Teachers Retirement System
of Georgia

Comprehensive Annual Financial Report

A Component Unit of the State of Georgia

Fiscal Year Ended June 30, 2004

TEACHERS RETIREMENT SYSTEM OF GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

A Component Unit of the State of Georgia

Fiscal Year Ended June 30, 2004

Jeffrey L. Ezell
Executive Director

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Table of Contents

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Teachers Retirement System of Georgia

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

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* Investment Committee Member

Board composition as of December 10, 2004.

Letter of Transmittal

Teachers Retirement System of Georgia

Jeffrey L. Ezell
Executive Director

December 10, 2004

Board of Trustees
Teachers Retirement System of Georgia
Atlanta, Georgia

I am pleased to present the Comprehensive Annual Financial Report of the Teachers Retirement System of Georgia (the "System") for the fiscal year ended June 30, 2004. Responsibility for both the accuracy of the data, and completeness and fairness of the presentation, including all disclosures, rests with the management of the System. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the System. I trust that you will find this report helpful in understanding your retirement system.

The Comprehensive Annual Financial Report is presented in five sections: (1) the Introductory Section includes this letter of transmittal, principal officials, consultants and advisors, and a summary of plan provisions; (2) the Financial Section includes the auditors' report, management's discussion and analysis, the financial statements, and required supplementary information; (3) the Investment Section includes a report on investment activity, investment policies, investment results, and various investment schedules; (4) the Actuarial Section includes the actuary's certification letter and actuarial assumptions, methods, and valuation data; and (5) the Statistical Section includes selected retirement data and other significant data pertaining to the System presented on a multi-year basis.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Teachers Retirement System of Georgia for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2003. This was the sixteenth consecutive year that the System has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Legislation

During the 2004 session, the Georgia General Assembly passed three pieces of legislation that were signed into law by the Governor that substantially impacted the System. Unless otherwise noted, these changes were effective July 1, 2004.

First, a member may elect at retirement to receive a lump-sum distribution, in exchange for a reduced lifetime monthly benefit. The member's age and plan of retirement are used to determine the reduction in the benefit. The amount of the lump-sum distribution cannot exceed the sum of 36 monthly benefit payments that the member would have received if he or she had not elected the partial lump-sum option plan.

Second, a member who retired on a service retirement as of December 31, 2003, may return to work as a classroom teacher, principal, superintendent, counselor or librarian and continue receiving

Letter of Transmittal

monthly retirement benefits. A member who retired as a principal cannot be re-employed as a principal at the same school where he or she was employed prior to retirement. Also, a member who retired as a superintendent cannot be re-employed as a superintendent for the school system in which he or she was employed prior to retirement.

Third, a member employed on July 1, 2004, as an assistant coach by the athletic department of a state university may elect to transfer his or her TRS membership to the Board of Regents of the University System of Georgia Optional Retirement Plan (ORP). TRS is required to transfer all employee and employer contributions made by or on behalf of the transferring member to his or her account in the ORP, plus regular interest. The election had to be made by August 31, 2004, and is irrevocable.

Financial Information

The management of the System is charged with the responsibility of maintaining a sound system of internal accounting controls. The objectives of such a system are to provide management with reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations, and that they are recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Even though there are inherent limitations in any system of internal control, the management of the System makes every effort to ensure that through systematic reporting and internal reviews, errors or fraud are quickly detected and corrected.

Please refer to Management's Discussion and Analysis starting on page 15 of this report for an overview of the financial status of the System including a summary of the System Net Assets, Changes in Net Assets, and Asset Allocations.

INVESTMENTS — The System has continued to invest in a mix of high quality bonds and stocks as it historically has done. These types of investments have allowed the System to participate in rising markets, while moderating the risks on the downside. New funds continue to be invested in high quality securities. A high quality balanced fund has proven to be a successful strategy in a variety of markets over a long period of time.

As in previous years, maintaining quality was a primary goal and was successfully met. "Conservation of Capital" and "Conservatism" continue to be the principal guides in investment decisions. The System continued to use a diversified portfolio to accomplish these objectives. In summary, the investment status of the System is excellent.

FUNDING — The System's funding policy provides for employer contributions at rates that, expressed as a percentage of annual covered payroll, are sufficient to provide resources to pay benefits when due.

A useful indicator of the funded status of a retirement system is the relationship between the actuarial value of assets and the actuarial accrued liabilities. The greater the level of funding, the larger the ratio of the actuarial value of assets to the actuarial accrued liabilities.

The System continues to remain strong as evidenced by the ratio of the actuarial value of assets to the actuarial accrued liabilities. This ratio changed from 102.0% in the fiscal year ended June 30, 2002, to 101.1% in the fiscal year ended June 30, 2003.

The ultimate test of the financial soundness of a retirement system is its ability to pay all promised benefits when due. I am proud to say that through the continued wisdom and the support of Governor Sonny Purdue and the General Assembly of the State of Georgia, the System has been and continues to be funded on an actuarially sound basis, thus providing the membership the comfort and security they expect from their retirement system.

Initiatives

Fiscal year 2004 included a number of initiatives and milestones. For example, the new pension administration system or "PASS" project, which began in fiscal year 2002, went "live" in June. PASS has allowed TRS to reengineer our business processes to be more efficient and effective. With the implementation of PASS, we are able to:

- Access member accounts instantly
- Increase efficiency in work processing
- Respond quickly to customer requests

Customers benefit from an increase in the level of customer service they receive from TRS.

Letter of Transmittal

The System also continues to enhance its website and is currently working to provide active members and retirees the ability to view and update account information online, as well as enabling employers with the ability to report member and employer contributions online.

The TRS Call Center became operational this year and was the proud recipient of the Call Center Team Award for Customer Service Excellence presented by the International Customer Service Association. TRS is extremely proud to have won this award and will continue to strive to be the provider of the best customer service available.

Other Information

INDEPENDENT AUDIT — The Board of Trustees requires an annual audit of the financial statements of the System by independent, certified public accountants. The accounting firm of KPMG LLP was selected by the Board. The independent auditors' report on the statements of plan net assets and the related statements of changes in plan net assets is included in the Financial Section of this report.

ACKNOWLEDGMENTS — The compilation of this report reflects the combined effort of the staff under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship of the assets contributed by the System's members, their employers, and the State of Georgia.

Copies of this report can be obtained by contacting the System, or may be downloaded from the System's website.

I would like to take this opportunity to express my gratitude to Governor Sonny Perdue, members of the Georgia General Assembly, the staff, the advisors, and to the many people who have worked so diligently to ensure the successful operation of the System.

Sincerely,

Jeffrey L. Ezell
Executive Director

Your Retirement System

Financial Highlights

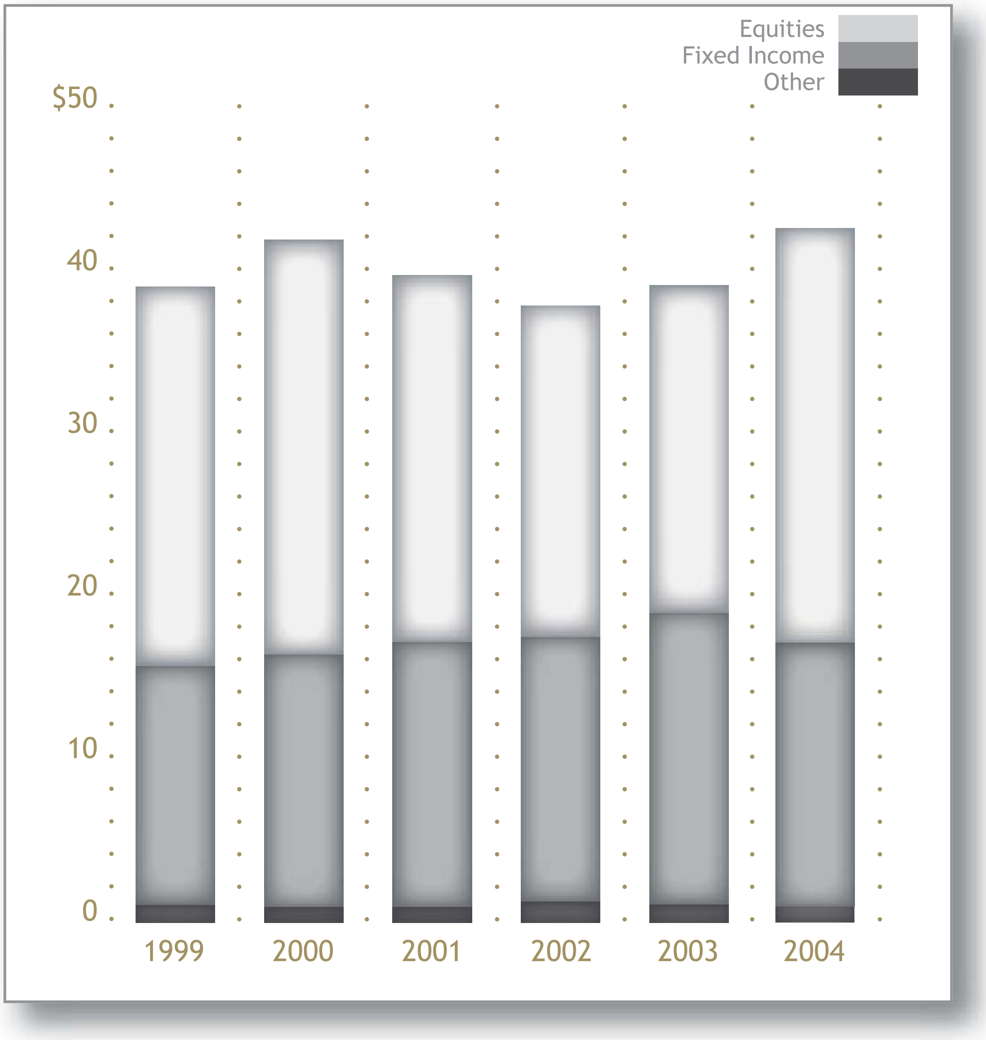
	June 30, 2004	June 30, 2003	% Change
Member Contributions	$ 448,929,000	$ 438,998,000	+ 2.3
Employer Contributions	$ 782,301,000	$ 768,673,000	+ 1.8
Net Increase in Fair Value of Investments	$ 2,882,187,000	$ 725,370,000	+ 297.3
Interest and Dividend Income	$ 948,105,000	$ 976,321,000	- 2.9
Benefits Paid to Retired Members	$ 1,598,467,000	$ 1,434,640,000	+ 11.4
Member Withdrawals	$ 42,580,000	$ 40,883,000	+ 4.2
Interest Credited to Member Contributions	$ 188,530,000	$ 179,974,000	+ 4.8

Statistical Highlights

	2004	2003	% Change
Active Membership	208,927	207,522	+ 0.7
Members Leaving the System	7,805	7,714	+ 1.2
Retired Members	61,590	57,692	+ 6.8
Average Monthly Annuity	$ 2,163	$ 2,072	+ 4.4

System Assets

Growth of Total System Assets (in billions)



Total System Assets at June 30 (in thousands)

	1999	2000	2001	2002	2003	2004
Equities	$23,093,979	$25,288,274	$22,309,783	$20,142,071	$20,058,758	$25,120,626
Fixed Income	14,807,428	15,642,757	16,379,674	16,446,346	17,961,576	16,469,405
Other[1]	1,050,235	879,233	976,595	1,248,540	1,270,063	1,053,021
Total System Assets	$38,951,642	$41,810,264	$39,666,052	$37,836,957	$39,290,397	$42,643,052

[1] Includes receivables, cash, short-term securities, mortgage loans and real estate.
* Six years shown

Administrative Staff & Organization

Jeffrey L. Ezell
Executive Director

Michael A. Plant
Deputy Executive Director

Charles W. Cary, Jr.
Chief Investment Officer
Division of Investment Services

Stephen J. Boyers
Controller
Financial Services
Division

Diann F. Green
Director
Retirement Services
Division

Lisa M. Hajj
Director
Communications
Division

M. Cathy Hart
Director
Employer Services
Division

J. Gregory McQueen
Director
Information Technology
Division

Tonia T. Morris
Director
Human Resources
Division

Charles P. Warren
Director
Contact Management
Division

Consulting Services

Actuary
Mellon Human Resources
& Investor Solutions

Auditor
KPMG LLP

Medical Advisors
Gordon J. Azar, M.D.
Atlanta, Georgia
Arthur S. Booth, Jr., M.D.
Atlanta, Georgia
Joseph W. Stubbs, M.D.
Albany, Georgia

Investment Advisors

Albritton Capital Management
Atlanta Capital Management
Diaz-Verson Capital Investments
Evergreen Investments
State Street Global Advisors
Montag & Caldwell
EARNEST Partners
NCM Capital Management Group
Synovus Investment Advisors
Trusco Capital Management

Summary of Plan Provisions

Purpose

The Teachers Retirement System of Georgia (the "System") was established in 1943 by an act of the Georgia General Assembly for the purpose of providing retirement allowances and other benefits for teachers of this state. The System has the power and privileges of a corporation, and the right to bring and defend actions.

The major objectives of the System are (1) to timely pay monthly benefits due retirees, (2) to soundly invest retirement funds to insure adequate financing for future benefits due and for other obligations of the System, (3) to provide statewide counseling services for System members, (4) to accurately account for the status and contributions of all active and inactive members, and (5) to process refunds due terminated members.

Administration

State statutes provide that the administration of the System be vested in a ten-member Board of Trustees comprised as follows:

Ex officio members:

- the State Auditor,
- the Director of the Office of Treasury and Fiscal Services,

Governor's appointees:

- two active members of the System who are classroom teachers and not employees of the Board of Regents,
- one active member of the System who is a public school administrator,
- one active member of the System who is not an employee of the Board of Regents,
- one member to be selected by the Governor,

Board of Regents appointee:

- one active member of the System who is an employee of the Board of Regents,

Trustee appointees:

- one member who has retired under the System,
- one individual who is a citizen of the state, not a member of the System and experienced in the investment of money.

A complete listing of the current Board of Trustees is included on page 4 of this report.

Management of the System is the responsibility of the Executive Director who is appointed by the Board and serves at its pleasure. On behalf of the Board, the Executive Director is responsible for the proper operation of the System, engaging such actuarial and other services as shall be necessary to transact business, and paying expenses necessary for operations. A listing of the administrative staff is included on page 10 of this report.

Membership

All personnel in covered positions of the state's public school systems, technical colleges, RESA units and all colleges and universities comprising the University System of Georgia who are employed one-half time or more, except those professors and principal administrators electing to participate in the Board of Regents of the University System of Georgia Optional Retirement Plan, are required to be members of the System as a condition of employment.

Eligibility

Service Retirement

Active members may retire and elect to receive monthly retirement benefits after one of the following conditions: 1) completion of 10 years of creditable service and attainment of age 60, or 2) completion of 25 years of creditable service.

Disability Retirement

Members are eligible to apply for monthly retirement benefits under the disability provision of the law if they are an active member, have at least 10 years of creditable service, and are permanently disabled.

The Formula

Normal Retirement

Any member who has at least 30 years of creditable service or who has at least 10 years of creditable service and has attained age 60 will receive a benefit calculated by using the percentage of salary formula.

Summary of Plan Provisions

Simply stated, two percent (2%) is multiplied by the member's years of creditable service established with the System, including partial years (not to exceed 40 years). The product is then multiplied by the average monthly salary for the two highest consecutive membership years of service. The resulting product is the monthly retirement benefit under the maximum plan of retirement.

Early Retirement

Any member who has not reached the age of 60 and has between 25 and 30 years of creditable service will receive a reduced benefit. The benefit will be calculated using the percentage of salary formula explained above. It will then be reduced by the lessor of 1/12 of 7% for each month the member is below age 60, or 7% for each year or fraction thereof the member has less than 30 years of creditable service. The resulting product is the monthly retirement benefit under the maximum plan of retirement.

Disability Retirement

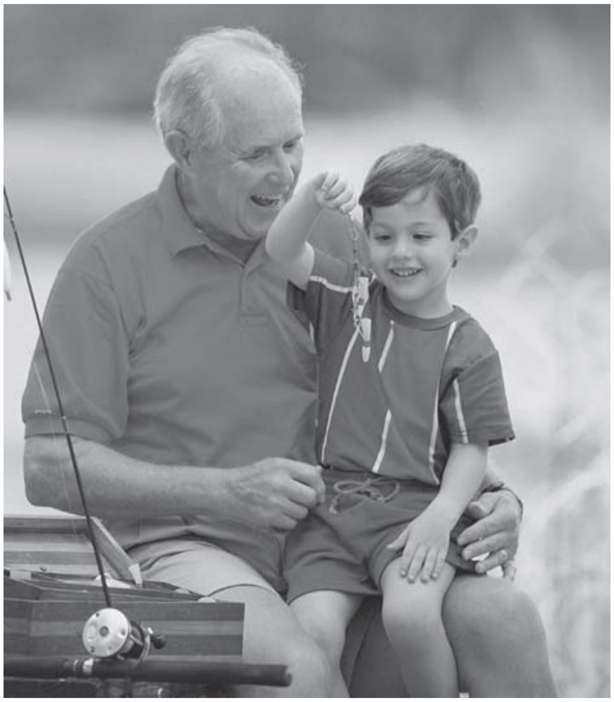
Disability retirement benefits are also calculated using the percentage of salary formula explained above. The resulting product is the monthly disability retirement benefit under the maximum plan. There is no age requirement for disability retirement.

Plan A - Maximum Plan of Retirement

This plan produces the largest possible monthly benefit payable to the member only during his or her lifetime. There are no survivorship benefits under this plan.

Plan B - Optional Plans of Retirement

Upon retirement a member of the System may elect one of six optional plans that provide survivorship benefits. The election of an optional form of payment is made upon application for retirement and it becomes irrevocable upon distribution of the first benefit check. The six options are as follows:



Option 1

The retiring member accepts a relatively small reduction from the maximum monthly benefit in order to guarantee to the estate, beneficiary or beneficiaries named on the retirement application, a lump-sum refund of any remaining portion of member contributions and interest.

Option 2

This plan offers the retiring member a reduced monthly benefit, based on the ages of the member and the beneficiary, payable for life. It further provides a guarantee to the surviving named beneficiary that, at the death of the retired member, the beneficiary will receive the same basic monthly retirement allowance the member received at the date of retirement plus any cost-of-living increases the member received up to the time of death.

Option 2 Pop-Up

Any member may elect a reduced retirement allowance to be designated "Option 2 Pop-Up" with the provision that if the beneficiary dies prior to the retiree that the basic benefit payable to the retiree shall increase to an amount as though the retiree had not selected an optional plan of retirement.

Summary of Plan Provisions

Option 3

This plan of retirement offers a reduced monthly benefit that is based on the ages of the member and the beneficiary. The resulting benefit is paid to the retired member for life, with the guarantee to the surviving named beneficiary that at the time of the retired member's death, the beneficiary will receive a payment for life of one-half of the initial monthly benefit received by the member at the time of retirement plus one-half of any cost-of-living increases the member received up to the time of death.

Option 3 Pop-Up

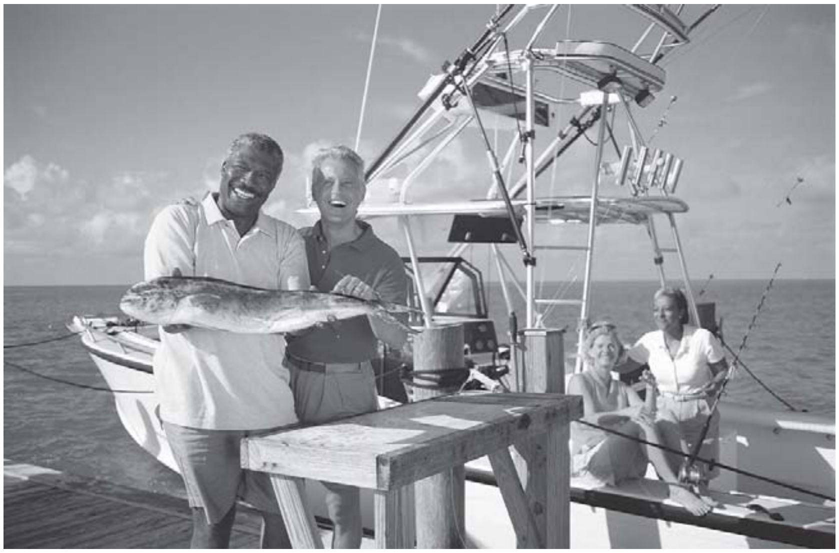
Any member may elect a reduced retirement allowance to be designated "Option 3 Pop-Up" with the provision that if the beneficiary dies prior to the retiree that the basic benefit payable to the retiree shall increase to an amount as though the retiree had not selected an optional plan of retirement.

Option 4

This plan allows the retiring member to select a specific monthly amount other than provided for in the other options, which will be paid for life following a retiree's death to the living beneficiary. The beneficiary would also receive a pro-rata share of any cost-of-living increases the member received up until the time of death, or the benefit will be divided among the beneficiaries in accordance with the percentage or specific dollar designations made by the member at the time of retirement. One major difference in this plan is that the retiring member may actually elect that following his or her death, a certain amount of money can be paid monthly to a beneficiary rather than a percentage.

Financing the System

The funds to finance the System come from member contributions, currently 5% of annual salary; employer contributions, currently 9.24% of annual salary; and investment income.



Independent Auditors' Report

KPMG LLP
Suite 2000
303 Peachtree Street, NE
Atlanta, GA 30308
www.kpmg.com

The Board of Trustees
Teachers Retirement System of Georgia:

We have audited the accompanying statement of plan net assets of the Teachers Retirement System of Georgia (the System), a component unit of the State of Georgia, as of June 30, 2004, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audit. The financial statements of the System as of June 30, 2003, were audited by other auditors whose report dated September 5, 2003, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and those standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 8, 2004, on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

In our opinion, the 2004 financial statements referred to above present fairly, in all material respects, the financial status of the System as of June 30, 2004, and the changes in financial status for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and the required supplementary schedules listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The additional information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. This additional information is the responsibility of the System's management. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole. The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

October 8, 2004

Management's Discussion & Analysis

This section provides a discussion and analysis of the financial performance of the Teachers Retirement System of Georgia (the "System") for the years ended June 30, 2004 and 2003. The discussion and analysis of the System's financial performance is within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

The following highlights are discussed in more detail later in this analysis.

• At June 30, 2004, the System's assets exceeded its liabilities by $42.6 billion (reported as "net assets") as compared to the net assets of $39.2 billion at June 30, 2003, representing an increase of $3.4 billion. At June 30, 2003, the System's assets exceeded its liabilities by $39.2 billion, as compared to the net assets of $37.8 billion at June 30, 2002, representing an increase of $1.4 billion.

• Contributions from members increased by $10 million or 2.3% from $438.9 million in 2003 to $448.9 million in 2004. Contributions by employers increased by $13.6 million or 1.8% from $768.7 million in 2003 to $782.3 million in 2004. Contributions from members increased by $35 million or 8.7% from $403.9 million in 2002 to $438.9 million in 2003. Contributions by employers increased by $51.8 million or 7.2% from $716.9 million in 2002 to $768.7 million in 2003. These increases are due to increases in membership and higher average payrolls during each of the fiscal years ended June 30, 2004 and 2003.

• Pension benefits paid to retirees and beneficiaries for the years ended June 30, 2004 and 2003 were $1.6 billion and $1.4 billion, representing increases of 11.4% and 11.7%, respectively. This is due to increases in the number of retirees and beneficiaries receiving benefit payments and postretirement benefit adjustments.

Overview of the Financial Statements

The basic financial statements include: (1) the statements of plan net assets, (2) the statements of changes in plan net assets, and (3) notes to the financial statements. The System also includes in this report additional information to supplement the basic financial statements.

The System prepares its financial statements on an accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. These statements provide information about the System's overall financial status.

In addition, the System presents two required supplementary schedules, which provide historical trend information about the plan's funding. The two schedules include: (1) a schedule of funding progress, and (2) a schedule of employer contributions.

Statements of Plan Net Assets

The *Statement of Plan Net Assets* is the statement of financial position, presenting information that includes all of the System's assets and liabilities, with the balance reported as and representing the *Net Assets Held in Trust for Pension Benefits*. The investments of the System in this statement are presented at fair value. These statements are presented on page 19.

Statements of Changes in Plan Net Assets

The Statement of Changes in Plan Net Assets reports how the System's net assets changed during the fiscal year. The additions and the deductions to net assets are summarized in this statement. The additions include contributions and investment income, which includes the net increase in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses. These statements are presented on page 20.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the System's financial statements. The notes to the financial statements begin on page 21 of this report.

Required Supplementary Schedules

A brief explanation of the two required schedules found beginning on page 27 of this report follows:

Schedule of Funding Progress

This schedule includes historical trend information for the last six consecutive fiscal years about the actuarially funded status of the plan from a long-term, ongoing plan perspective, and the progress made in accumulating sufficient assets to pay benefits when due.

Schedule of Employer Contributions

This schedule presents historical trend information for the last six consecutive fiscal years about the annual required contributions of employers and the contributions made by employers in relation to the requirement.

Management's Discussion & Analysis

Financial Analysis of the System

A summary of the System's net assets is as follows:

Net Assets (in thousands)	June 30, 2004	June 30, 2003	June 30, 2002	2004 Amount change	2004 Percentage change	2003 Amount change	2003 Percentage change
Assets:							
Cash and receivables	$ 361,337	$ 360,598	$ 465,844	$ 739	0.2 %	$ (105,246)	(22.6)%
Investments	42,270,634	38,923,340	37,369,054	3,347,294	8.6 %	1,554,286	4.2 %
Capital assets, net	11,081	6,459	2,059	4,622	71.6 %	4,400	213.7 %
Total assets	42,643,052	39,290,397	37,836,957	3,352,655	8.5 %	1,453,440	3.8 %
Liabilities:							
Due to brokers and accounts payable	54,974	71,857	5,529	(16,883)	(23.5) %	66,328	1,199.6 %
Net Assets	$ 42,588,078	$39,218,540	$37,831,428	$3,369,538	8.6 %	$1,387,112	3.7 %

As indicated above, the $3.4 billion and $1.4 billion increases in net assets in 2004 and 2003, respectively, are principally related to the increase in the fair value of investments. The increase in investments is analyzed below.

The following table presents the investment allocation at June 30, 2004, 2003, and 2002:

Asset Allocation at June 30 (in percentages)	2004	2003	2002
Equities	59.4 %	51.5 %	53.9 %
Fixed income	39.0 %	46.2 %	44.0 %
Short-term securities*	1.6 %	2.3 %	2.1 %

Asset Allocation at June 30 (in thousands)	2004	2003	2002
Equities	$ 25,120,626	$ 20,058,758	$ 20,142,071
Fixed income	16,469,405	17,961,576	16,446,346
Short-term securities*	680,603	903,006	780,637
	$ 42,270,634	$ 38,923,340	$ 37,369,054

*Includes real estate

Asset Allocation at June 30 cont.

The total investment portfolio increased $3.3 billion from June 30, 2003, which was due primarily to the increase in the fair value of equity investments.

The total investment portfolio increased $1.6 billion from June 30, 2002, which was due primarily to the increase in the fair value of fixed income investments.

The investment rate of return in fiscal year 2004 was 9.9%, with a 20.0% return for equities and (1.4%) return for fixed income compared to an investment rate of return in fiscal year 2003 of 4.6%, with a (2.1%) return for equities and 12.8% return for fixed income. The five-year annualized rate of return on investments at June 30, 2004, was 2.4% with (1.6)% return on equities and a 7.7% return on fixed income.

The investment rate of return in fiscal year 2003 was 4.6%, with a (2.1%) return for equities and 12.8% return for fixed income compared to an investment rate of return in fiscal year 2002 of (4.0%), with a (14.6%) return for equities and 10.9% return for fixed income. The five-year annualized rate of return on investments at June 30, 2003, was 2.6%, with a (1.6%) return on equities and an 8.1% return on fixed income.

A summary of the changes in System's net assets for the years ended June 30 are as follows:

Changes in Net Assets (in thousands)

	June 30,			2004		2003	
	2004	2003	2002	Amount change	Percentage change	Amount change	Percentage change
Additions:							
Member Contributions	$ 448,929	$ 438,998	$ 403,952	$ 9,931	2.3 %	$ 35,046	8.7 %
Employer Contributions	782,301	768,673	716,917	13,628	1.8 %	51,756	7.2 %
Net investment income (loss)	3,794,733	1,669,768	(1,610,477)	2,124,965	127.3 %	3,280,245	203.7 %
Total additions	5,025,963	2,877,439	(489,608)	2,148,524	74.7 %	3,367,047	687.7 %
Deductions:							
Benefit payments	1,598,467	1,434,640	1,284,371	163,827	11.4 %	150,269	11.7 %
Refunds	42,580	40,883	41,250	1,697	4.2 %	(367)	(0.9)%
Administration	15,378	14,804	15,966	574	3.9 %	(1,162)	(7.3)%
Total deductions	1,656,425	1,490,327	1,341,587	166,098	11.1 %	148,740	11.1 %
Net increase (decrease) in plan net assets	$3,369,538	$1,387,112	$(1,831,195)	$1,982,426	142.9 %	$3,218,307	175.7 %

Management's Discussion & Analysis

Additions

The System accumulates resources needed to fund benefits through contributions and returns on invested funds. Member contributions increased 8.7% and 2.3% in 2003 and 2004, respectively, primarily because of increased membership from 201,278 in 2002 to 207,522 in 2003 and to 208,927 in 2004 and a higher average payroll in both years. Employer contributions likewise increased 7.2% and 1.8% from 2003 and 2004, respectively, also as a result of increased membership and a higher average payroll. The employer contribution rate remained constant at 9.24% for 2003 and 2004. The employer contribution rate was recommended by the actuary and approved by the System's Board of Trustees. The net investment income was a result of the strong equity market.

Deductions

Deductions increased 11.1% in 2003 and 2004, primarily because of the 11.7% and 11.4% increase in benefit payments resulting from an increase in the number of retirees and beneficiaries receiving benefit payments from 54,222 in 2002 to 57,692 in 2003 to 61,590 in 2004 and postretirement benefit increases in both years.

Funding Status

The schedule of funding progress and schedule of employer contributions provide information regarding how the plan is performing and funded from an actuarial perspective. The information is based upon actuarial valuations conducted by certified actuaries. The funding ratio, which is presented on the schedule of funding progress, indicates the ratio between the actuarial value of assets and the actuarial accrued liabilities. The higher this ratio, the better funded the System is from an actuarial perspective.

The June 30, 2003, actuarial valuation, which is the latest valuation available, indicates that the actuarial value of assets was $42.4 billion and that the actuarial accrued liability was $41.9 billion. This results in a funding ratio of 101.1%. The June 30, 2002, actuarial valuation indicated that the actuarial value of assets was $40.5 billion and that the actuarial accrued liability was $39.7 billion, which resulted in a funding ratio of 102.0% as compared to 103.9% from the previous year.

The System continues to be in a strong financial position as evidenced by the funding ratio.

Statements of Plan Net Assets

June 30, 2004 and 2003
(in thousands)

	2004	2003
Assets		
Cash	$ 6,204	$ 2,721
Receivables:		
Interest and dividends	184,772	131,145
Due from brokers for securities sold	26,121	70,100
Member and employer contributions	96,889	100,975
Due from Fulton County School Employees Pension Fund	47,351	55,657
Total receivables	355,133	357,877
Investments - at fair value:		
Short-term	676,859	899,262
Obligations of the U.S. Government and its agencies, corporate, and other bonds	16,469,405	17,961,576
Common stocks	25,120,626	20,058,758
Real estate	3,744	3,744
Total investments	42,270,634	38,923,340
Capital assets, net	11,081	6,459
Total assets	42,643,052	39,290,397
Liabilities		
Due to brokers for securities purchased	53,246	64,575
Accounts payable and other	1,728	7,282
Total liabilities	54,974	71,857
Net Assets Held in Trust for Pension Benefits	$42,588,078	$39,218,540

(A Schedule of Funding Progress is presented on page 27.)

See accompanying notes to financial statements.

Statements of Changes in Plan Net Assets

For the Years Ended
June 30, 2004 and 2003
(in thousands)

	2004	2003
Net Assets Held in Trust for Pension Benefits - Beginning of year	$ 39,218,540	$ 37,831,428
Additions:		
Contributions:		
Employer	782,301	768,673
Member	448,929	438,998
Investment income:		
Net increase in fair value of investments	2,882,187	725,370
Interest, dividends, and other	948,105	976,321
Total	3,830,292	1,701,691
Less investment expense	35,559	31,923
Net investment income	3,794,733	1,669,768
Total additions	5,025,963	2,877,439
Deductions:		
Benefit payments	1,598,467	1,434,640
Refunds of member contributions	42,580	40,883
Administrative expenses, net	15,378	14,804
Total deductions	1,656,425	1,490,327
Net Increase	3,369,538	1,387,112
Net Assets Held in Trust for Pension Benefits - End of year	$ 42,588,078	$ 39,218,540

See accompanying notes to financial statements.

Notes to Financial Statements

A. Plan Description:

Teachers Retirement System of Georgia (the "System") was created in 1943 by an act of the Georgia Legislature (the Act) to provide retirement benefits for teachers who qualify under the Act. The System is administered as a cost-sharing, multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 25. On October 25, 1996, the Board of Trustees created the Supplemental Retirement Benefit Plan of the Georgia Teachers ("SRBP"). SRBP was established as a qualified governmental excess benefit plan in accordance with Section 415 of the Internal Revenue Code (IRC §415) as a portion of the System. The purpose of SRBP is to provide retirement benefits to employees covered by the System whose benefits are otherwise limited by IRC §415. Although the System is a component unit of the state of Georgia's financial reporting entity, it is accountable for its own fiscal matters and presentation of its separate financial statements. A Board of Trustees comprised of active and retired members and ex-officio state employees is ultimately responsible for the administration of the System.

In evaluating how to define the System for financial reporting purposes, the management of the System has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by GASB Statement No.14. The concept underlying the definition of the reporting entity is that elected officials are accountable. The decision to include a potential component unit in the reporting entity is also made by applying specific criteria as outlined in GASB No. 39, including consideration of the nature and significance of the relationship of potential component units. Based on those criteria, the System has not included any other entities in its reporting entity.

Eligibility and Membership:

All teachers in the state public schools, the University System of Georgia (except those professors and principal administrators electing to participate in an optional retirement plan), and certain other designated employees in educational-related work are eligible for membership.

Retirement Benefits:

The System provides service retirement, disability retirement, and survivor's benefits. Title 47 of the *Official Code of Georgia* assigns the authority to establish and amend the provisions of the System to the State Legislature. A member is eligible for normal service retirement after 30 years of creditable service, regardless of age, or after 10 years of service and attainment of age 60. A member is eligible for early retirement after 25 years of creditable service.

Normal retirement (pension) benefits paid to members are equal to 2% of the average of the member's two highest paid consecutive years of service multiplied by the number of years of creditable service up to 40 years. Early retirement benefits are reduced by the lesser of one-twelfth of 7% for each month the member is below age 60, or by 7% for each year or fraction thereof by which the member has less than 30 years of service. It is also assumed that certain cost-of-living adjustments, based on the Consumer Price Index, will be made in future years. Retirement benefits are payable monthly for life. Options are available for distribution of the member's monthly pension at a reduced rate to a designated beneficiary on the member's death.

Death and Disability Benefits:

Retirement benefits also include death and disability benefits.

A disabled member is entitled to receive a benefit based on the member's creditable service (minimum of ten years of service) and compensation up to the time of disability.

As of June 30, 2004, participation in the System is as follows:

Retirees and beneficiaries currently receiving benefits	61,590
Terminated employees entitled to benefits but not yet receiving benefits	47,411
Active plan members	208,927
Total	317,928
Employers	371

Notes to Financial Statements

A. Plan Description:

Death and Disability Benefits (continued):

The death benefit is the amount that would be payable to the member's beneficiary had the member retired on the date of death on a service retirement allowance and chosen a 100% survivorship option. The benefit is based on the member's creditable service (minimum of ten years of service) and compensation up to the date of death.

Contributions:

The System is funded by member and employer contributions as adopted and amended by the Board of Trustees.

Contributions required for fiscal year 2004 were based on the June 30, 2002, actuarial valuation as follows:

Employer:	
Normal	10.03 %
Unfunded accrued liability	(0.94) %
Expenses	0.15 %
Total	9.24 %

Members become fully vested after ten years of service. If a member terminates with less than ten years of service, no vesting of employer contributions occurs, but the member's contributions may be refunded with interest. Member contributions with accumulated interest are reported as net assets held in trust designated for that purpose.

SRBP:

Beginning July 1, 1997, all members and retired former members in the System are eligible to participate in this plan whenever their benefits under the System exceed the limitation on benefits imposed by IRC §415. At June 30, 2004 and 2003, there were 17 and 10 members, respectively, eligible to participate in this portion of the System. Employer contributions of $139,000 and $82,000 and retirement payments of $139,000 and $82,000 under the SRBP are included in the statement of changes in plan net assets for the years ended June 30, 2004 and 2003, respectively.

B. Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting:

The System's financial statements are prepared on the accrual basis of accounting. Contributions from the employers and the members are recognized as additions when due pursuant to formal commitments as well as statutory or contractual requirements. Retirement and refund payments are recognized as deductions when due and payable.

Investments:

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price. No investment in any one organization, except the U.S. Government, represents 5% or more of the net assets available for pension benefits. There are no investments in, loans to, or leases with parties related to the System.

Real Estate Investments:

Real estate consists of an office building that is owned equally by the System and the Employees' Retirement System of Georgia. The System incurred approximately $724,000 and $689,000 in rental expense for the years ended June 30, 2004 and 2003, respectively, which is included in administrative expenses. The remainder of the building is leased to outside parties, and the rental revenue is included in interest and dividends.

Capital Assets:

Capital assets, including software development costs, are stated at cost less accumulated depreciation. Depreciation on capital assets is computed using the straight-line method over estimated useful lives of three to seven years. Depreciation expense is included in administrative expenses. Maintenance and repairs are charged to administrative expenses when incurred. When assets are retired or otherwise disposed of, the costs and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in the statements of changes in plan net assets in the period of disposal.

Notes to Financial Statements

B. Summary of Significant Accounting Policies and Plan Asset Matters:

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 plan net assets and changes therein. Actual results could differ from those estimates. The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, 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 financial statements.

C. Investment Program:

The System maintains sufficient cash to meet its immediate liquidity needs. Cash not immediately needed is invested in either short-term or long-term investment securities as directed by the Board of Trustees. All investments are held by agent custodial banks in the name of the System.

Cash:

Cash balances are fully insured through the Federal Deposit Insurance Corporation, an agency of the U.S. Government. Fiduciary accounts, such as those of the System, are granted $100,000 of insurance coverage per participant in the System. Temporary cash on hand not committed for a specific purpose is invested overnight.

Investments:

GASB No. 3 requires governmental entities to categorize investments as an indication of the level of custodial credit risk assumed by the System at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the System's name. All of the investment securities held by the System at June 30, 2004 and 2003 are of Category 1 risk level. The System's investment in real estate is not securities as defined by GASB No. 3 and is therefore not categorized. The System is authorized by its Board of Trustees (through statutes) to invest in a variety of short-term and long-term securities, as follows:

a) Short-Term:

Short-term investments are authorized in the following instruments:

- Repurchase and reverse repurchase agreements, whereby the System and a broker exchange cash for direct obligations of the U.S. Government or obligations unconditionally guaranteed by agencies of the U.S. Government or U.S. corporations. The System or broker promises to repay the cash received plus interest at a specific date in the future in exchange for the same securities. The System held repurchase agreements of $676,859,000 and $899,262,000 at June 30, 2004 and 2003, respectively.
- U.S. Treasury obligations with varying terms up to 360 days.

Other short-term securities authorized, but not currently used, are:

- Commercial paper, with a maturity of 180 days or less. Commercial paper is an unsecured promissory note issued primarily by corporations for a specific amount and maturing on a specific day. The System considers for investment only commercial paper of the highest quality, rated P-1 and/or A-1 by national credit rating agencies.
- Master notes, an overnight security administered by a custodian bank, and an obligation of a corporation whose commercial paper is rated P-1 and/or A-1 by national credit rating agencies.

Investments in commercial paper or master notes are limited to no more than $100 million in any one name.

C. Investment Program:

b) Long-Term:

Fixed-income investments are authorized in the following instruments:

- Obligations unconditionally guaranteed by agencies of the U.S. Government and corporate bonds with at least an "A" rating by a national rating agency and limited to no more than 5% of total System assets in any one name. Maturities of these securities vary up to a period of 40 years to provide the System with flexibility necessary to meet changing market conditions. The System held agency and corporate bonds of $5,145,756,000 and $2,374,435,000 at June 30, 2004 and 2003, respectively.
- U.S. and foreign government obligations with terms up to 30 years. Quality and call requirements of corporate bonds are applicable. The System held U.S. Government obligations of $11,323,649,000 and $15,587,141,000 at June 30, 2004 and 2003, respectively.
- Private placements are authorized under the same general restrictions applicable to corporate bonds.

Mortgage investments are authorized to the extent that they are secured by first mortgages on improved real property located in the state of Georgia having a loan-to-value ratio no higher than 75%. Mortgages as a group cannot exceed 10% of total assets or 1% for any one loan.

Equity securities are also authorized (in statutes) for investment as a complement to the System's fixed-income portfolio and as a long-term inflation hedge. By statute, no more than 60% of the total invested assets may be placed in equities and no more than 5% in any one corporation. Equity holdings in any one corporation may not exceed 5% of the outstanding equity of the issuing corporation. The equity portfolio is managed by the Division of Investment Services (the "Division") in conjunction with independent advisors. Buy/sell decisions are based on securities meeting rating criteria established by the Board of Trustees; in-house research considering such matters as yield, growth, and sales statistics; and analysis of independent market research. Equity trades are approved and executed by the Division's staff. Common stocks eligible for investment are approved by the Investment Committee of the Board of Trustees before being placed on an approved list.

D. Investments Lending Program:

State statutes and Board of Trustees' policies permit the System to lend its securities to broker-dealers with a simultaneous agreement to return the collateral for the same securities in the future. The System is presently involved in a securities lending program with major brokerage firms. The System lends equity and fixed-income securities for varying terms and receives a fee based on the loaned securities' value. During a loan, the System continues to receive dividends and interest as the owner of the loaned securities. The brokerage firms pledge collateral securities consisting of U.S. Government and agency securities, mortgage-backed securities issued by a U.S. Government agency, and U.S. corporate bonds. The collateral value must be equal to at least 102% to 110% of the loaned securities' value, depending on the type of collateral security.

Securities loaned totaled $15,638,669,751 and $17,735,199,020 at market value at June 30, 2004 and 2003, respectively. The collateral value was equal to 104.8% and 104.3% of the loaned securities' value at June 30, 2004 and 2003, respectively. The loaned securities are classified as Category 1 investments (see note C) based on the custodial arrangements for the collateral securities.

Loaned securities are included in the accompanying statements of plan net assets since the System maintains ownership. The related collateral securities are not recorded as assets on the System's statements of plan net assets, and a corresponding liability is not recorded, since the System is deemed not to have the ability to pledge or trade the collateral securities. In accordance with the criteria set forth in GASB No. 28, the System is deemed not to have the ability to pledge or sell collateral securities since the System's lending contracts do not address whether the lender can pledge or sell the collateral securities without a borrower default, the System has not previously demonstrated that ability, and there are no indications of the System's ability to pledge or sell the collateral securities.

E. Capital Assets:

The following is a summary of capital assets and depreciation information as of June 30 and for the years then ended:

	Balance at June, 2003	Additions	Disposals	Balance at June, 2004
Capital Assets:				
Furniture and fixtures	$ 253,378	$ 80,597	$ -	$ 333,975
Computer equipment	630,034	91,334	-	721,368
Software under development	5,855,757	4,612,579	-	10,468,336
	6,739,169	4,784,510	-	11,523,679
Accumulated Depreciation for:				
Furniture and fixtures	(124,810)	(36,197)	-	(161,007)
Computer equipment	(155,690)	(126,007)	-	(281,697)
	(280,500)	(162,204)	-	(442,704)
Capital Assets, Net	$6,458,669	$4,622,306	$ -	$11,080,975

	Balance at June, 2002	Additions	Disposals	Balance at June, 2003
Capital Assets:				
Furniture and fixtures	$ 230,208	$ 41,991	$(18,821)	$ 253,378
Computer equipment	453,325	176,709	-	630,034
Software under development	1,524,841	4,330,916	-	5,855,757
	2,208,374	4,549,616	(18,821)	6,739,169
Accumulated Depreciation for:				
Furniture and fixtures	(100,019)	(35,546)	10,755	(124,810)
Computer equipment	(49,730)	(105,960)	-	(155,690)
	(149,749)	(141,506)	10,755	(280,500)
Capital Assets, Net	$2,058,625	$4,408,110	$ (8,066)	$6,458,669

Notes to Financial Statements

F. Due from Fulton County School Employees Pension Fund:

As of July 1, 1988, substantially all members of the Fulton County School Employees Pension Fund became members in the System. The transfer involved 3,990 members at a total cost to the Fulton County School Employees Pension Fund of $168,976,347. The employer's portion of contributions plus accrued interest (maximum 9%) is payable over 24 remaining annual installments.

G. Administrative Expenses:

Administrative expenses are reported in the financial statements; however, the actual accounting for the expenses is performed in a separate expense fund. Administrative expenses paid out of System earnings are as follows:

	2004	2003
Salaries and Employee Benefits	$ 12,608,113	$10,436,483
Other Operating Expenses	5,430,599	6,559,917
Total Administrative Expenses	18,038,712	16,996,400
Less Reimbursement by other State Retirement Systems for services rendered on their behalf	2,660,822	2,191,992
Net Administrative Expenses	$ 15,377,890	$14,804,408

F. Contingencies:

The System is subject to legal actions in the ordinary course of its business. In the opinion of management, the System has adequate legal defenses and insurance coverage with respect to such actions and their final outcome will not have a material adverse effect upon the financial status of the System.

See Independent
Auditors' Report

Required Supplementary Information

Schedule of Funding Progress (in thousands)

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL)/ (Funding Excess) (b-a)	Funding Ratio (a/b)	Annual Covered Payroll (c)	UAAL/ (Funding Excess) as a Percentage of Covered Payroll [(b-a)/c]
6/30/98	$ 27,894,985	$ 28,798,984	$ 903,999	96.9 %	$ 5,951,898	15.2 %
6/30/99	31,832,431	32,763,470	931,039	97.2 %	6,832,672	13.6 %
6/30/00	35,675,729	34,876,171	(799,558)	102.3 %	7,218,644	(11.1) %
6/30/01	38,584,834	37,153,421	(1,431,413)	103.9 %	7,306,855	(19.6) %
6/30/02	40,502,333	39,706,523	(795,810)	102.0 %	7,617,869	(10.4) %
6/30/03	42,372,661	41,905,676	(466,985)	101.1 %	8,261,961	(5.7) %

This data, except for annual covered payroll, was provided by the System's actuary.

Schedule of Employer Contributions (in thousands)

Years Ended June 30,	State Annual Required Contribution	Percentage Contributed
1998	$ 710,409	100 %
1999	776,178	100 %
2000	779,571	100 %
2001	808,480	100 %
2002	716,917	100 %
2003	768,673	100 %

See accompanying notes to required supplementary schedules.

Notes to Required Supplementary Schedules

Schedule of Funding Progress

The actuarial value of assets recognizes a portion of the difference between the market value of assets and the expected actuarial value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and expected actuarial value. The actuarial value of assets is limited to a range between 80% and 120% of market value.

Schedule of Employer Contributions

The required employer contributions and percent of those contributions actually made are presented in the schedule.

Actuarial Assumptions

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Since the previous valuation on June 30, 2002, the investment rate of return and the rate of salary increases were revised to more closely reflect the actual and anticipated experience of the System and the remaining amortization period was reduced from 15 years to 13 years. Additional information from the actuarial valuations for the most recent two-year period is as follows:

Valuation Date	June 30, 2003	June 30, 2002
Actuarial Cost Method	Entry Age	Entry Age
Amortization Method	Level Percent of Pay, Open	Level Percent of Pay, Open
Remaining Amortization Period	13 Years	15 Years
Asset Valuation Method	5-Year Smoothed Market	5-Year Smoothed Market
Actuarial Assumption:		
Investment Rate of Return	7.50%	7.25%
Projected Salary Increases	3.75 to 8.00%	3.5 to 7.75%
Inflation Rate	3.75%	3.75%
Post-Retirement Cost-of-Living Adjustments	3% Annually	3% Annually

For the Years Ended
June 30, 2004 and 2003

Additional Information - Administrative Expenses

	2004	2003
Personal Services:		
Salaries and wages	$ 9,696,531	$ 7,924,623
Retirement contributions	1,006,945	847,692
Health insurance	1,269,018	1,035,133
FICA	607,663	543,689
Miscellaneous	27,956	85,346
Total personal services	12,608,113	10,436,483
Communications:		
Postage	250,103	246,126
Publications and printing	216,618	255,346
Telecommunications	180,403	265,699
Travel	40,349	44,555
Total communications	687,473	811,726
Professional Services:		
Computer services	3,113,570	3,480,583
Contracts	29,484	504,021
Actuarial services	101,108	96,516
Audit fees	72,166	71,051
Legal services	36,036	36,006
Medical services	144,745	104,133
Total professional services	3,497,109	4,292,310
Rentals:		
Office space	723,975	688,085
Office equipment	843	1,289
Total rentals	724,818	689,374
Other Services and Charges:		
Temporary services	70,552	361,691
Repairs and maintenance	31,429	55,355
Supplies and materials	148,149	139,226
Courier services	11,735	10,963
Depreciation expense	162,204	141,506
Miscellaneous	97,130	57,766
Total other services and charges	521,199	766,507
Total Administrative Expenses	18,038,712	16,996,400
Less reimbursement by other State Retirement Systems for services rendered on their behalf	2,660,822	2,191,992
Net Administrative Expenses	$15,377,890	$14,804,408

See accompanying independent auditors' report.

Investment Overview

The financial markets continued to be volatile, as has been the case over the last ten years. The System has continued to invest in a mix of high quality bonds and stocks as it has historically done.

These types of investments have allowed the System to participate in rising markets while moderating the risks on the downside. New funds continue to be invested in high quality securities. A high quality balanced fund has proven to be a successful strategy in a variety of markets over a long period of time.

As in previous years, maintaining quality was a primary goal and was successfully met. "Conservation of Capital" and "Conservatism" continue to be the principal guides in investment decisions. The Board of Trustees continued to use a diversified portfolio to accomplish these objectives.

Both U.S. and worldwide economic growth rates have shown improvement over the last year. U.S. employment growth has improved somewhat, but remained below trend for this point in the recovery. Inflation levels also increased to around 3%. The dichotomy of strong consumer spending and weak capital or business spending, particularly on technology, continued throughout the year, despite a greater increase in GDP than last year. U.S. corporate profits continued their significant improvement. Rising energy prices in the last half of the year not only impacted inflation, but also began to have an effect on various economic sectors.

Studies undertaken to evaluate the investment returns of pension funds over very long time horizons indicate that the asset allocation decision has the most impact on the fund's returns. Although the returns for the various asset categories vary from year to year, over the long term, equities have outperformed fixed income and cash by a very wide margin. For that reason, the System has maintained a maximum equity exposure with the remainder of the fund in fixed-income securities designed to generate income and preserve capital.

Returns for rolling three- and five-year periods are presented in this section. These longer time periods, in our opinion, allow for more valid evaluation of returns, both in absolute terms and relative to an asset class index, by reducing emphasis on the short-term volatility of markets.

Rates of return are calculated by using a modified "Dietz time-weighted method," which is in accordance with the Association for Investment Management and Research (AIMR) objectives.

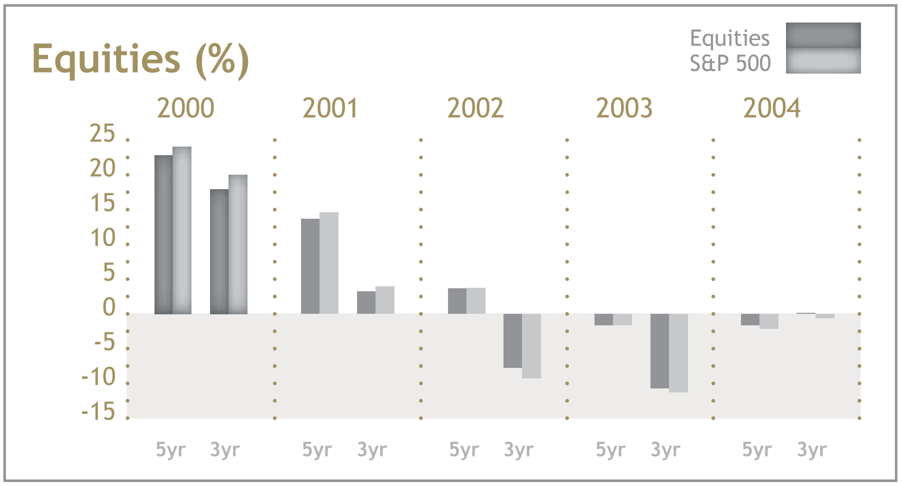
Equity markets rebounded sharply in the first half of the year, and performed well for the full year ended June 30, 2004. Among individual companies, returns varied depending upon the company's size, industry, and exposure to global markets. In a reversal from the prior year, the MSCI EAFE, which includes only foreign stocks, was one of the best performing indexes, rising 32%. The S&P 500 and the Dow Jones Industrials both increased about 19%, but the better performing indexes were the S&P Mid-Cap and Small-Cap, up 28% and 35%, respectively.

Returns for the fixed-income markets were low this year as yields on long-term Treasury bonds rose from 4.6% in June 2003 to 5.3% at the end of June 2004. The 10-year U.S. Treasury Note returned (3)% and the 30-year U.S. Treasury Bond returned (6)%. Our primary benchmark, the Lehman Government / Credit Index returned (1)%. It is a shorter maturity index containing higher yielding corporate bonds as well as Treasuries. As in equities, lower quality outperformed higher quality as evidenced by the 7.2% return for BBB & BB credits versus (1.0)% for AAA & AA bonds.

In summary, the investment status of the System is excellent. The high quality of the System's investments is consistent with the continued policy of "Conservatism" and "Conservation of Capital."

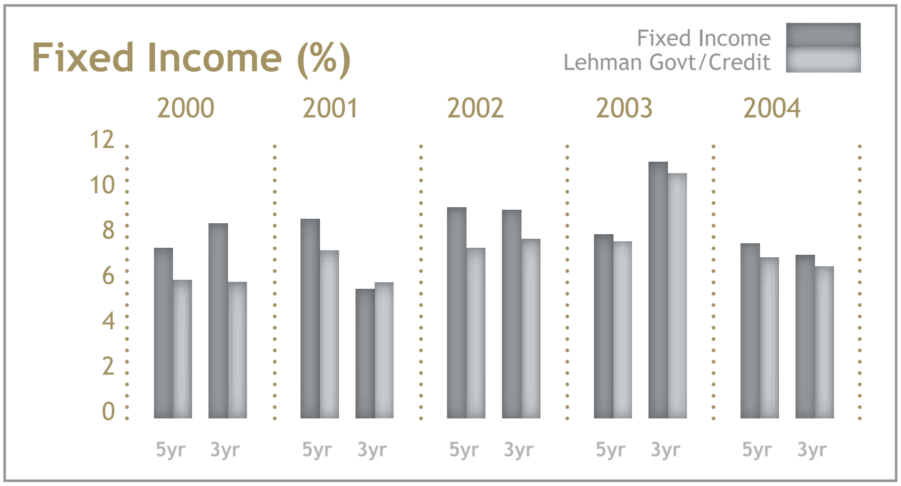
Prepared by the Division of Investment Services

Time-Weighted Rates of Return



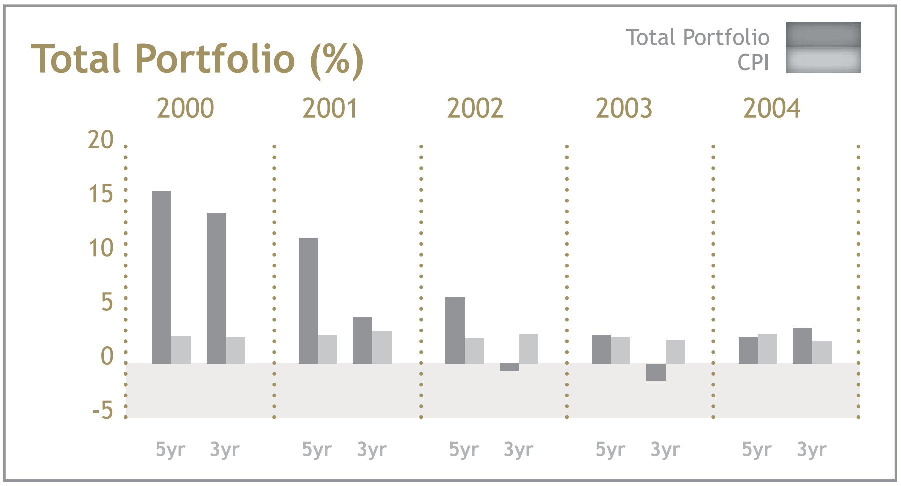
	2002	2003	2004
3-Year:			
Equities	-7.7%	-10.6%	.1%
S&P 500	-9.2%	-11.2%	-.6%
5-Year:			
Equities	3.6%	-1.6%	-1.6%
S&P 500	3.7%	-1.6%	-2.1%

	2000	2001
3-Year:		
Equities	17.8%	3.2%
S&P 500	19.9%	3.9%
5-Year:		
Equities	22.7%	13.6%
S&P 500	23.9%	14.5%



	2002	2003	2004
3-Year:			
Fixed Income	9.2%	11.3%	7.2%
Lehman Govt/Credit	7.9%	10.8%	6.7%
5-Year:			
Fixed Income	9.3%	8.1%	7.7%
Lehman Govt/Credit	7.5%	7.8%	7.1%

	2000	2001
3-Year:		
Fixed Income	8.6%	5.7%
Lehman Govt/Credit	6.0%	6.0%
5-Year:		
Fixed Income	7.5%	8.8%
Lehman Govt/Credit	6.1%	7.4%

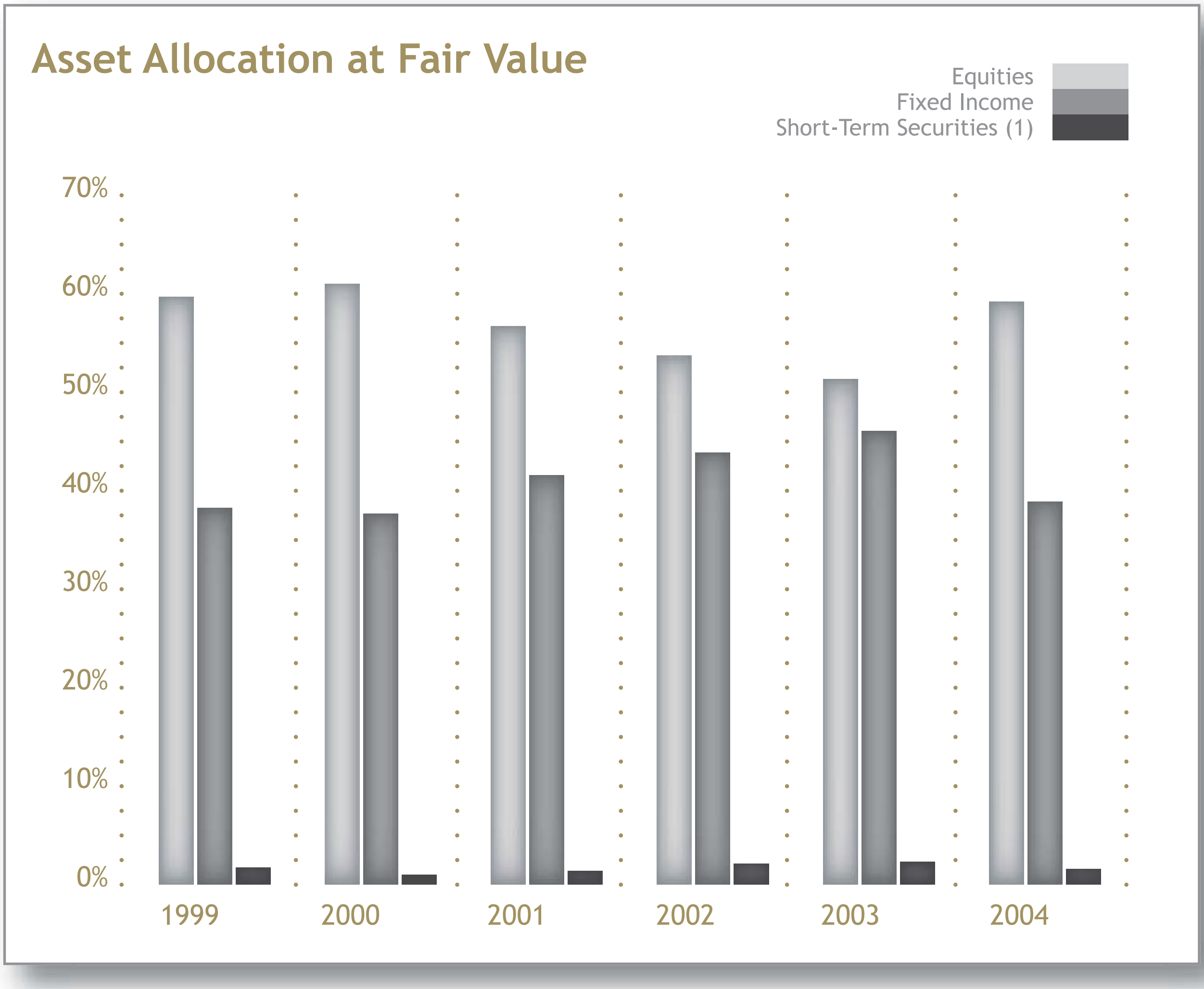


	2002	2003	2004
3-Year:			
Total Portfolio	-.7%	-1.6%	3.3%
CPI	2.7%	2.2%	2.1%
5-Year:			
Total Portfolio	6.1%	2.6%	2.4%
CPI	2.3%	2.4%	2.7%

	2000	2001
3-Year:		
Total Portfolio	13.8%	4.3%
CPI	2.4%	3.0%
5-Year:		
Total Portfolio	15.9%	11.5%
CPI	2.5%	2.6%

Note
Rates of return are calculated by using a modified “Dietz time-weighted method,” which is in accordance with AIMR objectives.

Asset Allocation



	1999	2000	2001	2002	2003	2004
Asset Allocation at June 30,						
Equities	59.9%	61.2%	56.9%	53.9%	51.5%	59.4%
Fixed Income	38.4%	37.8%	41.7%	44.0%	46.2%	39.0%
Short-Term Securities [1]	1.7%	1.0%	1.4%	2.1%	2.3%	1.6%
Asset Allocation at June 30, (in millions)						
Equities	$23,094	$25,288	$22,310	$20,142	$20,059	$25,121
Fixed Income	14,807	15,643	16,380	16,446	17,961	16,469
Short-Term Securities [1]	640	412	541	781	903	681
Total Investments	$38,541	$41,343	$39,231	$37,369	$38,923	$42,271

[1] Short-term securities include mortgages and real estate.

Portfolio Detail Statistics

Twenty Largest Equity Holdings*

Shares	Company	Fair Value
14,064,800	General Electric	$ 455,699,520
11,939,142	Pfizer, Inc.	409,273,788
8,120,969	Citigroup Inc.	377,625,059
8,435,078	Exxon Mobil	374,601,814
12,619,800	Microsoft Corp.	360,421,488
4,970,941	American International Group	354,328,675
6,372,576	Procter & Gamble	346,923,037
6,204,180	Johnson & Johnson	345,572,826
6,260,500	Coca Cola Co.	316,030,040
13,219,600	Cisco Systems	313,304,520
4,135,200	Schlumberger LTD	262,626,552
9,103,200	Intel Corp.	251,248,320
4,366,420	Pepsico Inc.	235,262,710
4,806,000	Medtronic, Inc.	234,148,320
2,540,800	3M Company	228,697,408
3,132,000	Qualcomm Inc.	228,573,360
3,266,508	Eli Lilly	228,361,574
2,173,290	Illinois Tool Works	208,396,778
4,851,176	Gillette Co.	205,689,862
2,665,000	United Parcel Service	200,328,050
Total of 20 Largest Equity Holdings		$ 5,937,113,701
Total Equity Holdings		$ 25,120,626,458

Ten Largest Fixed-Income Holdings*

Description	Maturity Date	Interest Rate (%)	Par Value	Fair Value
U.S. Treasury Bond	02/15/31	5.375%	$2,980,000,000	$ 3,005,151,200
U.S. Treasury Note	10/31/05	1.625	2,468,000,000	2,446,405,000
U.S. Treasury Note	05/15/08	2.625	1,939,000,000	1,878,406,250
FNMA-Callable	01/30/07	2.710	1,110,000,000	1,090,230,900
U.S. Treasury Note	11/15/06	3.500	1,031,000,000	1,044,207,110
U.S. Treasury Note	08/15/08	3.250	824,000,000	813,700,000
FNMA-Callable	12/04/06	2.200	750,000,000	729,607,500
General Electric Cap Corp	02/02/09	3.500	595,000,000	575,757,700
FHLMC-Callable	02/09/07	2.750	574,000,000	563,777,060
U.S. Treasury Note	12/31/04	1.750	540,000,000	540,167,400
Total of 10 Largest Fixed-Income Holdings				$ 12,687,410,120
Total Fixed-Income Holdings				$ 16,469,405,190

* A complete listing is available upon request.

Actuary's Certification Letter

Mellon

200 Galleria Parkway, N.W., Suite 1900
Atlanta, Georgia 30339-5945

May 26, 2004

Board of Trustees
Teachers Retirement System of Georgia
Suite 100, Two Northside 75
Atlanta, Georgia 30318

Members of the Board:

Section 47-3-23 of the law governing the operation of the Teachers Retirement System of Georgia provides that the actuary shall make annual valuations of the contingent assets and liabilities of the Retirement System on the basis of regular interest and the tables last adopted by the Board of Trustees. We have submitted the report giving the results of the actuarial valuation of the System prepared as of June 30, 2003. The report indicates that annual employer contributions at the rate of 9.24% of compensation for the fiscal year ending June 30, 2005, are sufficient to support the benefits of the System. In addition, the 9.24% contribution rate will be payable for the fiscal year ending June 30, 2006, due to a Board decision that changes the contribution period to which the valuation applies, to the fiscal year which begins 24 months after the valuation date. The June 30, 2004, valuation will set the contribution rate for the fiscal year ending June 30, 2007. In preparing the valuation, the actuary relied on data provided by the System. While not verifying data at the source, the actuary performed tests for consistency and reasonableness. Our firm, as actuary, is responsible for all of the actuarial trend data in the financial section of the annual report and the supporting schedules in the actuarial section of the annual report.

In our opinion, the valuation is complete and accurate, and the methodology and assumptions are reasonable as a basis for the valuation. Since the previous valuation, the interest rate assumption has been increased to 7.50% from 7.25%, with a corresponding increase of 0.25% in the assumed salary scale at all ages. The valuation takes into account the effect of all amendments to the System enacted through the 2003 session of the General Assembly.

The System is funded on an actuarial reserve basis. The actuarial assumptions recommended by the actuary and adopted by the Board are in the aggregate reasonably related to the experience under the System and to reasonable expectations of anticipated experience under the System. The assumptions and methods used for funding purposes meet the parameters set for the disclosures presented in the financial section by Governmental Accounting Standards Board (GASB) Statement Nos. 25 and 27. The funding objective of the plan is that contribution rates over time will remain level as a percent of payroll. The valuation method used is the entry age normal cost method. The normal contribution rate to cover current cost has been determined as a level percent of payroll. Gains and losses are reflected in the unfunded accrued liability, which is negative and being amortized as a level percent of payroll within a 13-year period.

The System is being funded in conformity with the minimum funding standard set forth in Code Section 47-20-10 of the Public Retirement Systems Standards Law. In our opinion the System is operating on an actuarially sound basis. Assuming that contributions to the System are made by the employer from year to year in the future at the rates recommended on the basis of the successive actuarial valuations, the continued sufficiency of the retirement fund to provide the benefits called for under the System may be safely anticipated.

This is to certify that the independent consulting actuary is a member of the American Academy of Actuaries and has experience in performing valuations for public retirement systems, that the valuation was prepared in accordance with principles of practice prescribed by the Actuarial Standards Board, and that the actuarial calculations were performed by qualified actuaries in accordance with accepted actuarial procedures, based on the current provisions of the retirement system and on actuarial assumptions that are internally consistent and reasonably based on the actual experience of the System.

Sincerely yours,

Edward A. Macdonald
Principal, Consulting Actuary

Summary of Actuarial Assumptions & Methods

The laws governing the Teachers Retirement System of Georgia (the "System") provide that an actuary perform an annual valuation of the contingent assets and liabilities of the System and perform at least once every five years an actuarial investigation of the mortality, service, and compensation experience of the members and beneficiaries of the System. The latest actuarial valuation of the System prepared as of June 30, 2003, was made on the basis of disability retirement mortality tables approved by the Board of Trustees on June 20, 1962, interest rate assumption and salary increase tables approved by the Board on November 19, 2003, service retirement mortality tables approved by the Board on May 22, 1996, and rates of separation approved by the Board on May 17, 2000.

The more pertinent facts and significant assumptions underlying the computations included in the June 30, 2003, report are as follows:

a) **Actuarial Method Used**–The actuarial cost method used to determine funding is the entry age actuarial cost method. Gains and losses are reflected in the unfunded accrued liability. Adopted December 30, 1976.

b) **Investment Return**–7 1/2% per annum, compounded annually. Adopted November 19, 2003.

c) **Earnings Progression**–Salaries are expected to increase 3 3/4% to 8% annually depending upon the employee's age. Includes inflation at 3 3/4%. Adopted November 19, 2003.

d) **Death, Disability and Withdrawal Rates**–Death, disability and withdrawal rates for active employees and service retirement tables are based upon the System's historical experience. The death-after-retirement rates are based on the 1983 Group Annuity Mortality Table (set back one year for males). Adopted May 22, 1996.

e) **Asset Valuation Method**–5-year smoothed market actuarial value. The actuarial value of assets recognizes a portion of the difference between the market value of the assets and the expected value of assets, based on the assumed valuation rate of return. The amount recognized each year is 20% of the difference between market value and actuarial expected value. The actuarial value of assets is limited to a range between 80% and 120% of market value. Adopted May 26, 1996.

f) **Service Retirement Benefit**–The service benefit (pension) paid to members is an annuity that is owed to them at retirement that will provide a total annual pension equal to 2% of the average of the member's two consecutive highest paid years of service multiplied by the number of years of creditable service up to 40 years. It is also assumed that certain cost-of-living adjustments will be made in future years.

g) **Actuarially Determined Unfunded Accrued Liability (Funding Excess)**–The present value of the funding excess, based on unaudited data provided the actuary by the System, was approximately $467 million at June 30, 2003.

h) **Required Contributions (% of compensation)**–Adopted May 26, 2004. Contributions required by the annual actuarial valuation as of June 30, 2003, to be made for the year ended June 30, 2005:

(1) Member	5.00%
(2) Employer:	
Normal	9.65%
Unfunded accrued liability	(0.56)
Expenses	.15
	9.24%

Summary of Actuarial Assumptions & Methods

Service Retirement

Adopted May 12, 1996

Age	Annual Rate* Men	Annual Rate* Women	Age	Annual Rate* Men	Annual Rate* Women
50	23%	22%	65	40%	40%
55	21	22	66	30	30
60	20	20	67	30	30
61	20	20	68	30	30
62	30	30	69	30	30
63	20	25	70	100	100
64	24	25			

*It is also assumed that 5% of eligible active members will retire each year with a reduced early retirement benefit and that an additional 15% of active members will retire in their first year of eligibility for unreduced retirement.

Separation Before Service Retirement

Adopted May 17, 2000

	Annual Rate of				
			Withdrawal		
Age	Death	Disability	0-4 Yrs	5-9 Yrs	10+ Yrs
			MEN		
20	0.04%	0.09%	39.42%	—	—
25	0.04	0.09	17.62	16.52%	—
30	0.06	0.14	14.13	7.07	4.71%
35	0.08	0.14	13.54	6.35	2.96
40	0.11	0.18	12.61	5.12	1.84
45	0.19	0.23	10.70	4.63	1.44
50	0.35	0.50	9.00	3.89	1.21
55	0.57	1.05	10.28	4.50	1.80
60	0.84	—	—	—	—
64	1.24	—	—	—	—
			WOMEN		
20	0.02%	0.05%	27.32%	—	—
25	0.03	0.06	14.97	11.22%	—
30	0.03	0.07	14.29	7.79	4.55%
35	0.05	0.09	11.84	6.62	3.09
40	0.07	0.13	10.00	4.94	2.31
45	0.10	0.22	8.61	4.00	1.56
50	0.17	0.39	8.49	3.47	1.35
55	0.25	0.63	10.32	3.50	1.57
60	0.42	—	—	—	—
64	0.64	—	—	—	—

Actuarial Valuation Data

Active Members

Fiscal Year(1)	Active Members: Members	Annual Payroll (000's)	Average Pay	% Increase
1998	180,417	$ 5,951,898	$ 32,990	4.7%
1999	186,822	6,832,674(2)	36,573	10.9
2000	190,911	7,218,644	37,812	3.4
2001	192,654	7,306,855	37,927	0.3
2002	199,029	7,617,869	38,275	0.9
2003	205,453	8,261,961	40,213	5.1

Retirants and Beneficiaries

	Added to Roll		Removed from Roll		Roll- End of Year			
Fiscal Year (1)	Number	Annual Allowances (000's)	Number	Annual Allowances (000's)	Number	Annual Allowances (000's)	% Increase in Annual Allowances	Average Annual Allowance
1998	3,388	$ 93,104	1,246	$ 18,066	41,420	$ 785,705	10.6%	$ 18,969
1999	3,614	105,400	1,302	19,976	43,732	871,129	10.9	19,920
2000	4,814	187,262	1,441	25,067	47,105	1,033,324	18.6	21,937
2001	5,246	171,642	1,584	26,671	50,767	1,178,295	14.0	23,210
2002	4,858	169,833	1,403	26,286	54,222	1,321,842	12.2	24,378
2003	5,097	188,458	1,627	30,581	57,692	1,479,719	11.9	25,649

(1) Fiscal year refers to the actuarial valuation performed as of June 30 of that year and determines the funding necessary for the subsequent fiscal year. An actuarial valuation for the fiscal year ended June 30, 2004, is currently in process and was not available for this analysis.

(2) Includes pay raises averaging 6% granted to teachers July 1, 1999.

Actuarial Valuation Data

Solvency Test (in thousands)

	Aggregate Actuarial Accrued Liabilities For				Portion of Accrued Liabilities Covered by Assets		
Fiscal Year*	(1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active Members (Employer-Financed Portion)	Actuarial Value of Assets	(1)	(2)	(3)
1998	$ 3,647,880	$ 9,943,066	$ 15,208,038	$ 27,894,985	100.0%	100.0%	94.1%
1999	3,897,847	11,124,459	17,741,164	31,832,431	100.0	100.0	94.8
2000	4,092,231	12,657,649	18,126,291	35,675,729	100.0	100.0	100.0
2001	4,251,816	14,075,798	18,825,807	38,584,834	100.0	100.0	100.0
2002	4,487,248	15,915,320	19,303,955	40,502,333	100.0	100.0	100.0
2003	4,739,109	17,581,264	19,585,303	42,372,661	100.0	100.0	100.0

* Fiscal year refers to the actuarial valuation performed as of June 30 of that year and determines the funding necessary for the subsequent fiscal year. An actuarial valuation for the fiscal year ended June 30, 2004, is currently in process and was not available for this analysis.

Member and Employer Contribution Rates

Fiscal Year	Member	Employer
1999	5.00%	11.95%
2000	5.00	11.29
2001	5.00	11.29
2002	5.00	9.24
2003	5.00	9.24
2004	5.00	9.24

Actuarial Valuation Data

Analysis of Financial Experience (in millions)

Item	Analysis of the Change in Unfunded Accrued Liability Increase (Decrease) During the Years Ended June 30, 2003	2002	2001	2000	1999	1998
Interest added to previous unfunded accrued liability	$ (57.7)	$(103.8)	$ (60.0)	$ 65.2	$ 63.3	$ 173.9
Accrued liability contribution	77.4	41.1	(169.1)	(164.5)	(224.3)	(235.2)
Experience:						
Valuation Asset Growth	788.5	667.7	(269.4)	(1,533.0)	(1,779.3)	(3,567.4)
Pensioners' Mortality	(30.0)	(35.1)	(10.9)	3.4	9.0	6.1
Turnover and Retirements	277.0	(236.5)	(553.8)	643.8	639.9	494.5
New Entrants	149.1	99.9	92.7	106.4	111.1	102.3
Salary Increases	372.4	202.3	(319.3)	106.7	1,207.3	277.7
Method Changes	—	—	—	—	—	—
Amendments [1]	78.7	—	—	—	—	550.4
Assumption Changes [2]	(1,326.6)	—	657.9	(958.6)	—	702.8
Total Increase (Decrease)	$ 328.8	$ 635.6	$ (631.9)	$(1,730.6)	$ 27.0	$(1,494.9)

[1] Amendments

1998 - Reflects an ad hoc cost-of-living adjustment of 3% to 10% depending upon date of retirement and to provide credit for unused sick leave.

[2] Assumption Changes

2003 - Reflects an increase in interest rate assumption from 7 1/4% to 7 1/2% and an increase in the salary increase assumption by 1/4% at each age.

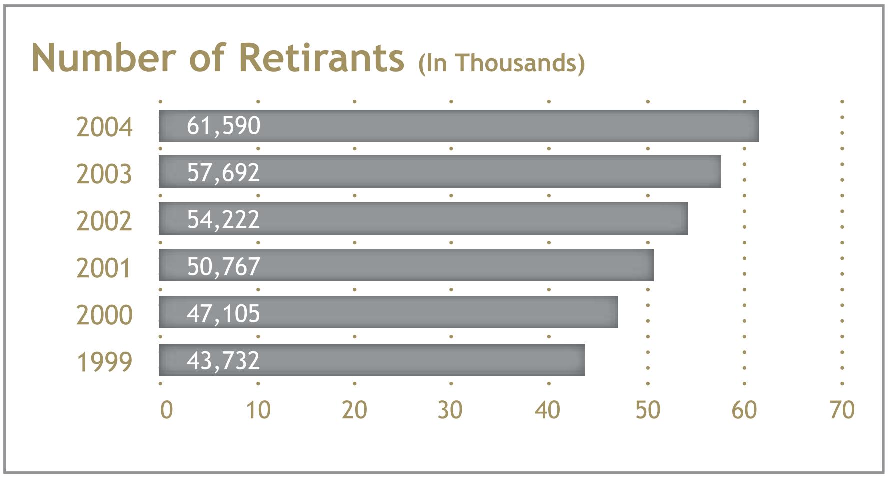
2001 - Reflects a reduction in interest rate assumption from 7 1/2%, to 7 1/4% and a decrease in the salary increase assumption by 1/4% at each age.

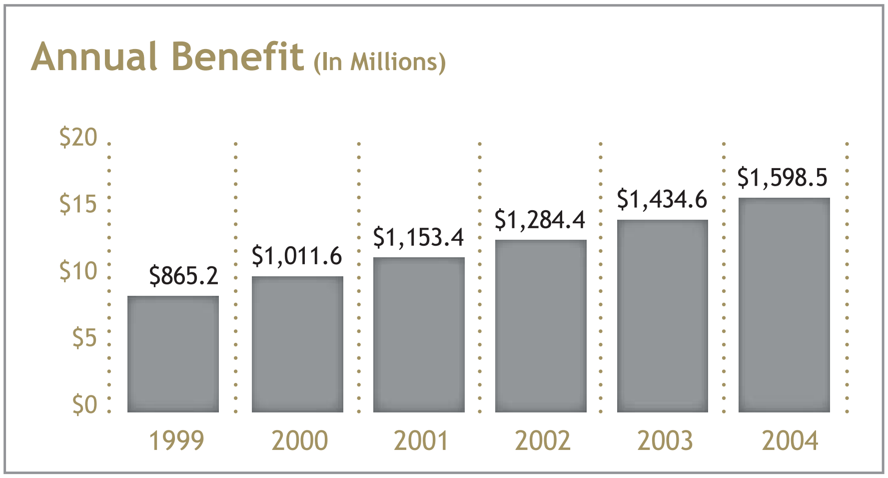
2000 - Rates of separation from active service and rates of salary increase have been revised to more closely reflect the actual and anticipated experience of the System. In addition, the interest rate assumption has been changed from 7% to 7 1/2%.

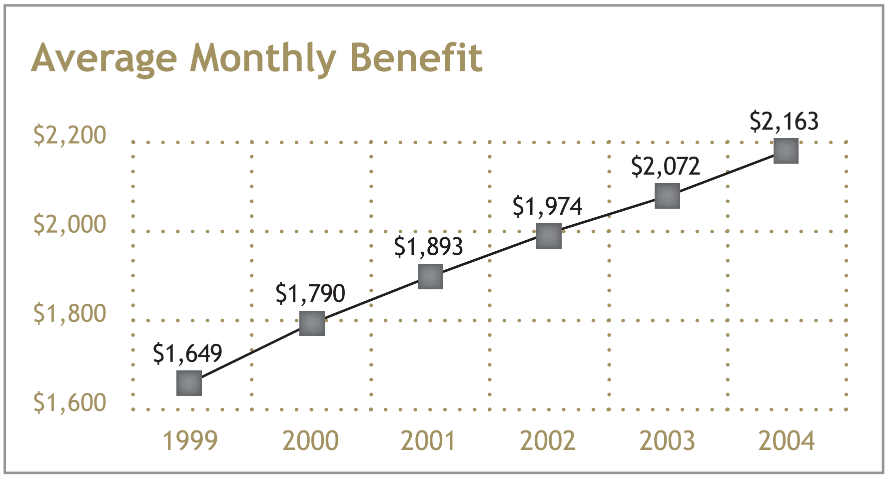
1998 - Reflects a reduction in interest rate assumption from 7 1/4% to 7% and a decrease in the salary increase assumption by 1/4% at each age.

Member Data

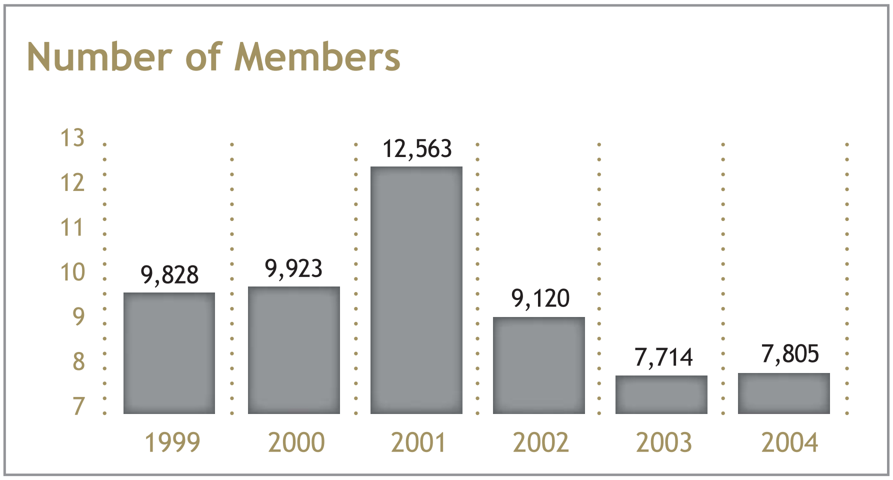
Benefit Payment Statistics

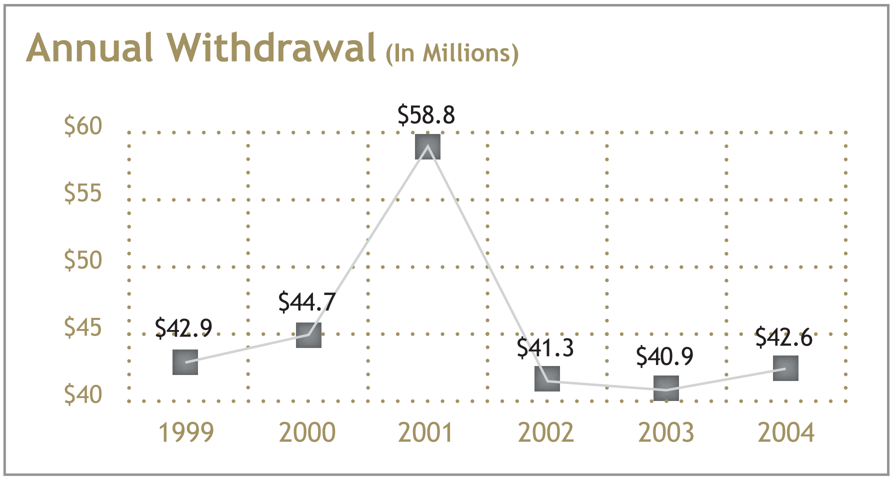


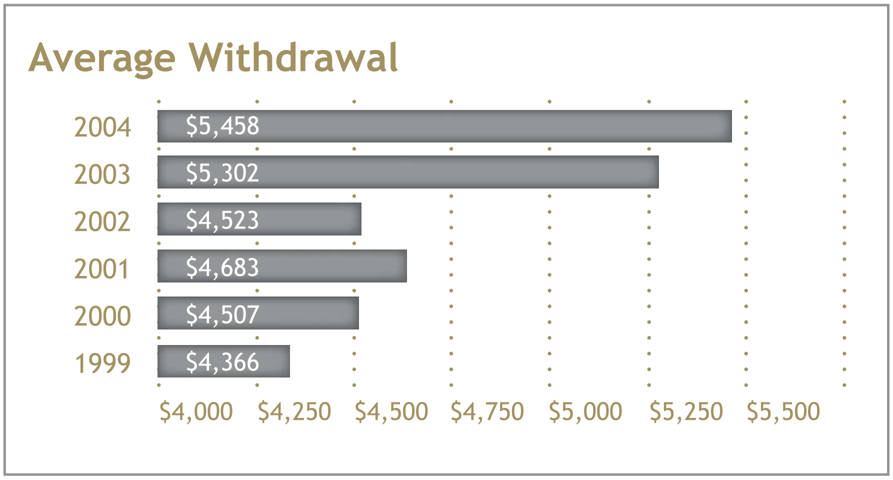




Member Withdrawal Statistics







Benefit Data

Benefit Expense by Type (in thousands)

Fiscal Year	Service	Disability	Survivor Benefit	Supplemental Payments [1]	Lump Sum Death Settlement	Total
	Type of Retirement					
1999	$ 786,963	$ 30,302	$ 41,852	$ 4,628	$ 1,446	$ 865,191
2000	923,049	34,160	48,063	4,334	1,962	1,011,568
2001	1,058,683	37,118	52,528	3,881	1,166	1,153,376
2002	1,181,838	40,418	57,178	3,582	1,355	1,284,371
2003	1,323,871	43,545	62,223	3,120	1,881	1,434,640
2004	1,481,710	47,002	65,821	2,757	1,177	1,598,467

[1] Supplemental payments to retirees who belong to a local retirement system.

Average Monthly Benefit Payments

Effective Retirement Dates For Fiscal Years Ended June 30,	Years Credited Service 10-15	16-20	21-25	26-30	Over 30	Total
1999						
Average monthly benefit	$ 633.16	$ 995.24	$1,417.05	$2,265.15	$2,901.89	$1,889.58
Number of new retirants	591	426	522	1,147	928	3,614
2000						
Average monthly benefit	$ 631.36	$1,074.51	$1,432.55	$2,373.56	$3,121.26	$2,076.92
Number of new retirants	687	414	657	1,819	1,237	4,814
2001						
Average monthly benefit	$ 639.66	$1,184.73	$1,549.76	$2,474.70	$3,198.55	$2,183.38
Number of new retirants	751	447	633	2,017	1,398	5,246
2002						
Average monthly benefit	$ 669.01	$1,129.23	$1,646.88	$2,624.62	$3,322.04	$2,258.01
Number of new retirants	721	445	614	1,795	1,283	4,858
2003						
Average monthly benefit	$ 783.71	$1,526.45	$1,859.12	$2,604.05	$3,462.68	$2,418.00
Number of new retirants	807	483	545	1,714	1,661	5,210
2004						
Average monthly benefit	$1,405.03	$1,351.04	$1,895.12	$2,763.31	$3,557.04	$2,527.79
Number of new retirants	906	579	630	1,864	1,611	5,590

Revenues & Expenses Data

Revenues by Source (in thousands)

Fiscal Year	Member Contributions	Employer Contributions: Dollar Amount	Employer Contributions: Percentage Of Annual Covered Payroll	Net Investment Income (loss)	Total
1999	$ 330,517	$ 776,178	11.95%	$ 3,889,927	$ 4,996,622
2000	355,948	779,571	11.29	2,788,202	3,923,721
2001	369,006	808,480	11.29	(2,099,972)	(922,486)
2002	403,952	716,917	9.24	(1,610,477)	(489,608)
2003	438,998	768,673	9.24	1,669,768	2,877,439
2004	448,929	782,301	9.24	3,794,733	5,025,963

Expenses by Type (in thousands)

Fiscal Year	Benefit Payments	Net Administrative Expenses	Refund Payments	Total
1999	$ 865,191	$ 7,810	$ 42,911	$ 915,912
2000	1,011,568	9,058	44,718	1,065,344
2001	1,153,376	10,502	58,831	1,222,709
2002	1,284,371	15,966	41,250	1,341,587
2003	1,434,640	14,804	40,883	1,490,327
2004	1,598,467	15,378	42,580	1,656,425

Contributions were made in accordance with actuarially determined contribution requirements.

Retired Members by Type of Benefit

Amount of Monthly Benefit	Number of Retirees	Type of Retirement (1) A	B	C	D	Option Selected (2) Maximum	Opt-1	Opt-2	Opt-3	Opt-4	Opt-2 Pop-Up	Opt-3 Pop-Up
$ 1 - 250	1,024	331	42	347	304	601	8	240	46	57	22	8
251 - 500	4,096	3,024	366	676	30	2,996	69	689	172	45	78	47
501 - 750	4,545	3,357	388	700	100	3,280	109	755	234	42	67	58
751 - 1,000	4,071	3,065	378	545	83	2,930	109	605	221	38	95	73
1,001 - 1,250	3,564	2,742	335	454	33	2,480	110	567	225	40	79	63
1,251 - 1,500	3,524	2,859	283	375	7	2,482	108	498	234	47	77	78
1,501 - 1,750	3,626	3,047	283	293	3	2,593	127	454	249	50	91	62
1,751 - 2,000	3,643	3,133	266	243	1	2,599	134	443	231	52	92	92
2,001 - 2,250	4,246	3,831	210	205	–	3,139	157	429	261	74	96	90
2,251 - 2,500	4,483	4,162	151	170	–	3,343	183	403	235	69	123	127
2,501 - 2,750	4,776	4,581	99	96	–	3,643	247	307	258	105	107	109
2,751 - 3,000	4,266	4,136	47	83	–	3,292	212	295	202	84	84	97
3,001 - 3,250	3,449	3,352	35	62	–	2,659	191	231	203	57	46	62
3,251 - 3,500	2,667	2,603	17	47	–	2,012	139	176	163	67	38	72
3,501 - 3,750	2,041	1,990	13	38	–	1,501	109	160	152	50	35	34
3,751 - 4,000	1,502	1,463	12	27	–	1,091	86	120	115	35	22	33
4,001 - 4,250	1,200	1,170	5	25	–	815	71	105	108	39	28	34
4,251 - 4,500	995	970	2	23	–	676	60	94	94	30	20	21
4,501 - 4,750	834	817	1	16	–	541	61	81	83	29	15	24
4,751 - 5,000	650	635	2	13	–	429	39	58	70	31	7	16
Over 5,000	2,388	2,341	6	41	–	1,435	135	260	305	131	39	83
Totals	61,590	53,609	2,941	4,479	561	44,537	2,464	6,970	3,861	1,172	1,261	1,283

(1) Type of Retirement
A - Service
B - Disability
C - Survivor benefit
D - Supplemental payments to retirees who belonged to a local retirement system.

(2) Refer to Introductory Section, pages 12 and 13 for descriptions of Options.

Participating Employers

Universities and Colleges

Abraham Baldwin Agricultural College
Albany State University
Armstrong Atlantic State University
Atlanta Metropolitan College
Augusta State University
Bainbridge College
Clayton College and State University
Coastal Georgia Community College
Columbus State University
Dalton State College
Darton College
East Georgia College
Floyd College
Fort Valley State University
Gainesville College
Georgia College and State University
Georgia Institute of Technology
Georgia Perimeter College
Georgia Southern University
Georgia Southwestern State University
Georgia State University
Gordon College
Kennesaw State University
Macon State College
Medical College of Georgia
Middle Georgia College
North Georgia College and State University
Savannah State University
University System of Skidaway Institute
South Georgia College
Southern Polytechnic State University
University of Georgia
Valdosta State University
Waycross College
State University of West Georgia

Boards of Education

Appling County
Atkinson County
Atlanta City
Bacon County
Baker County
Baldwin County
Banks County
Barrow County
Bartow County
Ben Hill County
Berrien County
Bibb County
Bleckley County
Brantley County
Bremen City
Brooks County
Bryan County
Buford City
Bulloch County
Burke County
Butts County
Calhoun City
Calhoun County
Camden County
Candler County
Carroll County
Carrollton City
Cartersville City
Catoosa County
Charlton County
Chatham County
Chattahoochee County
Chattooga County
Cherokee County
Chickamauga City
Clarke County
Clay County
Clayton County
Clinch County
Cobb County
Coffee County
Colquitt County
Columbia County
Commerce City
Cook County
Coweta County
Crawford County
Crisp County
Dade County
Dalton City
Dawson County
Decatur City
Decatur County
DeKalb County
Dodge County
Dooly County
Dougherty County
Douglas County
Dublin City
Early County
Echols County
Effingham County
Elbert County
Emanuel County
Evans County
Fannin County
Fayette County
Floyd County
Forsyth County
Franklin County
Fulton County
Gainesville City
Georgia Military College
Gilmer County
Glascock County
Glynn County
Gordon County
Grady County
Greene County
Griffin-Spalding County
Gwinnett County
Habersham County
Hall County
Hancock County
Haralson County
Harris County
Hart County
Heard County
Henry County
Houston County
Irwin County
Jackson County
Jasper County
Jeff Davis County
Jefferson City
Jefferson County
Jenkins County
Johnson County
Jones County

Participating Employers

Boards of Education cont.

Lamar County
Lanier County
Laurens County
Lee County
Liberty County
Lincoln County
Long County
Lowndes County
Lumpkin County
Macon County
Madison County
Marietta City
Marion County
McDuffie County
McIntosh County
Meriwether County
Miller County
Mitchell County
Monroe County
Montgomery County
Morgan County
Murray County
Muscogee County
Newton County
Oconee County
Oglethorpe County
Paulding County
Peach County
Pelham City
Pickens County
Pierce County
Pike County
Polk County
Pulaski County
Putnam County
Quitman County
Rabun County
Randolph County
Richmond County
Rockdale County
Rome City
Schley County
Screven County
Seminole County
Social Circle City
Stephens County
Stewart County
Sumter County
Talbot County
Taliaferro County
Tattnall County
Taylor County
Telfair County
Terrell County
Thomas County
Thomasville City
Thomaston-Upson County
Tift County
Toombs County
Towns County
Treutlen County
Trion City
Troup County
Turner County
Twiggs County
Union County
Valdosta City
Vidalia City
Walker County
Walton County
Ware County
Warren County
Washington County
Wayne County
Webster County
Wheeler County
White County
Whitfield County
Wilcox County
Wilkes County
Wilkinson County
Worth County

Public Libraries

Athens Regional Library
Barnesville-Lamar County Library
Bartow County Library
Bartram Trail Regional Library
Brooks County Library
Brunswick Regional Library
Camden County Library
Chatsworth-Murray County Library
Chattooga County Library
Cherokee Regional Library
Chestatee Regional Library
Clayton County Regional Library
Coastal Plains Regional Library
Cobb County Public Library
Conyers-Rockdale Library
Dalton Regional Library
DeKalb County Public Library
Desoto Trail Regional Library
Dougherty County Public Library
East Central Georgia Regional Library
Elbert County Public Library
Fitzgerald-Ben Hill County Library
Flint River Regional Library
Forsyth County Public Library
Gwinnett County Public Library
Hall County Library
Hart County Library
Hawkes Library
Henry County Library
Houston County Public Library
Jefferson County Library
Kinchafoonee Regional Library
Lake Blackshear Regional Library
Lee County Public Library
Lincoln County Library
Live Oak Public Library
M.E. Roden Memorial Library
Mary Vinson Memorial Library
Middle Georgia Regional Library
Moultrie-Colquitt County Library
Mountain Regional Library
Newnan-Coweta Public Library
Newton County Library
Northeast Georgia Regional Library
Ocmulgee Regional Library
Oconee Regional Library
Ohoopee Regional Library
Okefenokee Regional Library
Peach Public Library
Piedmont Regional Library
Pine Mountain Regional Library
Roddenberry Memorial Library
Sara Hightower Regional Library
Satilla Regional Library
Screven-Jenkins Regional Library
Sequoyah Regional Library
South Georgia Regional Library
Southwest Georgia Regional Library
Statesboro Regional Library
Thomas County Public Library
Three Rivers Regional Library
Toccoa-Stephens County Public Library

Participating Employers

Public Libraries cont.

Troup-Harris-Coweta Regional Library
Uncle Remus Regional Library
Victoria Evans Memorial Library
Warren County Public Library
West Georgia Regional Library

Technical Colleges

Albany Technical College
Altamaha Technical College
Athens Technical College
Atlanta Technical College
Augusta Technical College
Central Georgia Technical College
Chattahoochee Technical College
Columbus Technical College
Coosa Valley Technical College
DeKalb Technical College
East Central Technical College
Flint River Technical College
Georgia Aviation & Technical College
Griffin Technical College
Gwinnett Technical College
Heart of Georgia Technical College
Lanier Technical College
Middle Georgia Technical College
Moultrie Area Technical College
North Georgia Technical College
North Metro Technical College
Northwestern Technical College
Ogeechee Technical College
Okefenokee Technical College
Pickens Technical College
Sandersville Technical College
Savannah Technical College
South Georgia Technical College
Southeastern Technical College
Southwest GA Technical College
Swainsboro Technical College
Thomas Technical College
Valdosta Technical College
West Central Technical College
West Georgia Technical College

Regional Educational Service Agencies

Central Savannah River Area
Chattahoochee Flint
Coastal Plains
First District
Griffin
Heart of Georgia
Metro
Middle Georgia
North Georgia
Northeast Georgia
Northwest Georgia
Oconee
Okefenokee
Pioneer
Southwest Georgia
West Georgia

Other

Atlanta University Center Academy Charter School
Baconton Community Charter School
Board of Regents
Charles Drew Charter School
Charter Conservatory for Liberal Arts and Technology, Inc.
Cooperative Extension Service
Department of Community Health
Department of Corrections
Department of Industry, Trade and Tourism
Department of Juvenile Justice
Department of Natural Resources
Department of Public Safety
Fulton County, CHS for Math & Science
Georgia Association of Educators
Georgia Dept of Education
Georgia Dept of Human Resources
Georgia Dept of Labor
Georgia Dept of Technical and Adult Education
Georgia High School Association
Georgia Public Telecommunications
Georgia Regional Transportation Authority
Georgia Sport Hall of Fame
Georgia Student Finance Commission
Georgia Technology Authority
Kidspeace Charter School
Kipp Path Academy
MARDS Charter School
Neighborhood Charter School
Odessey Charter School
Office of Planning and Budget
Office of School Readiness
Professional Standards Commission
The School for Integrated Academics and Technologies at Georgia, Inc.
Secretary of State
South East Health Unit
Victory Charter School

Teachers Retirement System of Georgia
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