

COMMUNITY TRUST BANCORP INC /KY/  
Form 11-K  
June 26, 2015

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SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 11-K

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [NO FEE REQUIRED]

For the fiscal year ended December 31, 2014

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 [FEE REQUIRED]

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-11129

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

COMMUNITY TRUST BANCORP, INC.  
EMPLOYEE STOCK OWNERSHIP PLAN

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

COMMUNITY TRUST BANCORP, INC.  
(Exact name of registrant as specified in its charter)

Kentucky  
(State or other jurisdiction of incorporation or organization)

61-0979818  
IRS Employer Identification No.

346 North Mayo Trail  
Pikeville, Kentucky  
(address of principal executive offices)

41501  
(Zip Code)

(606) 432-1414  
(Registrant's telephone number)

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Community Trust Bancorp, Inc.  
Employee Stock Ownership Plan

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Consent of Independent Registered Public Accounting Firm	Exhibit 23.1

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Report of Independent Registered Public Accounting Firm

Plan Administrator, Audit Committee and Participants  
Community Trust Bancorp, Inc.  
Employee Stock Ownership Plan  
Pikeville, Kentucky

We have audited the accompanying statements of net assets available for benefits of the Community Trust Bancorp, Inc. Employee Stock Ownership Plan (Plan) as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing auditing procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. Our audits also included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. The supplemental information in the accompanying Schedule of Assets at December 31, 2014, and Schedule of Reportable Transactions for the year ended December 31, 2014, has been subjected to audit procedures performed in conjunction with the audit of the Plan's financial statements. The supplemental information is presented for the purpose of additional analysis and is not a required part of the financial statement but include supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 (ERISA). The supplemental information is the responsibility of the Plan's management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedules, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. In our opinion, the supplemental information in the accompanying schedules is fairly stated, in all material respects, in relation to the financial statements as a whole.

/s/BKD, LLP  
Louisville, Kentucky  
June 26, 2015

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Community Trust Bancorp, Inc.  
Employee Stock Ownership Plan

Statements of Net Assets Available for Benefits

December 31, 2014 and 2013

Assets	2014	2013
Cash	\$1,056	\$51,572
Investments at fair value:		
Community Trust Bancorp, Inc. common stock	27,556,713	30,637,357
Mutual funds	763,654	522,875
Money market funds	136,478	85,305
Total investments	28,456,845	31,245,537
Receivables:		
Accrued interest and dividends	225,500	216,940
Total receivables	225,500	216,940
Total Assets	28,683,401	31,514,049
Liabilities		
Trade Settlements Payable	1,056	-
Net assets available for benefits	\$28,682,345	\$31,514,049

See notes to financial statements.

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Community Trust Bancorp, Inc.  
Employee Stock Ownership Plan

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2014 and 2013

Additions:	2014	2013
Contributions	\$1,533,014	\$1,522,220
Investment income:		
Net appreciation (depreciation) in fair value of investments	(3,287,119 )	8,479,007
Interest and dividends	894,021	869,714
Total investment income (loss)	(2,393,098 )	9,348,721
Deductions:		
Benefits paid to participants	(1,971,620 )	(2,288,004 )
Increase (decrease) in net assets available for benefits	(2,831,704 )	8,582,937
Net assets available for benefits:		
Beginning of year	31,514,049	22,931,112
End of year	\$28,682,345	\$31,514,049

See notes to financial statements.

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Community Trust Bancorp, Inc.  
Employee Stock Ownership Plan

Notes to Financial Statements

As of December 31, 2014 and 2013 and  
For the Years Ended December 31, 2014 and 2013

1. Description of Plan

The following description of the Community Trust Bancorp, Inc. Employee Stock Ownership Plan (the "Plan") is provided for general information purposes only. Participants should refer to the Plan Document and Summary Plan Description for more complete information, which are available from the Plan Administrator.

General

The Plan is an employee stock ownership plan covering substantially all employees of Community Trust Bancorp, Inc. ("CTBI") and all participating subsidiaries, which include Community Trust Bank, Inc. and Community Trust and Investment Company ("CTIC"). All amounts contributed to the Plan are held by the trustee, CTIC. The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Eligibility

An employee becomes eligible to participate in the Plan on the entry date following the attainment of age twenty-one and completion of twelve consecutive months of employment in which the employee has at least 1,000 hours service.

Contributions

Each year CTBI shall make a discretionary contribution to the Plan in an amount not less than 3% of the compensation, as defined, of each participant. The discretionary contributions are non-participant directed and invested directly in CTBI stock. During 2014 and 2013, the contribution percentage was 4%.

Participant Accounts

Each participant's account is credited with employer discretionary contributions. Earnings or losses on the investments are allocated in proportion to the participant's interest therein.

Each participant is entitled to exercise voting rights attributable to the shares of CTBI common stock allocated to the participant's account and is notified by the Retirement and Employee Benefits Committee prior to the time that such rights are to be exercised. The Retirement and Employee Benefits Committee is not permitted to vote any share for a participant. The trustee votes shares for which a participant has given no instructions.

Participant Investment Account Options

The Plan provides for the establishment of various investment funds including CTBI common stock. Employer discretionary contributions are automatically invested in CTBI common stock. Once a participant attains the age of 55 and has completed ten years of participation in the Plan, the participant may allocate a portion of their Plan balance to other investments within 90 days after the close of each Plan year. These elections may be made for six consecutive years.

## Vesting

Vesting of an employee's interest is 100% in cases of normal retirement at age sixty-five, death or total disability. If a participant's employment ceases for any other reason, the full value of his or her account is payable to him or her if he has completed at least 1,000 hours or more of vesting service for three plan years. Forfeited employer contributions are allocated to the accounts of participants based upon compensation.

## Payment of Benefits

Distribution of funds as a result of retirement or termination from employment may be made either in a lump sum payment (including CTBI common stock if elected) or payments in cash and/or CTBI common stock made in equal annual installments over a period equal to five years. Notwithstanding the foregoing, if the vested interest in the ESOP Stock Fund of the Plan exceeds \$1,050,000 (as adjusted per Code Section 409(o)), the distribution period may be extended by one year for each \$210,000 (as adjusted per Code) or portion thereof that the ESOP Stock Fund exceeds \$1,050,000, up to a maximum of five additional years.

## Forfeited Accounts

At December 31, 2014 and 2013, forfeited non-vested accounts totaled \$24,940 and \$19,181, respectively. These accounts will be reallocated to participants in the same manner as employer contributions.

## 2. Summary of Significant Accounting Policies

### Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

### Valuation of Investments and Income Recognition

Investments in securities traded on a national exchange are valued at the last reported sales price on the last business day of the period. Mutual funds are valued at the net asset value (NAV) of shares held by the plan at year end. Dividend income is recorded on the ex-dividend date. Purchases and sales of securities are recognized on the trade date basis. Net appreciation/depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

### Market Risks and Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

The Plan invests in various mutual funds and CTBI common stock. Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets available for plan benefits.

### Administrative Expenses

Administrative expenses of the Plan are paid by the Plan's Sponsor as provided in the Plan document.

#### Payment of Benefits

Distributions to participants are recorded by the Plan when payments are made.

#### 3. Investments

The fair values of individual investments that represent 5 percent or more of the Plan's net assets are as follows as of December 31, 2014 and 2013:

	2014	2013
CTBI common stock, 752,710 and 746,260 shares	\$27,556,713	\$30,637,357

During 2014 and 2013, the Plan's investments (including realized and unrealized gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value by (\$3,287,119) and \$8,479,007 as follows:

	2014	2013
CTBI common stock	\$ (3,328,718)	\$8,414,570
Mutual funds	41,599	64,437
Net appreciation (depreciation) in fair value of investments	\$ (3,287,119)	\$8,479,007

The Plan's investments in mutual and money market funds of \$900,132 and \$608,180 as of December 31, 2014 and 2013 respectively are participant directed investments.

#### 4. Net Assets by Participant and Non-Participant Directed Investments

All CTBI stock is non-participant directed, while the mutual and money market funds are participant directed. Information about the net assets and the significant components of the changes in net assets relating to the participant and non-participant directed investments is as follows:

	2014		
	Participant Directed Funds	Non-Participant Directed Employer Fund	Total
Additions:			
Investment income:			
Net appreciation (depreciation) in fair value of investments	\$41,599	\$ (3,328,718 )	\$ (3,287,119 )
Interest and Dividends	12,835	881,186	894,021
Net investment income (loss)	54,434	(2,447,532 )	(2,393,098 )
Contributions	-	1,533,014	1,533,014
Transfers from non-participant directed funds to participant directed funds	376,631	-	376,631
Total additions	431,065	(914,518 )	(483,453 )
Deductions:			
Benefits paid to participants	(139,113)	(1,832,507 )	(1,971,620 )



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Transfers from non-participant directed funds to participant directed funds	-	(376,631 )	(376,631 )
Total deductions	(139,113)	(2,209,138 )	(2,348,251 )
Net increase (decrease)	291,952	(3,123,656 )	(2,831,704 )
Net assets available for benefits, beginning of year	\$608,180	\$ 30,905,869	\$ 31,514,049
Net assets available for benefits, end of year	\$900,132	\$ 27,782,213	\$ 28,682,345

	2013		
	Participant Directed Funds	Non-Participant Directed Employer Fund	Total
Additions:			
Investment income:			
Net appreciation in fair value of investments	\$64,437	\$ 8,414,570	\$8,479,007
Dividends	8,113	861,601	869,714
Net investment income	72,550	9,276,171	9,348,721
Contributions	-	1,522,220	1,522,220
Transfers from non-participant directed funds to participant directed funds	232,221	-	232,221
Total additions	304,771	10,798,391	11,103,162
Deductions:			
Benefits paid to participants	(50,259 )	(2,237,745 )	(2,288,004 )
Transfers from non-participant directed funds to participant directed funds	-	(232,221 )	(232,221 )
Total deductions	(50,259 )	(2,469,966 )	(2,520,225 )
Net increase	254,512	8,328,425	8,582,937
Net assets available for benefits, beginning of year	\$353,668	\$ 22,577,444	\$22,931,112
Net assets available for benefits, end of year	\$608,180	\$ 30,905,869	\$31,514,049

#### 5. Federal Income Tax Status

The Plan received a Letter of Determination from the Internal Revenue Service on July 17, 2013, stating the Plan and related trust are in compliance with the applicable requirements of the Internal Revenue Code, and therefore, not subject to tax. The Plan and related trust are currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. The Plan is no longer subject to U.S. federal, state, and local or non-U.S. income tax examinations by tax authorities for years before 2010.

#### 6. Plan Termination

Although it has not expressed any intent to do so, CTBI has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of termination, participants will become fully vested in their accounts.

## 7. Exempt Party-In-Interest Transactions

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. All amounts contributed to the Plan are held by the trustee, CTIC. Professional fees for the administration and audit of the Plan, investment of assets, and trustee services are paid by CTBI.

The Plan held the following party-in-interest investments (at fair value) at December 31:

	2014	2013
CTBI common stock	\$27,556,713	\$30,637,357

## 8. Plan Amendment

On January 27, 2014, a restated plan document effective January 1, 2013, was adopted to incorporate all previously adopted amendments into a single plan document in order to request that the IRS issue a Determination Letter for the plan. This revised document did not make any change to the plan. The issuance of the Determination letter is still pending with the IRS.

## 9. Terminated Participants

Included in net assets available for benefits are amounts allocated to individuals who have withdrawn from the Plan. Amounts allocated to these participants were approximately \$138,325 and \$12,834 at December 31, 2014 and 2013, respectively.

## 10. Fair Value of Plan Assets

ASC Topic 820, Fair Value Measurements defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. In this standard, the FASB clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability. In support of this principle, ASC Topic 820 establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. There have been no significant changes in the valuation techniques during the year ended December 31, 2014. The Plan had no liabilities measured at fair value on a recurring basis. In addition, the Plan had no assets or liabilities measured at fair value on a nonrecurring basis. The fair value hierarchy is as follows:

Level 1 Inputs – Quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 Inputs - Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These might include quoted prices for similar assets and liabilities in active markets, quoted prices in inactive markets, and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 Inputs - Unobservable inputs for determining the fair values of assets or liabilities that reflect an entity's own assumptions about the assumptions that market participants would use in pricing the assets or liabilities.

Following are descriptions of the valuation methodologies and inputs used for assets measured at fair value on a recurring basis and recognized in the accompanying statement of net assets available for benefits, as well as the general classification of such assets pursuant to the valuation hierarchy.

## Investments

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include Community Trust Bancorp, Inc. common stock, mutual funds, and money market funds. Shares of mutual funds are valued at quoted market prices, which represent the net asset value (NAV) of shares held by the Plan at year-end. The fair values of Community Trust Bancorp, Inc. common stock are derived from the closing price reported on the NASDAQ Stock Exchange.

The following table presents the fair value measurements of assets recognized in the accompanying statements of net assets available for benefits measured at fair value on a recurring basis and the level within the ASC Topic 820, fair value hierarchy, in which the fair value measurements fall at December 31, 2014 and December 31, 2013:

	Fair Value	Fair Value Measurements at December 31, 2014 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
CTBI common stock	\$27,556,713	\$27,556,713	\$ 0	\$ 0
Mutual funds	763,654	763,654	0	0
Money market funds	136,478	136,478	0	0
	\$28,456,845	\$28,456,845	\$ 0	\$ 0

	Fair Value	Fair Value Measurements at December 31, 2013 Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
CTBI common stock	\$30,637,357	\$30,637,357	\$ 0	\$ 0
Mutual funds	522,875	522,875	0	0
Money market funds	85,305	85,305	0	0
	\$31,245,537	\$31,245,537	\$ 0	\$ 0

## 11. Subsequent Events

Subsequent events have been reviewed through June 26, 2015, which is the date the financial statements were issued.

## SUPPLEMENTAL SCHEDULES

Community Trust Bancorp, Inc.  
Employee Stock Ownership Plan

Form 5500, Schedule H, Part IV, Line 4i  
EIN 61-0979818, Plan #007  
Schedule of Assets (Held at Year-End)

December 31, 2014

Identity of Issuer (a) (b)	Description of Investment (c)	Cost (d)	Current Value (e)
Mutual Funds			
Diamond Hill Small Cap Fund	Equity Mutual Fund, 1,077 units		** \$35,586
Goldman Sachs Growth Opportunities	Equity Mutual Fund, 2,128 units		** 59,039
Harbor International Fund #11	Equity Mutual Fund, 887 units		** 57,475
Vanguard Growth Index	Equity Mutual Fund, 868 units		** 46,615
Vanguard S/C Growth Index Adm	Equity Mutual Fund, 1,295 units		** 57,323
Vanguard Selected Value	Equity Mutual Fund, 1,569 units		** 44,516
Vanguard TG Retirement 2015	Equity Mutual Fund, 1,443 units		** 22,061
Vanguard TG Retirement 2020	Equity Mutual Fund, 669 units		** 19,029
Vanguard TG Retirement 2025	Equity Mutual Fund, 1,153 units		** 19,053
Vanguard TG Retirement 2030	Equity Mutual Fund, 1,087 units		** 31,556
Vanguard TGT Retire Income	Equity Mutual Fund, 267 units		** 3,451
Vanguard Windsor II Fund-Adm	Equity Mutual Fund, 1,912 units		** 126,566
Vanguard 500 Index Fund-Adm	Equity Mutual Fund, 559 units		** 106,093
Vanguard Short Term Bond Index	Fixed Bond Fund, 6,914 units		** 72,462
Vanguard Intm Term Corp-Adm	Fixed Bond Fund, 6,392 units		** 62,829 763,654
Money Market Funds			
Goldman Sachs FS Gov't MM FD #465	Money Market Fund, 82,441 shares		** 82,441
SEI Daily Income Gov't Fund #36	Money Market Fund, 54,037 shares		** 54,037 136,478
Common Stock			

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Community Trust Bancorp, Inc. *	Common Stock, 752,710 shares	\$ 16,429,026	27,556,713
Total investments		\$ 16,429,026	\$ 28,456,845

\* Indicates a party-in-interest to the Plan.

\*\* Cost information is not required for participant- directed investments and, therefore, is not included.

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Community Trust Bancorp, Inc.  
Employee Stock Ownership Plan

Form 5500, Schedule H, Part IV, Line 4j  
EIN 61-0979818, Plan #007  
Schedule of Reportable Transactions

For the Year Ended December 31, 2014

Identity of Party Involved and Description of Asset	Purchase Price	Selling Price	Number of Transactions	Cost of Asset	Realized Loss
Series of transactions in excess of 5%					
Community Trust Bancorp, Inc. common stock		\$1,103,413	14	\$1,267,257	\$ (163,844)
Community Trust Bancorp, Inc. common stock	\$1,782,757		22	\$1,782,757	

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, CTBI has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

**COMMUNITY TRUST BANCORP, INC.**

Date: June 26, 2015 By: /s/

Jean R. Hale

Chairman, President and Chief Executive Officer

By: /s/

Kevin J. Stumbo

Executive Vice President, Chief Financial Officer and Treasurer

By: /s/

Howard W. Blackburn, Jr.

Senior Vice President/Director of Human Resources