IV. Other Information

Additional information as of the latest actuarial valuation follows:

	KPERS	KP&F	Judges
Valuation Date	12/31/2010	12/31/2010	12/31/2010
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization method	Level Percent closed	Level Percent closed	Level Dollar closed
Remaining amortization period	22 years	22 years	22 years
Asset valuation method	Difference between actual return and expected return on market value recognized evenly over five-year period. Value must be within corridor of 80 percent to 120 percent of market value.		
Actuarial assumptions:			
Investment rate of return*	8%	8%	8%
Projected salary increases*	4.0% - 12.0%	4.0% - 12.5%	4.50%
Cost of Living Adjustment	none	none	none

*Salary increases and investment rate of return include an inflation component of 3.5 percent.

Other Retirement Plans

Faculty and other eligible unclassified employees of the Board of Regents (Regents) office and State universities must participate in the Regents' mandatory retirement plan. Authorized by statute, this 403(b) defined contribution plan is funded through contributions by the employees and the employer (the Regents office or the State university). Employees are required to serve a one-year waiting period before becoming eligible to participate in the plan, but participation can begin earlier if certain waiver provisions are met. The contributions and earnings are fully vested with the first contribution.

Employees participating in the Regents' mandatory retirement plan are required to contribute 5.5 percent of their salary, up to the maximum dollar amount permitted by the Internal Revenue Code. During fiscal year 2011, employees contributed approximately $38.6 million. During fiscal year 2011, the 8.5 percent employer contribution totaled $60.5 million, representing covered wages of approximately $724.5 million. These employees, along with employees who participate in the KPERS retirement program, may also elect to participate, up to the maximum dollar amount permitted by the Internal Revenue Code, in the Regents' voluntary retirement plan, which allows the member to purchase a 403(b) contract to supplement the mandatory retirement plan. These employees, along with employees who participate in the KPERS retirement program, may also elect to participate, up to the maximum dollar amount permitted by the Internal Revenue Code, in the State's 457 deferred compensation program, to supplement their mandatory retirement plan.

The retirement plan for the School for the Blind and the School for the Deaf are also covered by KPERS in the 401(a) defined benefit plan. The KPERS employee rate is 4 percent and 7.97 percent employer rate (6.97 percent employer and 1 percent death & disability).

F. Subsequent Events

2011 Voluntary Retirement Incentive Program

In August 2011, the State offered a Voluntary Retirement Incentive Program to eligible employees in the Executive Branch who offer to retire between August 2, 2011 and September 19, 2011. On August 31, 2011 the program was extended through October 31, 2011. Eligible employees could choose between two incentive options. Under option one, the State pays the employer share of active State employee rates for Group Health Insurance. For employees receiving member only coverage, the payments are made for the sooner of 60 months or until the participate reaches

IV. Other Information

65. Employees receiving member plus coverage, the payments are made for the for the sooner of 42 months or until participant reaches 65. Option two provided a lump-sum $6,500 payment at the time of retirement.

A total of 1,027 employees opted to accept the incentive. The liability over the next five years is estimated to be $24.5 million.

Bonds and Notes

Short-term Debt

Certificate of Indebtedness – On July 1, 2011, the Pooled Money Investment Board (PMIB) issued a $600 million Certificate of Indebtedness per K.S.A. 75-3725a, subject to redemption not later than June 30, 2012. See Section III-J, Short-term Obligations, for additional information on issuance of a Certificate of Indebtedness.

Accrued Receivables for Ad Valorem Taxes – In July 2011, receivables were posted to the State Treasurer's receivables in the amount of $27.9 million for the Kansas Educational Building Fund and $13.9 million for the State Institutions Building Fund per K.S.A. 76-6b11. See Section III-J, Short-term Obligations, for additional information.

Accrued Receivables for Children's Initiatives Fund – In July 2011, receivables were posted to the State Treasurer's receivables for the Children's Initiatives Fund in the amount of $35.5 million per House Bill No. 2014, Section 97(f), Session of 2011. The percentage accrued increased from 50 to 65 percent of the estimate of the annual transfer. See Section III-J, Short-term Obligations, for additional information.

Accrued Receivables for Economic Development Initiatives Fund – In July 2011, receivables were posted to the State Treasurer's receivables for the Economic Development Initiatives Fund in the amount of $21.4 million per House Bill No.2014, Section 97(g), Session of 2011.

Accrued Receivables for Correctional Institutions' Building Fund – In July 2011, receivables were posted to the State Treasurer's receivables for the Correctional Institutions' Building Fund in the amount of $4.0 million per House Bill No.2014, Section 97(h), Session of 2011.

Accrued Receivables for Kansas Endowment for Youth Fund – In July 2011, receivables were posted to the State Treasurer's receivables for the Kansas Endowment for Youth Fund in the amount of $210 thousand per House Bill No.2014, Section 97(i), Session of 2011.

Bond Anticipation Note – In March 2012, the Kansas Development Finance Authority (KDFA) issued Bond Anticipation Note Series 2012-1 for $1.6 million to Kansas Department of Wildlife and Parks for energy conservation projects. The note is due March 15, 2013, with an initial interest rate of 0.5 percent that will reset on July 1and January 1.

Long-term Debt

Revenue Bonds – In September, 2011, $4.5 million of proceeds from the Series 2009M-1 bonds were transferred from the School of Pharmacy project to the State Capital renovation project. There were no other changes related to the 2009M-1 terms of the bonds.

Revenue Bonds – In November 2011, the KDFA issued Revenue Bonds Series 2011B to fund the ongoing renovation of the State Capitol. The bonds totaled $53.8 million with interest rates ranging from 2.0 to 4.13 percent. The bonds final maturity is on May 1, 2031.

Revenue Bonds – In November 2011, the KDFA issued Revenue Bonds Series 2011G for Kansas State University to fund projects for redeveloping, renovating and equipping housing facilities and for landfill site remediation. The

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bonds totaled $16.3 million with interest rates ranging from 0.5 to 4.13 percent. The bonds final maturity is on April 1, 2041.

Revenue Bonds – In December 2011, the KDFA issued Revenue Bonds Series 2011K for the Kansas Department of Commerce to fund various projects pursuant to the Kansas Investments in Major Projects and Comprehensive Training Program and to currently refund the outstanding balance of the Revenue Bond Series 2005N bonds of $12.3 million. The bonds totaled $109.1 million with interest rates ranging from 3.0 to 5.0 percent. The bonds final maturity is on June 1, 2023.

Revenue Bonds – In March 2012, the KDFA issued Revenue Refunding Bonds 2012D for the University of Kansas to refund the KDFA Series1993C and 2002K bonds and defease the KDFA Series 2002A-2, 2003C and 2003J-1 bonds. The bonds totaled $49.2 million with interest rates ranging from 2.0 to 4.5 percent. The bonds final maturity is May 1,2029.

Loans – In September 2011, the Pool Money Investment Board loaned $4.6 million to the Department of Labor for payment of interest on the Unemployment Benefits loan from the federal government. The loan is due April 30, 2013, with an initial interest rate of 0.5 percent that will reset each January 1st and July 1st

Loans – The Department of Labor repaid principal on the Unemployment Benefits loan from the federal government of $137.8 million in October 2011, and $21.4 million in November 2011,. After the payment in October 2011, the Department of Labor resumed loan draws, which totaled $105.8 million through March 19 2012.