amount recognized in fiscal year:								
2015	\$ 48,943	\$ -	\$ -	\$ -	\$ -	\$ 48,943	\$ -	\$ 48,943
2016	48,943	104,852	-	-	-	153,795	-	153,795
2017	48,943	104,852	(101,758)	-	-	153,795	(101,758)	52,037
2018	48,943	104,852	(101,758)	(28,982)	-	153,795	(130,740)	23,055
2019	48,942	104,852	(101,758)	(28,982)	26,173	179,967	(130,740)	49,227
2020	-	104,851	(101,758)	(28,982)	26,173	131,024	(130,740)	284
2021	-	-	(101,757)	(28,982)	26,173	26,173	(130,739)	(104,566)
2022	-	-	-	(28,979)	26,173	26,173	(28,979)	(2,806)
2023	-	-	-	-	26,171	26,171	-	26,171
Balance as of June 30:								
2015	\$ 195,771	\$ -	\$ -	\$ -	\$ -	\$ 195,771	\$ -	\$ 195,771
2016	146,828	419,407	-	-	-	566,235	-	566,235
2017	97,885	314,555	(407,031)	-	-	412,440	(407,031)	5,409
2018	48,942	209,703	(305,273)	(115,925)	-	258,645	(421,198)	(162,553)
2019	-	104,851	(203,515)	(86,943)	104,690	209,541	(290,458)	(80,917)
2020	-	-	(101,757)	(57,961)	78,517	78,517	(159,718)	(81,201)
2021	-	-	-	(28,979)	52,344	52,344	(28,979)	23,365
2022	-	-	-	-	26,171	26,171	-	26,171

STATE TEACHERS RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER  
(Continued)

**3 - AMORTIZATION (Continued)**

Differences Between Expected and Actual Experience (in thousands, except for the recognition period):

<u>Measurement date June 30</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ (36,005)	\$ 45,210	\$ (52,290)	\$ (19,576)	\$ (69,708)			
Recognition period (years)	6.00	5.96	5.98	5.71	5.45			
Amount recongized in								
fiscal year:								
2015	\$ (6,001)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (6,001)	\$ (6,001)
2016	(6,001)	7,586	-	-	-	7,586	(6,001)	1,585
2017	(6,001)	7,586	(8,745)	-	-	7,586	(14,746)	(7,160)
2018	(6,001)	7,586	(8,745)	(3,429)	-	7,586	(18,175)	(10,589)
2019	(6,001)	7,586	(8,745)	(3,429)	(12,791)	7,586	(30,966)	(23,380)
2020	(6,000)	7,586	(8,745)	(3,429)	(12,791)	7,586	(30,965)	(23,379)
2021	-	7,280	(8,745)	(3,429)	(12,791)	7,280	(24,965)	(17,685)
2022	-	-	(8,565)	(3,429)	(12,791)	-	(24,785)	(24,785)
2023	-	-	-	(2,431)	(12,791)	-	(15,222)	(15,222)
2024	-	-	-	-	(5,753)	-	(5,753)	(5,753)
Balance as of June 30:								
2015	\$ (30,004)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (30,004)	\$ (30,004)
2016	(24,003)	37,624	-	-	-	37,624	(24,003)	13,621
2017	(18,002)	30,038	(43,545)	-	-	30,038	(61,547)	(31,509)
2018	(12,001)	22,452	(34,800)	(16,147)	-	22,452	(62,948)	(40,496)
2019	(6,000)	14,866	(26,055)	(12,718)	(56,917)	14,866	(101,690)	(86,824)
2020	-	7,280	(17,310)	(9,289)	(44,126)	7,280	(70,725)	(63,445)
2021	-	-	(8,565)	(5,860)	(31,335)	-	(45,760)	(45,760)
2022	-	-	-	(2,431)	(18,544)	-	(20,975)	(20,975)
2023	-	-	-	-	(5,753)	-	(5,753)	(5,753)

STATE TEACHERS RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER  
(Continued)

**3 - AMORTIZATION (Continued)**

Changes in Assumptions (in thousands, except for the recognition period):

<u>Measurement date June 30</u>	<u>2016</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total</u>
Amount	\$ 195,343			
Recognition period (years)	5.96			
Amount recongized in				
fiscal year:				
2016	\$ 32,776	\$ 32,776	\$ -	\$ 32,776
2017	32,776	32,776	-	32,776
2018	32,776	32,776	-	32,776
2019	32,776	32,776	-	32,776
2020	32,776	32,776	-	32,776
2021	31,463	31,463	-	31,463
Balance as of June 30:				
2016	\$ 162,567	\$ 162,567	\$ -	\$ 162,567
2017	129,791	129,791	-	129,791
2018	97,015	97,015	-	97,015
2019	64,239	64,239	-	64,239
2020	31,463	31,463	-	31,463

STATE TEACHERS RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER

(Continued)

**4 - PENSION EXPENSE**

The components of pension expense for the year ended June 30, 2019 (in thousands):

Service cost	\$	141,472
Interest cost		792,389
Projected earnings on plan investments		(569,285)
Employee contributions		(92,759)
Recognition of current period deferred outflows/inflows:		
Changes in benefit terms		5,200
Differences between expected and actual experience		(12,791)
Differences between projected and actual investment earnings		26,173
Recognition of prior years' deferred outflows/inflows:		
Changes in assumptions		32,776
Differences between expected and actual experience		(10,589)
Differences between projected and actual investment earnings		23,054
Other changes in fiduciary net position		<u>(3,272)</u>
 Total pension expense	 \$	 <u>332,368</u>

The average of the expected remaining service lifetime of actives and inactive members as of July 1, 2018, which is 5.45 years

**5 - NET PENSION ASSET (LIABILITY) AND ACTUARIAL INFORMATION**

The net pension liability (NPL) is the portion of the actuarial present value of projected benefit payments related to past periods.

The components of the net pension liability as of June 30, 2019, are as follows (in thousands):

Total Pension Liability	\$	(10,873,910)
Fiduciary Net Position		<u>7,898,739</u>
Net Pension Asset (Liability)	\$	<u>(2,975,171)</u>
 Fiduciary Net Position as a percent of Total Pension Liability		 72.64%

STATE TEACHERS RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER  
(Continued)

**5 - NET PENSION ASSET (LIABILITY) AND ACTUARIAL INFORMATION (Continued)**

The total pension liabilities for financial reporting purposes were determined by actuarial valuation as of July 1, 2018 and rolled forward to June 30, 2019 using the actuarial assumptions and methods described, as follows:

Actuarial cost method	Individual entry age normal cost with level percentage of payroll
Asset valuation method	Fair value
Amortization method	Level dollar, fixed period
Amortization period	Through Fiscal Year 2034
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases:	
State	3.00-6.00%
Nonstate	3.00-6.50%
Inflation rate	3.00%
Discount rate	7.50%
Mortality rates	Active – 100% of RP-2000 Non-Annuitant, Scale AA fully generational Retired healthy males – 97% of RP-2000 Healthy Annuitant, Scale AA fully generational Retired healthy females – 94% of RP-2000 Healthy Annuitant, Scale AA fully generational Disabled males – 96% of RP-2000 Disabled Annuitant, Scale AA fully generational Disabled females – 101% of RP-2000 Disabled Annuitant, Scale AA fully generational
Withdrawal rates:	
State	0.8% - 35%
Non-state	1.316% - 24.75%
Disability rates	0.008% - 0.704%
Retirement rates	15% - 100%
Date range in most recent experience study	2010 - 2015

STATE TEACHERS RETIREMENT SYSTEM

NOTES TO SCHEDULES OF EMPLOYER ALLOCATIONS AND  
PENSION AMOUNTS BY EMPLOYER

(Continued)

**6 - SENSITIVITY OF NET PENSION ASSET (LIABILITY) TO CHANGES IN THE DISCOUNT RATE**

<u>Sensitivity of Discount Rate</u>	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Total net pension asset (liability)	<u>\$ (4,060,828,000)</u>	<u>\$ (2,975,171,000)</u>	<u>\$(2,046,502,000)</u>

**7 - SPECIAL FUNDING SITUATION**

The State of West Virginia (State) is a non-employer contributing entity that provides funding through the School Aid Formula (SAF) to subsidize employer contributions of county boards of education and to fund the unfunded liability of TRS for all participating employers. These amounts qualify as a special funding situation in accordance with GASB Statement No. 68. The State assumes a share of the net pension liability on behalf of the various county boards of education for contributions related to the SAF. The State assumes a share of the net pension liability on behalf of all participating employers for contributions related to funding of the unfunded liability.

**8 - CONTRIBUTIONS BY NON-EMPLOYER CONTRIBUTING ENTITY NOT IN A SPECIAL FUNDING SITUATION**

For the year ended June 30, 2019, the West Virginia Legislature appropriated and contributed funds to the TRS in excess of the Annual Required Contribution (ARC) in the amount of \$48,322,000. This contribution is not considered a special funding situation and the amounts of this contribution associated with each participating employer are reported in the "on-behalf payments" column reported in the accompanying schedule of employer allocations.