GRS Gabriel Roeder Smith & Company
Consultants & Actuaries

ARKANSAS TEACHER RETIREMENT SYSTEM

GASB STATEMENT NO. 68 EMPLOYER REPORTING

ACCOUNTING SCHEDULES

JUNE 30, 2014

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April 9, 2015

Board of Trustees
Arkansas Teacher Retirement System
Little Rock, Arkansas

Dear Board Members:

The accounting schedules submitted in this report are required under the Governmental Accounting Standards Board (GASB) Statement No. 68 "Employer Reporting for Pension Plans."

Our actuarial calculations for this report were prepared for the purpose of complying with the requirements of GASB Statement No. 68. These calculations have been made on a basis that is consistent with our understanding of this Statement.

Our calculation of the liability associated with the benefits described in this report was performed for the purpose of satisfying the requirements of GASB Statement No. 68. Our calculation of the plan's liability for this report is not applicable for funding purposes of the plan. A calculation of the plan's liability for purposes other than satisfying the requirements of GASB Statement No. 68 may produce significantly different results. This report may be provided to parties other than the Arkansas Teacher Retirement System ("ATRS") only in its entirety and only with the permission of ATRS.

This report is based upon information, furnished to us by ATRS, concerning retirement and ancillary benefits, active members, deferred vested members, retirees and beneficiaries, and financial data. This information was checked for internal consistency but was not otherwise audited.

This report complements the actuarial valuation and the GASB Statement No. 67 reports that were provided to ATRS and should be considered in conjunction with these reports. Please see the actuarial valuation report as of June 30, 2014 and the GASB Statement No. 67 report dated December 11, 2014 for additional discussion of the nature of actuarial calculations and more information related to participant data, economic and demographic assumptions, and benefit provisions.

To the best of our knowledge, the information contained within this report is accurate and fairly represents the actuarial position of the Arkansas Teacher Retirement System. All calculations have been made in conformity with generally accepted actuarial principles and practices as well as with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The signing actuaries are independent of the plan sponsor.

Brian B. Murphy and Judith A. Kermans are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.

Respectfully submitted,

Brian B. Murphy

Brian B. Murphy, FSA, EA, FCA, MAAA

Judith A. Kermans

Judith A. Kermans, EA, FCA, MAAA

BBM/JAK:rmn

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SECTION A

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY
AS OF JUNE 30, 2014

		2014
Actuarial Valuation Date		June 30, 2014
Measurement Date of the Net Pension Liability		June 30, 2014
Employer's Fiscal Year Ending Date (Reporting Date)		June 30, 2014
Membership		
Number of		
- Retirees and Beneficiaries		38,478
- Inactive, Nonretired Members		11,763
- TDROP Members		4,127
- Active Members		70,225
- Total		124,593
Covered Payroll	$	2,850,860,174
Net Pension Liability		
Total Pension Liability	$	17,481,282,947
Plan Fiduciary Net Position		14,856,276,668
Net Pension Liability	$	2,625,006,279
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		84.98%
Net Pension Liability as a Percentage of Covered Payroll		92.08%
Development of the Single Discount Rate		
Single Discount Rate		8.00%
Long-Term Expected Rate of Investment Return		8.00%
Long-Term Municipal Bond Rate*		4.29%
Last year ending June 30 in the 2015 to 2114 projection period for which projected benefit payments are fully funded		2114
Total Pension Expense	$	198,243,127

Deferred Outflows and Deferred Inflows of Resources by Source to be recognized in Future Pension Expenses

		Deferred Outflows of Resources		Deferred Inflows of Resources
Difference between expected and actual experience	$	-	$	84,874,887
Changes in assumptions		-		-
Net difference between projected and actual earnings on pension plan investments		-		1,128,574,533
Total	$	-	$	1,213,449,420

**Source: State & local bonds" rate from Federal Reserve statistical release (H.15) as of June 26, 2014. The statistical release describes this rate as "Bond Buyer Index, general obligation, 20 years 'to maturity, mixed quality." In describing this index, the Bond Buyer notes that the bonds' average credit quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's Corp.'s AA.*

DISCUSSION

Accounting Standard

For state and local government employers (as well as certain non-employers) that contribute to a defined benefit (DB) pension plan administered through a trust or equivalent arrangement, Governmental Accounting Standards Board (GASB) Statement No. 68 establishes standards for pension accounting and financial reporting. Under GASB Statement No. 68, the employer must account for and disclose the net pension liability, pension expense, and other information associated with providing retirement benefits to their employees (and former employees) on their basic financial statements.

The following discussion provides a summary of the information that is required to be disclosed under these accounting standards. A number of these disclosure items are provided in this report. However, certain information is not included in this report if it is not actuarial in nature, such as the notes to the financial statements regarding accounting policies and investments. As a result, the retirement system and/or plan sponsor is responsible for preparing and disclosing the non-actuarial information needed to comply with these accounting standards.

Financial Statements

GASB Statement No. 68 requires state and local government employers that contribute to DB pension plans to recognize the net pension liability and the pension expense on their financial statements, along with the related deferred outflows of resources and deferred inflows of resources. The net pension liability is the difference between the total pension liability and the plan's fiduciary net position. In traditional actuarial terms, this is analogous to the accrued liability less the market value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

The pension expense recognized each fiscal year is equal to the change in the net pension liability from the beginning of the year to the end of the year, adjusted for deferred recognition of the certain changes in the liability and investment experience.

Notes to Financial Statements

GASB Statement No. 68 requires the notes of the employer's financial statements to disclose the total pension expense, the pension plan's liabilities and assets, and deferred outflows of resources and inflows of resources related to pensions.

In addition, GASB Statement No. 68 requires the notes of the financial statements for the employers to include certain additional information, including:

- a description of the types of benefits provided by the plan, as well as automatic or ad hoc COLAs;
- the number and classes of employees covered by the benefit terms;
- for the current year, sources of changes in the net pension liability;
- significant assumptions and methods used to calculate the total pension liability;
- inputs to the Single Discount Rate;
- certain information about mortality assumptions and the dates of experience studies;
- the date of the valuation used to determine the total pension liability;
- information about changes of assumptions or other inputs and benefit terms;
- the basis for determining contributions to the plan, including a description of the plan's funding policy, as well as member and employer contribution requirements;
- the total pension liability, fiduciary net position, net pension liability, and the pension plan's fiduciary net position as a percentage of the total pension liability;
- the net pension liability using a discount rate that is 1% higher and 1% lower than used to calculate the total pension liability and net pension liability for financial reporting purposes; and
- a description of the system that administers the pension plan.

Required Supplementary Information

The financial statements of employers also include required supplementary information showing the 10-year fiscal history of:

- sources of changes in the net pension liability;
- information about the components of the net pension liability and related ratios, including the pension plan's fiduciary net position as a percentage of the total pension liability, and the net pension liability as a percent of covered-employee payroll; and
- comparison of actual employer contributions to the actuarially determined contributions based on the plan's funding policy.

While the first two tables may be built prospectively as the information becomes available, sufficient information is currently available for the third table.

Timing of the Valuation

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. For the employer's financial reporting purposes, the net pension liability and pension expense should be measured as of the employer's "measurement date" which may not be earlier than the employer's prior fiscal year-end date. If the actuarial valuation used to determine the total pension liability is not calculated as of the measurement date, the total pension liability is required to be rolled forward from the actuarial valuation date to the measurement date.

The total pension liability shown in this report is based on an actuarial valuation performed as of June 30, 2014 and a measurement date of June 30, 2014.

Single Discount Rate

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

For the purpose of this valuation, the expected rate of return on pension plan investments is 8.0%; the municipal bond rate is 4.29% (based on the weekly rate closest to but not later than the measurement date of the "state & local bonds" rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 8.0%.

Effective Date and Transition

GASB Statement No. 68 is effective for an employer's fiscal years beginning after June 15, 2014; however, earlier application is encouraged by the GASB.

SECTION B

FINANCIAL STATEMENTS

Auditor's Note – This information is presented in draft form for review by the System's auditor. Please let us know if there are any items that the auditor changes so that we may maintain consistency with the System's financial statements.

PENSION EXPENSE UNDER GASB STATEMENT NO. 68
FISCAL YEAR ENDED JUNE 30, 2014

A. Expense

1. Service Cost	$	326,999,276
2. Interest on the Total Pension Liability		1,326,709,192
3. Current-Period Benefit Changes		(27,405,705)
4. Employee Contributions (made negative for addition here)		(125,225,906)
5. Projected Earnings on Plan Investments (made negative for addition here)		(1,010,581,695)
6. Pension Plan Administrative Expense		8,034,236
7. Other Changes in Plan Fiduciary Net Position		0
8. Recognition of Outflow (Inflow) of Resources due to Liabilities		(18,142,638)
9. Recognition of Outflow (Inflow) of Resources due to Assets		(282,143,633)
10. Total Pension Expense	**$**	**198,243,127**

STATEMENT OF OUTFLOWS AND INFLOWS ARISING FROM CURRENT REPORTING PERIOD FISCAL YEAR ENDED JUNE 30, 2014

A. Outflows (Inflows) of Resources due to Liabilities		
1. Difference between expected and actual experience of the Total Pension Liability (gains) or losses	$	(103,017,525)
2. Assumption Changes (gains) or losses	$	-
3. Recognition period for Liabilities: Average of the expected remaining service lives of all employees {in years}		5.6782
4. Outflow (Inflow) of Resources to be recognized in the current pension expense for the difference between expected and actual experience of the Total Pension Liability	$	(18,142,638)
5. Outflow (Inflow) of Resources to be recognized in the current pension expense for Assumption Changes	$	-
6. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Liabilities	$	(18,142,638)
7. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for the difference between expected and actual experience of the Total Pension Liability	$	(84,874,887)
8. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses for Assumption Changes	$	-
9. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Liabilities	$	(84,874,887)
B. Outflows (Inflows) of Resources due to Assets		
1. Net difference between projected and actual earnings on pension plan investments (gains) or losses	$	(1,410,718,166)
2. Recognition period for Assets {in years}		5.0000
3. Outflow (Inflow) of Resources to be recognized in the current pension expense due to Assets	$	(282,143,633)
3. Deferred Outflow (Inflow) of Resources to be recognized in future pension expenses due to Assets	$	(1,128,574,533)

STATEMENT OF OUTFLOWS AND INFLOWS ARISING FROM CURRENT AND PRIOR REPORTING PERIODS

FISCAL YEAR ENDED JUNE 30

A. Outflows and Inflows of Resources due to Liabilities and Assets to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Due to liabilities	$ -	$ 18,142,638	$ (18,142,638)
2. Due to assets	-	282,143,633	(282,143,633)
3. Total	$ -	$ 300,286,271	$ (300,286,271)

B. Outflows and Inflows of Resources by Source to be Recognized in Current Pension Expense

	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
1. Differences between expected and actual experience	$ -	$ 18,142,638	$ (18,142,638)
2. Assumption changes	-	-	-
3. Net difference between projected and actual earnings on pension plan investments	-	282,143,633	(282,143,633)
4. Total	$ -	$ 300,286,271	$ (300,286,271)

C. Deferred Outflows and Deferred Inflows of Resources by Source to be Recognized in Future Pension Expenses

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Outflows of Resources
1. Differences between expected and actual experience	$ -	$ 84,874,887	$ (84,874,887)
2. Assumption changes	-	-	-
3. Net difference between projected and actual earnings on pension plan investments	-	1,128,574,533	(1,128,574,533)
4. Total	$ -	$ 1,213,449,420	$ (1,213,449,420)

D. Deferred Outflows and Deferred Inflows of Resources by Year to be Recognized in Future Pension Expenses

Year Ending June 30	Net Deferred Outflows of Resources
2015	$ (300,286,271)
2016	(300,286,271)
2017	(300,286,271)
2018	(300,286,271)
2019	(12,304,337)
Thereafter	-
Total	$ (1,213,449,420)

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
CURRENT PERIOD
FISCAL YEAR ENDED JUNE 30, 2014

A. Total pension liability		
1. Service Cost	$	326,999,276
2. Interest on the Total Pension Liability		1,326,709,192
3. Changes of benefit terms		(27,405,705)
4. Difference between expected and actual experience of the Total Pension Liability		(103,017,525)
5. Changes of assumptions		0
6. Benefit payments, including refunds of employee contributions		(924,735,118)
7. Net change in total pension liability	$	598,550,120
8. Total pension liability – beginning		16,882,732,827
9. Total pension liability – ending	**$**	**17,481,282,947**
B. Plan fiduciary net position		
1. Contributions – employer	$	404,920,441
2. Contributions – employee		125,225,906
3. Net investment income		2,429,334,097
4. Benefit payments, including refunds of employee contributions		(924,735,118)
5. Pension Plan Administrative Expense		(8,034,236)
6. Other		-
7. Net change in plan fiduciary net position	$	2,026,711,090
8. Plan fiduciary net position – beginning		12,829,565,578
9. Plan fiduciary net position – ending	**$**	**14,856,276,668**
C. Net pension liability	**$**	**2,625,006,279**
D. Plan fiduciary net position as a percentage of the total pension liability		**84.98%**
E. Covered-employee payroll	**$**	**2,850,860,174**
F. Net pension liability as a percentage of covered employee payroll		**92.08%**

Schedules of Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios Multiyear
Ultimately 10 Fiscal Years Will Be Displayed

Fiscal year ending June 30,		2014
Total Pension Liability		
Service Cost	$	326,999,276
Interest on the Total Pension Liability		1,326,709,192
Benefit Changes		(27,405,705)
Difference between Expected and Actual Experience		(103,017,525)
Assumption Changes		-
Benefit Payments		(914,250,015)
Refunds		(10,485,103)
Net Change in Total Pension Liability		598,550,120
Total Pension Liability - Beginning		16,882,732,827
Total Pension Liability - Ending (a)	$	17,481,282,947
Plan Fiduciary Net Position		
Employer Contributions	$	404,920,441
Employee Contributions		125,225,906
Pension Plan Net Investment Income		2,429,334,097
Benefit Payments		(914,250,015)
Refunds		(10,485,103)
Pension Plan Administrative Expense		(8,034,236)
Other		-
Net Change in Plan Fiduciary Net Position		2,026,711,090
Plan Fiduciary Net Position - Beginning		12,829,565,578
Plan Fiduciary Net Position - Ending (b)	$	14,856,276,668
Net Pension Liability - Ending (a) - (b)		2,625,006,279
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		84.98 %
Covered Employee Payroll	$	2,850,860,174
Net Pension Liability as a Percentage of Covered Employee Payroll		92.08 %

Notes to Schedule:

N/A

SCHEDULE OF CONTRIBUTIONS MULTIYEAR ULTIMATELY 10 FISCAL YEARS WILL BE DISPLAYED

FY Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Actual Contribution % of Covered Payroll*
2014	$ 485,904,529	$ 404,920,441	$ 80,984,088	$ 2,850,860,174	14.20%

** Covered Employee payroll shown is the annual payroll of active, T-DROP and return to work employees as of June 30, 2014. Statutory contributions were based on 14% of the pay actually paid throughout the year which was different from the payroll reported above.*

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:	June 30, 2014
Notes	Actuarially determined contribution rates are calculated as of June 30 every year, which is one year prior to the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Calculate the Actuarially Determined Contribution Rate:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Amortization Period	30 years
Asset Valuation Method	4-year smoothed market for funding purposes; 20% corridor
Wage Inflation	3.25%
Salary Increases	3.25% to 9.10% including inflation
Investment Rate of Return	8.0%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2005 - 2010
Mortality	RP-2000 Mortality table for males and females projected 25 years with scale AA (95% for men & 87% for women)

Other Information:

Notes	The Fiscal Year 2014 Actuarially Determined Contribution is based on the June 30, 2012 valuation

SECTION C

GLOSSARY OF TERMS

GLOSSARY OF TERMS

Actuarial Accrued Liability (AAL)	The AAL is the difference between the actuarial present value of all benefits and the actuarial value of future normal costs. The definition comes from the fundamental equation of funding which states that the present value of all benefits is the sum of the Actuarial Accrued Liability and the present value of future normal costs. The AAL may also be referred to as "accrued liability" or "actuarial liability."
Actuarial Assumptions	These assumptions are estimates of future experience with respect to rates of mortality, disability, turnover, retirement, rate or rates of investment income and compensation increases. Actuarial assumptions are generally based on past experience, often modified for projected changes in conditions. Economic assumptions (compensation increases, payroll growth, inflation and investment return) consist of an underlying real rate of return plus an assumption for a long-term average rate of inflation.
Accrued Service	Service credited under the system which was rendered before the date of the actuarial valuation.
Actuarial Equivalent	A single amount or series of amounts of equal actuarial value to another single amount or series of amounts, computed on the basis of appropriate actuarial assumptions.
Actuarial Cost Method	A mathematical budgeting procedure for allocating the dollar amount of the actuarial present value of the pension trust benefits between future normal cost and actuarial accrued liability. The actuarial cost method may also be referred to as the actuarial funding method.
Actuarial Gain (Loss)	The difference in liabilities between actual experience and expected experience during the period between two actuarial valuations is the gain (loss) on the accrued liabilities.
Actuarial Present Value (APV)	The amount of funds currently required to provide a payment or series of payments in the future. The present value is determined by discounting future payments at predetermined rates of interest and probabilities of payment.
Actuarial Valuation	The actuarial valuation report determines, as of the actuarial valuation date, the service cost, total pension liability, and related actuarial present value of projected benefit payments for pensions.
Actuarial Valuation Date	The date as of which an actuarial valuation is performed.
Actuarially Determined Contribution (ADC) or Annual Required Contribution (ARC)	A calculated contribution into a defined benefit pension plan for the reporting period, most often determined based on the funding policy of the plan. Typically the Actuarially Determined Contribution has a normal cost payment and an amortization payment.

GLOSSARY OF TERMS

Amortization Payment	The amortization payment is the periodic payment required to pay off an interest-discounted amount with payments of interest and principal.
Amortization Method	The method used to determine the periodic amortization payment may be a level dollar amount, or a level percent of pay amount. The period will typically be expressed in years, and the method will either be "open" (meaning, reset each year) or "closed" (the number of years remaining will decline each year.
Cost-of-Living Adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered-Employee Payroll	The payroll of covered employees, which is typically only the pensionable pay and does not include pay above any pay cap.
Deferred Retirement Option Program (DROP)	A program that permits a plan member to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The plan member continues to provide service to the employer and is paid for the service by the employer after the DROP entry date; however, the pensions that would have been paid to the plan member are credited to an individual member account within the defined benefit pension plan until the end of the DROP period. Other variations for DROP exist and will be more fully detailed in the plan provision section of the valuation report.
Deferred Inflows and Outflows	The deferred inflows and outflows of pension resources are amounts used under GASB Statement No. 68 in developing the annual pension expense. Deferred inflows and outflows arise with differences between expected and actual experiences; changes of assumptions. The portion of these amounts not included in pension expense should be included in the deferred inflows or outflows of resources.
Discount Rate	For GASB purposes, the discount rate is the single rate of return that results in the present value of all projected benefit payments to be equal to the sum of the funded and unfunded projected benefit payments, specifically: 1. The benefit payments to be made while the pension plans' fiduciary net position is projected to be greater than the benefit payments that are projected to be made in the period; and 2. The present value of the benefit payments not in (1) above, discounted using the municipal bond rate.

GLOSSARY OF TERMS

Entry Age Actuarial Cost Method (EAN) The EAN is a funding method for allocating the costs of the plan between the normal cost and the accrued liability. The actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis (either level dollar or level percent of pay) over the earnings or service of the individual between entry age and assumed exit ages(s). The portion of the actuarial present value allocated to a valuation year is the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is the actuarial accrued liability. The sum of the accrued liability plus the present value of all future normal costs is the present value of all benefits.

GASB The Governmental Accounting Standards Board is an organization that exists in order to promulgate accounting standards for governmental entities.

Fiduciary Net Position The fiduciary net position is the market value of the assets of the trust dedicated to the defined benefit provisions.

Long-Term Expected Rate of Return The long-term rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio.

Money-Weighted Rate of Return The money-weighted rate of return is a method of calculating the returns that adjusts for the changing amounts actually invested. For purposes of GASB Statement No. 67, money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense.

Multiple-Employer Defined Benefit Pension Plan A multiple-employer plan is a defined benefit pension plan that is used to provide pensions to the employees of more than one employer.

Municipal Bond Rate The Municipal Bond Rate is the discount rate to be used for those benefit payments that occur after the assets of the trust have been depleted.

Net Pension Liability (NPL) The NPL is the liability of employers and non-employer contribution entities to plan members for benefits provided through a defined benefit pension plan.

Non-Employer Contribution Entities Non-employer contribution entities are entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities. For purposes of the GASB accounting statements, plan members are not considered non-employer contribution entities.

Normal Cost The actuarial present value of the pension trust benefits allocated to the current year by the actuarial cost method.

GLOSSARY OF TERMS

Other Postemployment Benefits (OPEB)	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits regardless of the manner in which they are provided. Other post-employment benefits do not include termination benefits.
Real Rate of Return	The real rate of return is the rate of return on an investment after adjustment to eliminate inflation.
Service Cost	The service cost is the portion of the actuarial present value of projected benefit payments that is attributed to a valuation year.
Total Pension Expense	The total pension expense is the sum of the following items that are recognized at the end of the employer's fiscal year: 1. Service Cost 2. Interest on the Total Pension Liability 3. Current-Period Benefit Changes 4. Employee Contributions (made negative for addition here) 5. Projected Earnings on Plan Investments (made negative for addition here) 6. Pension Plan Administrative Expense 7. Other Changes in Plan Fiduciary Net Position 8. Recognition of Outflow (Inflow) of Resources due to Liabilities 9. Recognition of Outflow (Inflow) of Resources due to Assets
Total Pension Liability (TPL)	The TPL is the portion of the actuarial present value of projected benefit payments that is attributed to past periods of member service.
Unfunded Actuarial Accrued Liability (UAAL)	The UAAL is the difference between actuarial accrued liability and valuation assets.
Valuation Assets	The valuation assets are the assets used in determining the unfunded liability of the plan. For purposes of GASB Statement Nos. 67 and 68, the valuation assets are equal to the market value of assets.

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April 9, 2015

Mr. George Hopkins
Executive Director
Arkansas Teacher Retirement System
1400 West Third
Little Rock, Arkansas 72201

Dear Mr. Hopkins:

Please find enclosed copies of the GASB Statement No. 68 Employer Reporting Accounting Schedules report of the Arkansas Teacher Retirement System.

Sincerely,

Judith A. Kermans

Judith A. Kermans, EA, FCA, MAAA

JAK:rmn
Enclosure