Teachers Retirement System of Georgia

A COMPONENT UNIT OF THE STATE OF GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015


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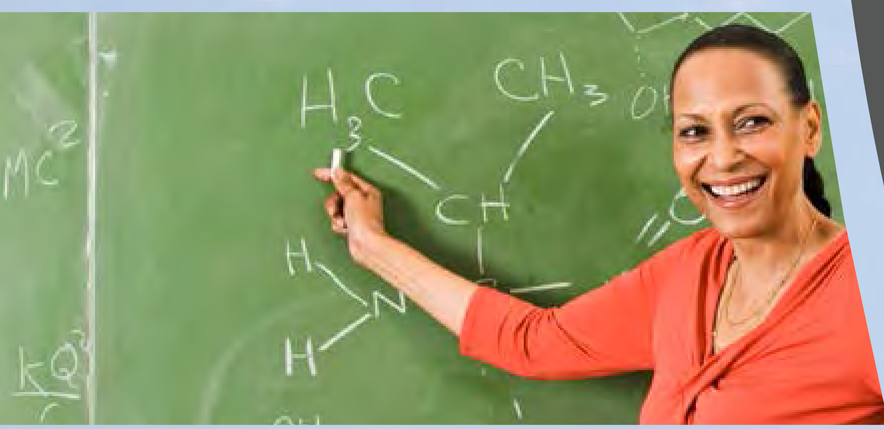
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2015

Prepared by the Financial Services Division
of the Teachers Retirement System of Georgia

Jeffrey L. Ezell
Executive Director

Teachers Retirement System of Georgia
A COMPONENT UNIT OF THE STATE OF GEORGIA

TABLE OF CONTENTS

Introductory Section

Financial Section

Investment Section

TABLE OF CONTENTS

Actuarial Section

Statistical Section

CERTIFICATE OF ACHIEVEMENT

Government Finance Officers Association

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

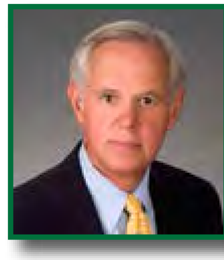
June 30, 2014

Executive Director/CEO

BOARD OF TRUSTEES

as of December 1, 2015

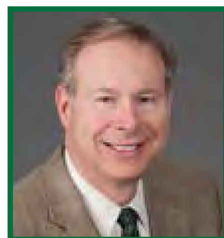
Mr. J. Alvin Wilbanks*
CHAIR
School Administrator
Appointed by the Governor
Term Expires 6/30/16



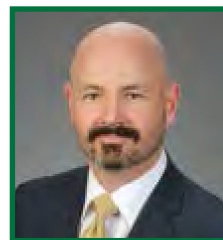
Mr. Thomas W. Norwood*
VICE-CHAIR
Investment Professional
Elected by the Board of Trustees
Term Expires 6/30/17

Ms. Jennifer W. Frisch
Classroom Teacher
Appointed by the Governor
Term Expires 6/30/17

Mr. Greg S. Griffin*
State Auditor
Ex-Officio

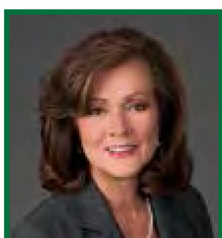


Mr. Steven N. McCoy*
State Treasurer
Ex-Officio



Mr. Christopher M. Swanson
Classroom Teacher
Appointed by the Governor
Term Expires 3/31/18

Dr. William G. Sloan, Jr.
Member-at-Large
Appointed by the Governor
Term Expires 6/30/17



Ms. Deborah K. Simonds*
Retired Teacher
Elected by the Board of Trustees
Term Expires 6/30/18

Ms. Marion R. Fedrick
TRS Member
Appointed by the
Board of Regents
Term Expires 6/30/18

Dr. Wanda G. Creel*
TRS Member
Appointed by the Governor
Term Expires 6/30/18

* Investment Committee Member

LETTER OF TRANSMITTAL

Teachers
Retirement
System of
Georgia

Jeffrey L. Ezell
Executive Director

December 11, 2015
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, 2015. 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.

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, 2014. This was the 27th 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.

History and Overview

The System was created in 1943, by an act of the Georgia General Assembly to provide retirement security to those individuals who choose to dedicate their lives to educating the children of the State of Georgia, and began operations in 1945. A summary of the System's provisions is provided on pages 12-14 of this report.

The System is governed by a ten-member Board of Trustees which appoints the Executive Director who is responsible for the administration and operations of the System, which serves more than 420,000 active and retired members, and 300 employers.

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 would be quickly detected and corrected.

Please refer to Management's Discussion and Analysis starting on page 17 of this report for an overview of the financial status of the System, including a summary of the System's Fiduciary Net Position, Changes in Fiduciary Net Position, 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" continues to be the principal guides in investment decisions. The System continued to use a diversified portfolio to accomplish these objectives.

FUNDING — The System's funding policy provides for employee and employer contributions at rates, expressed as a percentage of annual covered payroll, that 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 System continues to remain strong as evidenced by the ratio of the actuarial value of assets to the actuarial accrued liabilities. This ratio was 81.9% for the fiscal year ended June 30, 2014. 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 Nathan Deal and the Georgia General Assembly, the System has been and will continue to be funded on an actuarially sound basis, thus providing the membership the comfort and security they expect from their retirement system.

Initiatives

We continuously look for ways to improve our customer service and maintain a secure and stable System for our customers. Throughout the year, we solicit feedback from our members and take those suggestions and comments into consideration when making our processes, technology and services offered more effective and efficient.

To enhance the online retirement application process, we implemented the electronic reporting of the Retirement Certification Report, Sick Leave Certification, and Return to Work Agreement forms. All of these forms are now automated and immediately populate in the employers online account upon completion. The refund process was also automated and will ensure that members receive their payments in a timely manner.

To engage and keep our members informed, we individually counseled over 7,400 members and retirees at our office and around the State. Through our 321 outreach events, including meetings, benefit fairs, and workshops, we reached over 26,000 members and retirees. We conducted 6 half-day seminars for over 770 members, with speakers from the System, the Social Security Administration, the Department of Community Health, and financial/estate planning experts. We also presented 7 employer training

LETTER OF TRANSMITTAL

continued

seminars to 230 human resources personnel from 141 reporting employers.

The Executive Director and Controller continued their participation in the State's Governmental Accounting Standards Board (GASB) implementation teams to monitor, review, and implement the new GASB statements on pension accounting and financial reporting standards for public pension plans to determine the effects on the State of Georgia. GASB statement numbers 67 and 68 were both implemented without any major issues affecting audit deadlines. Also, detailed information including journal entries was prepared for every employer to assist them in their implementation of GASB 68.

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 fiduciary net position and the related statements of changes in plan fiduciary net position 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 Nathan Deal, 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

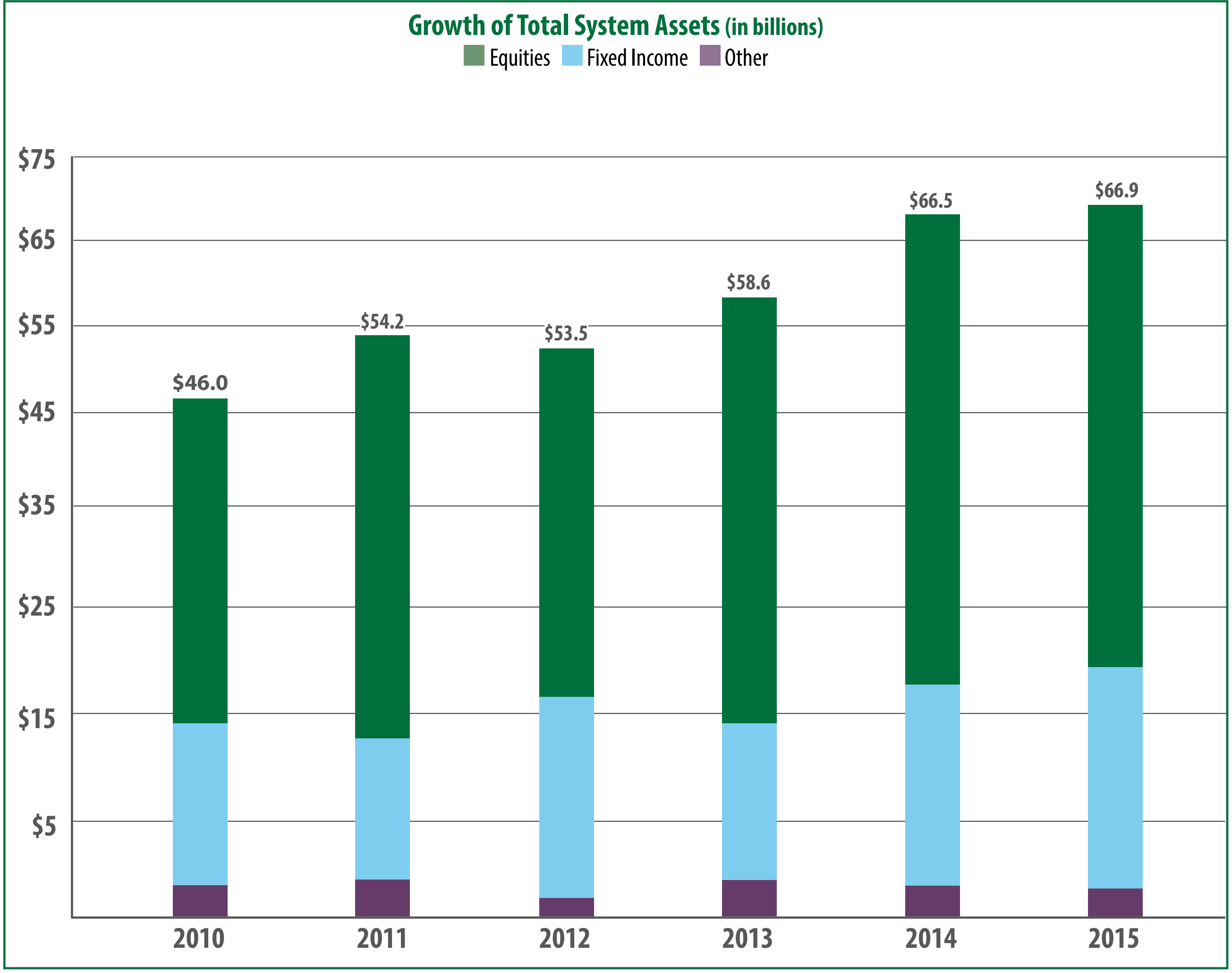
	June 30,		
Financial Highlights	**2015**	**2014**	**% Change**
Member Contributions	$ 661,835,000	$ 640,120,000	+ 3.4
Employer and Nonemployer Contributions	$ 1,406,706,000	$ 1,270,963,000	+ 10.7
Interest and Dividend Income	$ 1,450,750,000	$ 1,347,317,000	+ 7.7
Benefits Paid to Retired Members	$ 3,996,879,000	$ 3,764,452,000	+ 6.2
Member Withdrawals	$ 80,085,000	$ 87,095,000	− 8.0
Interest Credited to Member Contributions	$ 307,113,000	$ 294,707,000	+ 4.2
Statistical Highlights			
Active Membership	214,015	209,855	+ 2.0
Members Leaving the System	8,011	8,687	− 7.8
Retired Members	113,066	108,100	+ 4.6
Average Monthly Benefit	$ 2,946	$ 2,902	+ 1.5

SYSTEM ASSETS

Total System Assets at June 30 (in thousands)

	2010	2011	2012	2013	2014	2015
Equities	$28,237,867	$37,567,598	$37,190,400	$41,395,706	$47,126,335	$46,422,828
Fixed Income	16,075,686	14,386,920	15,188,293	14,882,328	17,490,895	18,807,238
Other[1]	1,675,244	2,196,449	1,154,311	2,360,040	1,907,659	1,620,195
Total System Assets	$45,988,797	$54,150,967	$53,533,004	$58,638,074	$66,524,889	$66,850,261

[1] Includes receivables, cash and cash equivalents, and capital assets, net.



ADMINISTRATIVE STAFF & ORGANIZATION

Jeffrey L. Ezell
Executive Director

Stephen J. Boyers
Chief Financial Officer

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

R. Cory Buice
Director
Retirement Services

Lisa M. Hajj
Director
Communications

Dina N. Jones
Director
Member Services

Laura L. Lanier
Controller
Financial Services

J. Gregory McQueen
Director
Information Technology

Tonia T. Morris
Director
Human Resources

K. Paige Donaldson
Director
Employer Services and
Contact Management

Consulting Services

Actuary
Cavanaugh Macdonald
Consulting, LLC

Auditor
KPMG LLP

Medical Advisors
Gordon J. Azar, M.D.
Atlanta, Georgia
William Biggers, M.D.
Atlanta, Georgia
Marvin Bittinger, M.D.
Gainesville, Georgia
Pedro Garcia, M.D.
Atlanta, Georgia
Harold Sours, M.D.
Atlanta, Georgia
Joseph W. Stubbs, M.D.
Albany, Georgia

Investment Advisors*

Albritton Capital Management
Baillie Gifford Overseas Limited
Barrow, Hanley, Mewhinney & Strauss
Cooke & Bieler
Denver Investment Advisors
Fisher Investments
Mondrian Investment Partners Limited
Sands Capital Management

* See page 45 in the Investment Section for a summary of fees paid to Investment Advisors.

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, and began operations in 1945. 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 pay monthly benefits due to retirees accurately and in a timely manner, (2) to soundly invest retirement funds to insure adequate financing for future benefits due and for other obligations of the System, (3) to accurately account for the status and contributions of all active and inactive members, (4) to provide statewide educational and counseling services for System 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 State Treasurer

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-at-large

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 5 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 11 of this report.

Membership

All personnel employed in a permanent status position, and not less than one-half time, with local boards of education, charter schools, universities and colleges, technical colleges, Board of Regents, county and regional libraries, RESA's, and certain State of Georgia agencies are required to be members as a condition of employment. Exceptions to TRS membership include employees required to participate in another Georgia retirement plan or employees who may elect the Board of Regents Optional Retirement Plan in lieu of TRS membership.

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.

SUMMARY OF PLAN PROVISIONS

continued

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. 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 lesser 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. You must have at least 10 years of creditable service to qualify, however, 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 the retiree would have received under Plan A - Maximum Plan.

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, the basic benefit payable to the retiree shall increase to the amount the retiree would have received under Plan A - Maximum Plan.

SUMMARY OF PLAN PROVISIONS
continued

Option 4

This option offers a reduced monthly lifetime benefit in exchange for the flexibility to designate a specific dollar amount or percentage of your monthly benefit to be paid to your beneficiary after your death. The beneficiary benefits you specify under this plan cannot cause your monthly benefit to be reduced below 50% of the maximum benefit available to you. If multiple beneficiaries predecease you, the dollar amounts for the percentages are not adjusted. Beneficiaries also receive a prorated share of any cost-of-living increases you received up to the date of death.

Partial Lump-Sum Option Plan

TRS offers a Partial Lump-Sum Option Plan (PLOP) at retirement. In exchange for a permanently reduced lifetime benefit, a member may elect to receive a lump-sum distribution in addition to a monthly retirement benefit. The age of the member and plan of retirement are used to determine the reduction in the benefit.

A member is eligible to participate in the Partial Lump-Sum Option Plan if he or she meets the following criteria. A member must:

- have 30 years of creditable service or 10 years of creditable service and attain age 60 (not early retirement).
- not retire with disability benefits.

At retirement, a member may elect a lump-sum distribution in an amount between 1 and 36 months of his or her normal monthly retirement benefit. This amount will be calculated under Plan A - Maximum Plan of Retirement and will be rounded up or down to be a multiple of $1,000. If a PLOP distribution is elected, the monthly benefit is actuarially reduced to reflect the value of the PLOP distribution. The combination of both the PLOP distribution and the reduced benefit are the same actuarial value as the unreduced normal benefit alone.

Financing the System

The funds to finance the System come from member contributions, 6.00% of annual salary; employer contributions, 13.15% of annual salary; and investment income.

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Teachers Retirement System of Georgia (the System), a component unit of the State of Georgia, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System as of June 30, 2015, and the changes in fiduciary net position for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 2 to the basic financial statements, the System adopted, in 2015, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27 and Governmental Accounting Standards Board Statement No. 71, *Pension Transition for Contributions made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis, schedule of changes in employers' and nonemployers' net pension liability, schedule of employers' and nonemployers' net pension liability, schedule of employer's and nonemployer's contributions, schedule of investment returns, schedule of the System's proportionate share of the net pension liability to ERS, and schedule of the System's contributions to ERS on pages 17-20 and 37-38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The schedules of administrative expenses and investment expenses, and introductory, investment, actuarial, and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of administrative expenses and investment expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of administrative expenses and investment expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory, investment, actuarial, and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide an assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2015 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

KPMG LLP

December 11, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

(Unaudited)

This section provides a discussion and analysis of the financial performance of the Teachers Retirement System of Georgia (the System) for the year ended June 30, 2015. 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, 2015, the System's assets exceeded its liabilities by $66.8 billion (reported as net position) as compared to the net position of $66.4 billion (as restated) at June 30, 2014, representing an increase of $360.7 million.
- Contributions from members increased by $21.7 million or 3.4% from $640.1 million in 2014 to $661.8 million in 2015. Contributions by employers increased by $135 million or 10.7% from $1.26 billion in 2014 to $1.40 billion in 2015. The change in member contributions is due to an increase in the membership base, while the increase in employer contributions reflects increases in both the membership base and the employer contribution rate.
- Pension benefits paid to retirees and beneficiaries for the years ended June 30, 2015 and 2014 were $4.0 billion and $3.8 billion, representing an increase of 6.2%. This is due to an increase 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 statement of fiduciary net position, (2) the statement of changes in fiduciary net position, and (3) notes to the financial statements. The System also includes in this report additional information to supplement the financial statements.

The System prepares its financial statements on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB). These statements provide information about the System's overall financial status.

In addition, the System presents six required supplementary information schedules which provide historical trend information about the plan. Four of these schedules are presented from the perspective of the System reporting as the plan and include (1) a schedule of changes in employers' and nonemployers' net pension liability; (2) a schedule of employers' and nonemployers' net pension liability; (3) a schedule of employer and nonemployer contributions; and (4) a schedule of investment returns. Two schedules are presented from the perspective of the System reporting as the employer for its employees who are participants in the Employees' Retirement System of Georgia (ERS) and include (1) a schedule of the System's proportionate share of the net pension liability to ERS; and (2) a schedule of the System's contributions to ERS.

The Statement of Fiduciary Net Position

The *Statement of Fiduciary Net Position* presents information that includes all of the System's assets and liabilities, with the balance reported as and representing the *Net Position Restricted for Pensions*. The investments of the System in this statement are presented at fair value. This statement is presented on page 21.

The Statement of Changes in Fiduciary Net Position

The *Statement of Changes in Fiduciary Net Position* reports how the System's net position changed during the fiscal year. The additions and the deductions to net position are summarized in this statement. The additions include contributions and investment income, which includes the net increase (decrease) in the fair value of investments. The deductions include benefit payments, refunds of member contributions, and administrative expenses. This statement is presented on page 22.

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 23 of this report.

Required Supplementary Information

A brief explanation of the six required schedules found beginning on page 37 of this report follows:

Schedule of Changes in Employers' and Nonemployers' Net Pension Liability: This schedule presents historical trend information about the changes in the net pension liability and includes the beginning and ending balances of the total pension liability and the plan's fiduciary net position, the net pension liability, and the effects of certain changes on those items. This trend information will be accumulated to display a ten year presentation.

Schedule of Employers' and Nonemployers' Net Pension Liability: This schedule presents historical trend information about the net pension liability and includes total pension liability, the plan's fiduciary net position, net pension liability, covered-employee payroll, and the ratios of fiduciary net position to total pension liability and net pension liability to covered-employee payroll. This trend information will be accumulated to display a ten year presentation.

Schedule of Employer and Nonemployer Contributions: This schedule presents historical trend information for the last ten consecutive fiscal years about the actuarially determined contributions of employers and nonemployers and the contributions made in relation to the requirement.

Schedule of Investment Returns: This schedule presents historical trend information about the annual money-weighted rate of return on plan investments, net of plan investment expense. This trend information will be accumulated to display a ten year presentation.

Schedule of the System's Proportionate Share of the Net Pension Liability to ERS: This schedule presents historical trend information about the System's proportionate share of the net pension liability for its employees who participate in the ERS plan. This trend information will be accumulated to display a ten year presentation.

Schedule of the System's Contributions to ERS: This schedule presents historical trend information about the System's contributions for its employees who participate in the ERS plan. This trend information will be accumulated to display a ten year presentation.

Financial Analysis of the System

A summary of the System's net position at June 30, 2015 and 2014 is as follows (dollars in thousands):

	Net Position June 30			
	2015	**2014**	**Amount Change**	**Percentage Change**
Assets:				
Cash and cash equivalents and receivables	$ 1,612,868	$ 1,900,723	$ (287,855)	(15.1) %
Investments	65,230,066	64,617,230	612,836	0.9 %
Capital assets, net	7,327	6,936	391	5.6 %
Total Assets	66,850,261	66,524,889	325,372	0.5 %
Deferred Outflows of Resources	4,640	2,779	1,861	67.0 %
Liabilities:				
Net pension liability	25,077	30,485	(5,408)	(17.7) %
Due to brokers and accounts payable	24,592	58,798	(34,206)	(58.2) %
Total Liabilities	49,669	89,283	(39,614)	(44.4) %
Deferred Inflows of Resources	6,121	—	6,121	—
Net position, as restated (note 2)	$ 66,799,111	$ 66,438,385	$ 360,726	0.5 %

The $360.7 million increase in net position from 2014 to 2015 is primarily due to continued positive returns in the equity and fixed income markets.

Financial Analysis of the System *continued*

The following table presents the investment allocation at June 30, 2015 and 2014:

Asset Allocation at June 30 (in percentages):	**2015**	**2014**
Equities:		
Domestic	53.2 %	53.7 %
International	18.0 %	19.2 %
Domestic Obligations:		
U.S. Treasuries	12.2 %	10.2 %
Corporate and Other Bonds	15.0 %	14.6 %
International Obligations:		
Governments	0.5 %	0.5 %
Corporates	1.1 %	1.8 %
Asset Allocation at June 30 (in thousands):		
Equities:		
Domestic	$ 34,699,701	$ 34,720,712
International	11,723,127	12,405,623
Domestic Obligations:		
U.S. Treasuries	7,971,115	6,585,575
Corporate and Other Bonds	9,783,085	9,453,469
International Obligations:		
Governments	323,472	319,584
Corporates	729,566	1,132,267
	$ 65,230,066	$ 64,617,230

The total investment portfolio at June 30, 2015 increased $612.8 million from June 30, 2014, which is primarily due to continued positive returns in the equity and fixed income markets in 2015.

GASB Statement No. 67 requires the System to report an annual money-weighted rate of return on plan investments, net of plan investment expense. A money-weighted return is weighted by the amount of dollars in the fund at the beginning and end of the performance period. A money-weighted return is highly influenced by the timing of cash flows into and out of the fund and is a better measure of an entity or person who controls the cash flows into or out of the fund. The nondiscretionary cash flows for the plan, primarily contributions and benefit payments, have a considerable impact on the money-weighted returns of the portfolio. The money-weighted rate of return for the fiscal year ended June 30, 2015 was (0.45)%, compared to 12.17% for the fiscal year ended June 30, 2014.

The investment rate of return in fiscal year 2015 was 3.7%, with a 4.4% return for equities and a 2.1% return for fixed income. The five-year annualized rate of return on investments at June 30, 2015 was 11.3% with a 15.3% return on equities and a 3.1% return on fixed income.

Financial Analysis of the System *continued*

A summary of the changes in the System's net position for the years ended June 30, 2015 and 2014 is as follows (dollars in thousands):

	Changes in Net Position		Amount	Percentage
	2015	2014	Change	Change
Additions:				
Employer Contributions	$ 1,399,668	$ 1,264,546	$ 135,122	10.7 %
Nonemployer Contributions	7,038	6,417	621	9.7 %
Member Contributions	661,835	640,120	21,715	3.4 %
Net Investment Income	2,384,145	9,826,743	(7,442,598)	(75.7) %
Total Additions	4,452,686	11,737,826	(7,285,140)	(62.1) %
Deductions:				
Benefit Payments	3,996,879	3,764,452	232,427	6.2 %
Refunds	80,085	87,095	(7,010)	(8.0) %
Administrative Expenses	14,996	15,025	(29)	(0.2) %
Total Deductions	4,091,960	3,866,572	225,388	5.8 %
Net Increase in Net Position	$ 360,726	$ 7,871,254	$ (7,510,528)	(95.4) %

Additions

The System accumulates resources needed to fund benefits through contributions and returns on invested funds. Member contributions were higher with an increase of 3.4% in 2015 compared to 2014, primarily due to an increase in the number of active members in 2015. Employer contributions increased 10.7% in 2015 as a result of an increase in the number of active members in 2015 and an increase in the employer contribution rate to 13.15% from 12.28% in 2014. Contribution rates are recommended by the System's actuary and approved by the System's Board of Trustees. The net investment income was lower in 2015 compared to 2014 because of lower, yet positive rates of return in the fixed income and equities markets.

Deductions

Deductions increased 5.8% in 2015, primarily because of the 6.2% increase in benefit payments. Regular pension benefit payments increased due to an increase in the number of retirees and beneficiaries receiving benefit payments to 113,066 in 2015 from 108,100 in 2014 and postretirement benefit increases.

Requests for Information

This financial report is designed to provide a general overview of the System's finances for all those with interest in the System's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Teachers Retirement System of Georgia, Two Northside 75, Suite 100, Atlanta, GA 30318.

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2015 (in thousands)

	2015
Assets	
Cash and Cash Equivalents	$ 1,254,530
Receivables:	
Interest and Dividends	192,931
Due from Brokers for Securities Sold	3,617
Member and Employer Contributions	160,625
Other	1,165
Total Receivables	358,338
Investments - at fair value:	
Equities:	
Domestic	34,699,701
International	11,723,127
Domestic Obligations:	
U.S. Treasuries	7,971,115
Corporate and Other Bonds	9,783,085
International Obligations:	
Governments	323,472
Corporates	729,566
Total Investments	65,230,066
Capital Assets, net	7,327
Total Assets	66,850,261
Deferred Outflows of Resources	4,640
Liabilities	
Net Pension Liability	25,077
Due to Brokers for Securities Purchased	16,451
Accounts Payable and Other	8,141
Total Liabilities	49,669
Deferred Inflows of Resources	6,121
Net Position Restricted for Pensions	$ 66,799,111

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2015 (in thousands)

	2015
Additions:	
Contributions:	
Employer	$ 1,399,668
Nonemployer	7,038
Member	661,835
Investment Income:	
Net Increase in Fair Value of Investments	975,454
Interest, Dividends, and Other	1,450,750
Total	2,426,204
Less Investment Expense	42,059
Net Investment Income	2,384,145
Total Additions	4,452,686
Deductions:	
Benefit Payments	3,996,879
Refunds of Member Contributions	80,085
Administrative Expenses, net	14,996
Total Deductions	4,091,960
Net Increase in Net Position	360,726
Net Position Restricted for Pensions:	
Beginning of Year – as restated (note 2)	66,438,385
End of Year	$ 66,799,111

See accompanying notes to financial statements.

1. 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 administers a cost-sharing, multiple-employer defined benefit pension plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*. A Board of Trustees comprised of two appointees by the Board, two ex-officio state employees, five appointees by the Governor, and one appointee of the Board of Regents is ultimately responsible for the administration of the System.

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. There were 300 employers and 1 nonemployer contributing entity participating in the plan at June 30, 2015.

As of June 30, 2015, participation in the System is as follows:

Inactive members and beneficiaries currently receiving benefits	113,066
Inactive members not yet receiving benefits, vested	10,565
Inactive members, nonvested	82,668
Active plan members	214,015
Total	420,314

Retirement Benefits

The System provides service retirement, disability retirement, and survivor's benefits. Title 47 of the *Official Code of Georgia Annotated (O.C.G.A.)* 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, may be made in future years. Retirement benefits are payable monthly for life. A member may elect to receive a partial lump sum distribution in addition to a reduced monthly retirement benefit. 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, whereby the disabled member or surviving spouse is entitled to receive annually an amount equal to the member's service retirement benefit or disability retirement, whichever is greater. The benefit is based on the member's creditable service (minimum of ten years of service) and compensation up to the time of disability.

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 either a service retirement allowance or a disability retirement allowance, whichever is larger. The benefit is based on the member's creditable service (minimum of ten years of service) and compensation up to the date of death.

NOTES TO FINANCIAL STATEMENTS

June 30, 2015, *continued*

1. Plan Description *continued*

Contributions

The System is funded by member, employer, and nonemployer contributing entity (Nonemployer) contributions. The contribution rates are adopted and amended by the Board of Trustees. Pursuant to O.C.G.A. §47-3-63, the employer contributions for certain full-time public school support personnel are funded on behalf of the employers by the State of Georgia.

Contributions, as a percentage of covered payroll, required for fiscal year 2015 were based on the June 30, 2012 actuarial valuation as follows:

Member	6.00 %
Employer:	
Normal	6.14 %
Unfunded accrued liability	7.01 %
Total	13.15 %

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 position restricted for pensions.

2. 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, nonemployers, and the members are recognized when due, based on statutory requirements. Retirement and refund payments are recognized as deductions when due and payable.

During fiscal year 2015, the System adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. This Statement improves accounting and financial reporting by state and local governments for pensions. See Change in Accounting Principle section beginning on page 25 for impact to the System.

During fiscal year 2015, the System adopted the provisions of GASB Statement No. 69, *Government Combinations and Disposals of Government Operations.* This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. There are no applicable reporting requirements for the System in fiscal year 2015.

During fiscal year 2015, the System adopted the provisions of GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees.* The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. There are no applicable reporting requirements for the System in fiscal year 2015.

During fiscal year 2015, the System adopted the provisions of GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This statement improves accounting and financial reporting of pensions by addressing an issue in Statement No. 68, Accounting and Financial Reporting for Pensions, regarding pension contributions made to the pension plan prior to implementation of that Statement. See Change in Accounting Principle section beginning on page 25 for the impact to the System.

Reporting Entity

The System is a component unit of the State of Georgia, however, it is accountable for its own fiscal matters and presentation of its separate financial statements. The System has considered potential component units under GASB Statements No. 61, *The Financial Reporting Entity's Omnibus – An Amendment of GASB Statements No. 14 and No. 34,* and GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*, and determined there were no component units of the System.

Cash and Cash Equivalents

Cash and cash equivalents, reported at cost, include cash in banks and cash on deposit with the investment custodian earning a credit to offset fees.

2. Summary of Significant Accounting Policies and Plan Asset Matters *continued*

Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price. There are no investments in, loans to, or leases with parties related to the System.

The System utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, foreign currency, 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.

The System's policy in regard to the allocation of invested assets is established on a cost basis in compliance with Georgia Statute. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the System's adopted asset allocation policy as of June 30, 2015:

Asset Class	Target Allocation
Fixed income	25% - 45%
Equities	55% - 75%
Cash and cash equivalents	—
Total	100%

Approximately 12.2% of the investments held for pension benefits are invested in debt securities of the U.S. government. The System has no investments in any one organization, other than those issued by the U.S. government, that represent 5% or more of the System's net position restricted for pensions.

For the fiscal year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.45)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Capital Assets

Capital assets are stated at cost less accumulated depreciation. Capital assets costing $5,000 or more are capitalized. Depreciation on capital assets is computed using the straight-line method over estimated useful lives of three to forty years. Depreciation expense is included in administrative expenses, net. 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 statement of changes in fiduciary net position in the period of disposal.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of fiduciary net position and changes therein. Actual results could differ from those estimates.

System Employee Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the ERS plan and additions to/deductions from the ERS fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Change in Accounting Principle

In June 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment of GASB Statement No. 27. This Statement establishes new financial reporting standards for state and local governmental employers that participate in defined benefit pension plans that are administered through a trust or similar arrangement. This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense. As a result, the System has restated beginning net position by $30.5 million.

In November 2013, GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to*

NOTES TO FINANCIAL STATEMENTS

June 30, 2015, *continued*

2. Summary of Significant Accounting Policies and Plan Asset Matters *continued*

the Measurement Date. This statement amends paragraph 137 of Statement No. 68, Accounting and Financial Reporting for Pensions by requiring that a government recognize a beginning deferred outflow of resources for its pension contributions made subsequent to the measurement date of the beginning net pension liability. As a result, the System has restated beginning net position by $2.8 million.

A summary of the changes to beginning Net Position is as follows (dollars in thousands):

Net Position - beginning of period, as previously reported	$ 66,466,091
GASB 68 – recording of net pension liability	(30,485)
GASB 71 – recording of contributions made subsequently	2,779
Net Position - beginning of period, as restated	$ 66,438,385

3. Investment Program

The System maintains sufficient cash to meet its immediate liquidity needs. Cash not immediately needed is invested as directed by the Board of Trustees. All investments are held by agent custodial banks in the name of the System. State statutes and the System's investment policy authorize the System to invest in a variety of short-term and long-term securities as follows:

Cash and Cash Equivalents

The carrying amount of the System's deposits totaled $1,254,530,152 at June 30, 2015, with actual bank balances of $1,268,098,083. The System's cash balances are fully insured through the Federal Deposit Insurance Corporation, an independent agency of the U.S. government.

Short-term securities authorized but not currently used are:

- 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.
- U.S. Treasury obligations.
- 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 $500 million in any one name.

Investments

Fixed income investments, managed by the Division of Investment Services (the Division), are authorized in the following instruments:

- U.S. and foreign government obligations. At June 30, 2015, the System held U.S. Treasury bonds of $7,971,115,240 and international government bonds of $323,471,580.
- U.S. and foreign corporate obligations. At June 30, 2015, the System held U.S. corporate bonds of $9,783,084,550 and international corporate bonds of $729,566,250.
- Obligations unconditionally guaranteed by agencies of the U.S. government. At June 30, 2015, the System did not hold agency bonds.
- Private placements are authorized under the same general restrictions applicable to corporate bonds. At June 30, 2015, the System did not hold private placements.

Mortgage investments are authorized to the extent that they are secured by first mortgages on improved real property located in the state of Georgia.

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 75% of the total invested assets on a historical cost basis may be placed in equities. 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 in conjunction with independent

3. Investment Program *continued*

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. Equity investments are authorized in the following instruments:

- Domestic equities are those securities considered by the O.C.G.A. to be domiciled in the United States. At June 30, 2015, the System held domestic equities of $34,699,701,312.
- International equities, including American Depository Receipts (ADR), are not considered by the O.C.G.A. to be domiciled in the United States. At June 30, 2015, the System held ADRs of $9,109,726,419 and international equities of $2,613,400,324.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the System. State law limits investments to investment grade securities. It is the System's investment policy to require that the bond portfolio be of high quality and chosen with respect to maturity ranges, coupon levels, refunding characteristics, and marketability. The System's policy is to require that new purchases of bonds be restricted to high grade bonds rated no lower than "A" by any nationally recognized statistical rating organization. If a bond is subsequently downgraded to a rating below "A", it is placed on a watch list. The system held one bond which was downgraded to a rating below "A" during the fiscal year ending June 30, 2015. Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality. The quality ratings of investments in fixed income securities as described by Standard & Poor's and by Moody's Investor Services, which are nationally recognized statistical rating organizations, at June 30, 2015, are shown in the following chart.

Quality Ratings of Fixed Income Investments Held at June 30, 2015

Investment type	Standard and Poor's/ Moody's quality rating	June 30, 2015 fair value
Domestic Obligations:		
U.S. Treasuries		$ 7,971,115,240
Corporates	AAA/Aaa	1,437,005,600
	AA/Aa	1,309,554,710
	AA/A	2,503,980,050
	A/Aa	336,381,890
	A/A	3,875,281,180
	BBB/Baa	320,881,120
Total Corporates		9,783,084,550
International Obligations:		
Governments	A/Aa	323,471,580
Corporates	AA/Aa	729,566,250
Total Fixed Income Investments		$ 18,807,237,620

NOTES TO FINANCIAL STATEMENTS

June 30, 2015, *continued*

3. Investment Program *continued*

Concentration of Credit Risk: Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government's investment in a single issue. At June 30, 2015, the System did not have debt or equity investments in any one organization, other than those issued or guaranteed by the U.S. government or its agencies, which represented greater than 5% of plan net position.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. While the System has no formal interest rate risk policy, active management of the bond portfolio incorporates interest rate risk to generate improved returns. This risk is managed within the portfolio using the effective duration method. This method is widely used in the management of fixed income portfolios and quantifies to a much greater degree the sensitivity to interest rate changes when analyzing a bond portfolio with call options, prepayment provisions, and any other cash flows. Effective duration makes assumptions regarding the most likely timing and amounts of variable cash flows and is best utilized to gauge the effect of a change in interest rates on the fair value of a portfolio. It is believed that the reporting of effective duration found in the table below quantifies to the fullest extent possible the interest rate risk of the System's fixed income assets.

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System's currency risk exposures, or exchange rate risks, primarily reside within the System's international equity investment holdings. The System's asset allocation and investment policies allow for active and passive investments in international securities. The System's Board-adopted foreign exchange risk management policy is to minimize risk and protect the investments from negative impact by hedging foreign currency exposures with foreign exchange instruments when market conditions and circumstances are deemed appropriate. Foreign exchange instruments are used to protect the value of noncash investments from currency movements, through the use of foreign exchange instruments. As of June 30, 2015, the System's exposure to foreign currency risk in U.S. Dollars is highlighted in the table on the following page.

Effective Duration of Fixed Income Assets by Security Type

Fixed income security type	June 30, 2015	Percent of all fixed income assets	Effective duration (years)
Domestic Obligations:			
U.S. Treasuries	$ 7,971,115,240	42.4 %	6.2
Corporates	9,783,084,550	52.0 %	3.9
International Obligations:			
Governments	323,471,580	1.7 %	2.3
Corporates	729,566,250	3.9 %	2.4
Total	$ 18,807,237,620	100.0 %	4.8

3. Investment Program *continued*

International Investment Securities at Fair Value as of June 30, 2015

Currency	Equities	Fixed Income	Total
Australian Dollar	$ 187,596,832	$ —	$ 187,596,832
Brazilian Real	93,228,648	—	93,228,648
British Pound	445,828,679	—	445,828,679
Canadian Dollar	52,561,135	—	52,561,135
Danish Krone	40,245,475	—	40,245,475
Euro	318,331,503	—	318,331,503
Hong Kong Dollar	271,525,781	—	271,525,781
Indonesian Rupiah	22,472,651	—	22,472,651
Japanese Yen	242,903,698	—	242,903,698
Malaysian Ringgit	41,819,807	—	41,819,807
Mexican Peso	29,195,903	—	29,195,903
New Taiwan Dollar	191,669,196	—	191,669,196
Norwegian Krone	8,704,102	—	8,704,102
Philippine Peso	21,604,536	—	21,604,536
Polish Zloty	20,875,005	—	20,875,005
Singapore Dollar	64,772,201	—	64,772,201
South African Rand	124,974,515	—	124,974,515
South Korean Won	254,542,033	—	254,542,033
Swedish Krona	88,550,794	—	88,550,794
Swiss Franc	23,388,778	—	23,388,778
Thailand Baht	68,609,052	—	68,609,052
Total Holdings subject to foreign currency risk	2,613,400,324	—	2,613,400,324
Investment securities payable in U.S. dollars	9,109,726,419	1,053,037,830	10,162,764,249
Total international investments - at fair value	$ 11,723,126,743	$ 1,053,037,830	$ 12,776,164,573

NOTES TO FINANCIAL STATEMENTS

June 30, 2015, *continued*

4. Securities 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, corporate bonds, and equities. The collateral value must be equal to at least 102% to 109% of the loaned securities' value, depending on the type of collateral security.

Securities loaned totaled $16,437,648,400 at June 30, 2015. The collateral value was equal to 104.4% of the loaned securities' value at June 30, 2015. The System's lending collateral was held in the System's name by the tri-party custodian.

Loaned securities are included in the accompanying statement of fiduciary net position since the System maintains ownership. The related collateral securities are not recorded as assets on the System's statement of fiduciary net position, 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 Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, 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.

5. 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 30, 2014	Additions	Disposals	Balance at June 30, 2015
Capital Assets:				
Land	$ 4,072,166	$ 248,552	$ —	$ 4,320,718
Building	2,800,000	—	—	2,800,000
Furniture and Fixtures	551,276	24,855	(46,000)	530,131
Computer Equipment	2,566,429	594,208	(645,816)	2,514,821
Computer Software	14,979,713	—	—	14,979,713
	24,969,584	867,615	(691,816)	25,145,383
Accumulated Depreciation For:				
Building	(700,000)	(70,000)	—	(770,000)
Furniture and Fixtures	(459,583)	(19,953)	46,000	(433,536)
Computer Equipment	(1,894,405)	(378,424)	637,954	(1,634,875)
Computer Software	(14,979,713)	—	—	(14,979,713)
	(18,033,701)	(468,377)	683,954	(17,818,124)
Capital Assets, Net	$ 6,935,883	$ 399,238	$ (7,862)	$ 7,327,259

During fiscal year 2015, the System did not experience any capital asset impairment loss with respect to the provisions of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.*

6. Net Pension Liability of Employers and Nonemployers

The components of the net pension liability of the participating employers and nonemployers at June 30, 2015 were as follows (dollars in thousands):

Total pension liability	$ 82,023,118
Plan fiduciary net position	66,799,111
Employers' and nonemployers' net pension liability	$ 15,224,007
Plan fiduciary net position as a percentage of the total pension liability	81.44%

6. Net Pension Liability of Employers and Nonemployers *continued*

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	3.75 - 7.00%, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for Males or Females, set back two years for males and set back three years for females.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term expected real rate of return*
Fixed income	30.00 %	3.00 %
Domestic large cap equities	39.70	6.50
Domestic mid cap equities	3.70	10.00
Domestic small cap equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	100.00 %	

*Rates shown are net of the 3.00% assumed rate of inflation

6. Net Pension Liability of Employers and Nonemployers *continued*

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and nonemployer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the employers and nonemployers, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate (dollars in thousands):

Actuarial valuation date: The total pension liability is based upon the June 30, 2014 actuarial valuation. An expected total pension liability is determined as of June 30, 2015 using standard roll-forward techniques. The roll-forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employers' and nonemployers' net pension liability	$ 26,161,305	$ 15,224,007	$ 6,209,071

7. System Employees' Retirement Benefits

The System's employees are members of the ERS plan. The notes to the financial statements that follow and required supplementary information on page 38 are presented from the perspective of the System as an employer.

General Information about the Employees' Retirement System of Georgia

Plan description: ERS is a cost-sharing multiple-employer defined benefit pension plan established by the Georgia General Assembly during the 1949 Legislative Session for the purpose of providing retirement allowances for employees of the State of Georgia and its political subdivisions. ERS is directed by a Board of Trustees. Title 47 of the O.C.G.A. assigns the authority to establish and amend the benefit provisions to the State Legislature. ERS issues a publicly available financial report that can be obtained at www.ers.ga.gov/formspubs/formspubs.

Benefits provided: The ERS Plan supports three benefit tiers: Old Plan, New Plan, and Georgia State Employees' Pension and Savings Plan (GSEPS). Employees under the Old Plan started membership prior to July 1, 1982 and are subject to plan provisions in effect prior to July 1, 1982. Members hired on or after July 1, 1982 but prior to January 1, 2009 are New Plan members subject to modified plan provisions. Effective January 1, 2009, new state employees and rehired state employees who did not retain membership rights under the Old or New Plans are members of GSEPS. ERS members hired prior to January 1, 2009 also have the option to irrevocably change their membership to GSEPS.

Under the Old Plan, the New Plan, and GSEPS, a member may retire and receive normal retirement benefits after completion of 10 years of creditable service and attainment of age 60 or 30 years of creditable service regardless of age. Additionally, there are some provisions allowing for early retirement after 25 years of creditable service for members under age 60.

Retirement benefits paid to members are based upon the monthly average of the member's highest 24 consecutive calendar months, multiplied by the number of years of creditable service, multiplied by the applicable benefit factor. Annually, postretirement cost-of-living adjustments may also be made to members' benefits, provided the members were hired prior to July 1, 2009. The normal retirement pension is payable monthly for life; however, options are available for distribution of the member's monthly pension, at reduced rates, to a designated beneficiary upon the member's death. Death and disability benefits are also available through ERS.

Contributions: Member contributions under the Old Plan are 4% of annual compensation, up to $4,200, plus 6% of annual compensation in excess of $4,200. Under the Old Plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the Old Plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the New Plan and GSEPS are 1.25% of annual compensation. The System's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2015 was 21.96% of annual covered payroll for Old and New Plan members and 18.87% for GSEPS members. The System's contributions to ERS for funding purposes totaled $3.4 million for the year ended June 30, 2015. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the System reported a liability for its proportionate share of the net pension liability for the ERS plan. The net pension liability was measured as of June 30, 2014. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2013. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The System's proportion of the net pension liability was based on contributions to ERS during the fiscal year ended June 30, 2014. At June 30, 2014, the System's proportion was 0.668620%, which is based on contributions, and an increase of 0.040403% from its proportion measured as of June 30, 2013.

7. System Employees' Retirement Benefits *continued*

For the year ended June 30, 2015, the System recognized pension expense of $2.3 million. At June 30, 2015, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Net difference between projected and actual earnings on pension plan investments	$ –	$ 6,120,621
Changes in proportion and differences between the System's contributions and proportionate share of contributions	1,206,532	–
System's contributions subsequent to the measurement date	3,433,457	–
Total	$ 4,639,989	$ 6,120,621

System contributions subsequent to the measurement date of $3.4 million are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2016	$ (776,074)
2017	(1,077,708)
2018	(1,530,157)
2019	(1,530,150)

Actuarial assumptions: The total pension liability as of June 30, 2014 was determined by an actuarial valuation as of June 30, 2013 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	5.45 - 9.25%, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table for the periods after service retirement, for dependent beneficiaries, and for deaths in active service, and the RP-2000 Disabled Mortality Table set back eleven years for males for the period after disability retirement.

The actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2004 – June 30, 2009.

7. System Employees' Retirement Benefits *continued*

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term expected real rate of return*
Fixed income	30.00 %	3.00 %
Domestic large cap equities	39.70	6.50
Domestic mid cap equities	3.70	10.00
Domestic small cap equities	1.60	13.00
International developed market equities	18.90	6.50
International emerging market equities	6.10	11.00
Total	100.00 %	

*Rates shown are net of the 3.00% assumed rate of inflation

Discount rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer and State of Georgia contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the ERS fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the System's proportionate share of the net pension liability to changes in the discount rate: The following presents the System's proportionate share of the net pension liability calculated using the discount rate of 7.50%, as well as what the System's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
System's proportionate share of the net pension liability	$ 36,567,797	$ 25,077,382	$ 15,296,361

Pension plan fiduciary net position: Detailed information about the ERS plan's fiduciary net position is available in the separately issued ERS financial report which is publically available at www.ers.ga.gov/formspubs/formspubs.

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30 (Unaudited)

Schedule of Changes in Employers' and Nonemployers' Net Pension Liability (dollars in thousands)

	2015	2014
Total pension liability:		
Service cost	$ 1,386,498	$ 1,374,556
Interest	5,779,597	5,557,046
Changes of benefit terms	—	—
Differences between expected and actual experience	(165,785)	—
Changes of assumptions	—	—
Benefit payments	(3,996,879)	(3,764,452)
Refunds of member contributions	(80,085)	(87,095)
Net change in total pension liability	2,923,346	3,080,055
Total pension liability - beginning	79,099,772	76,019,717
Total pension liability - ending (a)	82,023,118	79,099,772
Plan fiduciary net position:		
Contributions - employer	1,399,668	1,264,546
Contributions - nonemployer	7,038	6,417
Contributions - member	661,835	640,120
Net investment income	2,384,145	9,826,743
Benefit payments	(3,996,879)	(3,764,452)
Refunds of member contributions	(80,085)	(87,095)
Administrative expense	(14,996)	(15,025)
Other[1]	(27,706)	—
Net Change in Plan Fiduciary Net Position	333,020	7,871,254
Plan fiduciary net position-beginning	66,466,091	58,594,837
Plan fiduciary net position-ending (b)	66,799,111	66,466,091
Net pension liability - ending (a) - (b)	$ 15,224,007	$ 12,633,681

[1]The System is a participating employer in the Employees' Retirement System of Georgia. Pursuant to the requirements of GASB Statement No. 68, the fiscal year 2015 beginning Fiduciary Net Position was restated by $27,705,937 for reporting purposes to reflect the impact of recording the initial Deferred Outflows of Resources and the Net Pension Liability. For actuarial purposes, this adjustment is being recognized in fiscal year 2015 and beginning Fiduciary Net Position was not restated.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of Employers' and Nonemployers' Net Pension Liability (dollars in thousands)

	2015	2014
Total pension liability	$ 82,023,118	$ 79,099,772
Plan fiduciary net position	66,799,111	66,466,091
Employers' and nonemployers' net pension liability	$ 15,224,007	$ 12,633,681
Plan fiduciary net position as a percentage of the total pension liability	81.44 %	84.03 %
Covered-employee payroll	$ 10,697,384	$ 10,349,862
Employers' and nonemployers' net pension liability as a percentage of covered-employee payroll	142.32 %	122.07 %

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information and accompanying independent auditors' report.

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30 (Unaudited), *continued*

Schedule of Employers' and Nonemployers' Contributions (dollars in thousands)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined employer and nonemployer contribution	$ 1,406,706	1,270,963	1,180,469	1,082,224	1,089,912	1,057,416	1,026,287	986,759	927,371	855,626
Contributions in relation to actuarially determined contribution	$ 1,406,706	1,270,963	1,180,469	1,082,224	1,089,912	1,057,416	1,026,287	986,759	927,371	855,626
Contribution deficiency (excess)	$ —	—	—	—	—	—	—	—	—	—
Covered-employee payroll	$ 10,697,384	10,349,862	10,345,916	10,527,471	10,602,257	10,856,427	11,059,127	10,633,179	10,036,483	9,260,022
Contributions as a percentage of covered-employee payroll	13.15%	12.28%	11.41%	10.28%	10.28%	9.74%	9.28%	9.28%	9.24%	9.24%

Schedule of Investment Returns

	2015	2014
Annual money-weighted rate of return, net of investment expense	(0.45)%	12.17%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the System's Proportionate Share of the Net Pension Liability to ERS (dollars in thousands)

	2015
System's proportion of the net pension liability	0.668620%
System's proportionate share of the net pension liability	$ 25,077
System's covered-employee payroll	17,622
System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	142.31%
ERS fiduciary net position as a percentage of the total pension liability	77.99

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Schedule of the System's Contributions to ERS (dollars in thousands)

	2015
Contractually required contribution	$ 3,433
Contributions in relation to the contractually required contribution	3,433
Contribution deficiency (excess)	$ —
System's covered-employee payroll	$ 18,145
Contributions as a percentage of covered-employee payroll	18.92%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying notes to required supplementary information and accompanying independent auditors' report.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015 (Unaudited)

Required Supplementary Information for the System as the Plan

Schedule of Changes in the Employers' and Nonemployers' Net Pension Liability

The total pension liability contained in this schedule was provided by the System's actuary, Cavanaugh Macdonald Consulting, LLC. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the System.

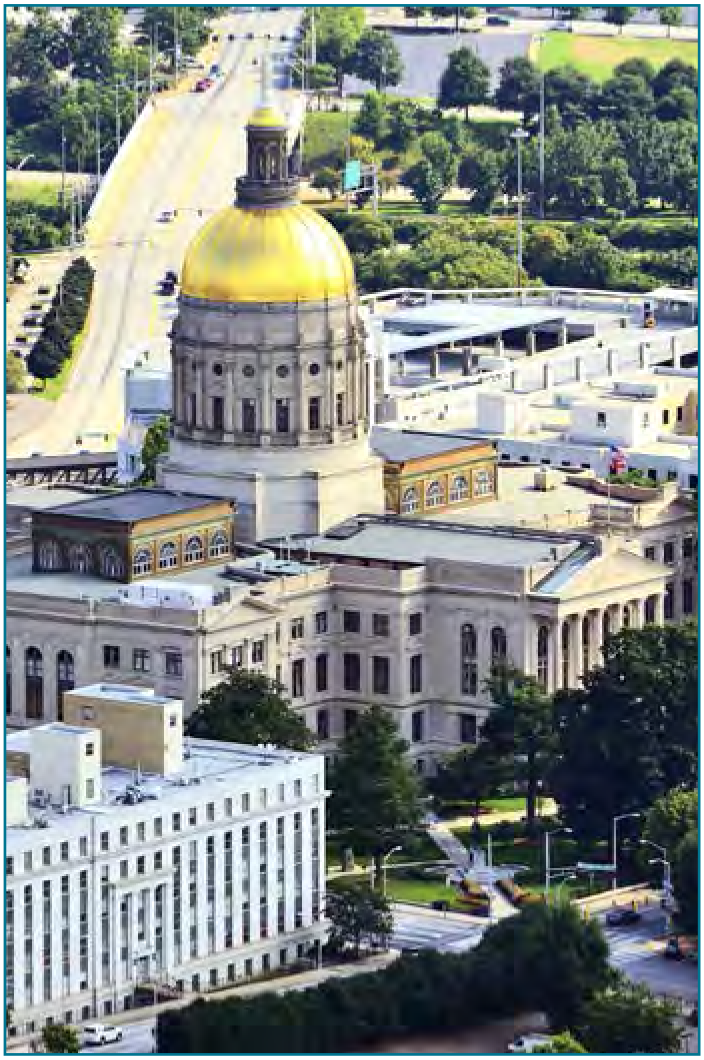
Schedule of Employer and Nonemployer Contributions

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

Actuarial Methods and Assumptions

Changes of assumptions: In 2010 and later, the expectation of retired life mortality was changed to the RP-2000 Mortality Tables rather than the 1994 Group Annuity Mortality Table, which was used prior to 2010. In 2010, rates of withdrawal, retirement, disability and mortality were adjusted to more closely reflect actual experience. In 2010, assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employer and nonemployer contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:



Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, open
Remaining amortization period	30 Years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	3.75 to 7.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2015 (Unaudited)

Required Supplementary Information for the System as a Participating Employer in ERS

Schedule of the System's Proportionate Share of the Net Pension Liability to ERS

This schedule presents historical trend information about the System's proportionate share of the net pension liability for its employees who participate in the ERS plan. GASB Statement No. 68 was implemented in 2015. Information related to previous years is not available, therefore, trend information will be accumulated going forward to display a ten year presentation.

Schedule of the System's Contributions to ERS

This schedule presents historical trend information about the System's contributions for its employees who participate in the ERS plan. GASB Statement No. 68 was implemented in 2015. Information related to previous years is not available, therefore, trend information will be accumulated going forward to display a ten year presentation.

Actuarial Methods and Assumptions

Changes of assumptions: There were no changes in assumptions or benefits that affect the measurement of the total pension liability since the prior measurement date.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of contributions are calculated as of June 30, three years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the contractually required contributions for the year ended June 30, 2015 reported in that schedule:

Valuation date	June 30, 2012
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, open
Remaining amortization period	30 years
Asset valuation method	Seven-year smoothed market
Inflation rate	3.00%
Salary increases	2.725% to 4.625% for FY 2012 - FY 2013
	5.45% to 9.25% for FY14 +
Investment rate of return	7.50%, net of pension plan investment expense, including inflation

Schedule of Administrative Expenses

	2015
Personal Services:	
Salaries and Wages	$ 7,809,613
Retirement Contributions	1,159,428
Health Insurance	2,376,293
FICA	560,200
Miscellaneous	70,345
Total Personal Services	11,975,879
Communications:	
Postage	256,867
Publications and Printing	204,044
Telecommunications	109,381
Travel	113,201
Total Communications	683,493
Professional Services:	
Computer Services	913,773
Contracts	11,232
Actuarial Services	174,949
Audit Fees	233,881
Legal Services	38,027
Medical Services	90,150
Total Professional Services	1,462,012
Management Expenses:	
Building Maintenance	578,950
Total Management Expenses	578,950
Other Services and Charges:	
Repairs and Maintenance	11,401
Supplies and Materials	162,202
Depreciation Expense	468,377
Miscellaneous	143,575
Total Other Services and Charges	785,555
Total Administrative Expenses	15,485,889
Less Reimbursement by Other State Retirement Systems for Services Rendered on Their Behalf	489,599
Net Administrative Expenses	$ 14,996,290

See accompanying independent auditors' report.

ADDITIONAL INFORMATION
For the Year Ended June 30, 2015

Schedule of Investment Expenses

	2015
Investment Advisory and Custodial Fees	$ 29,884,437
Miscellaneous	12,174,434
Total Investment Expenses	$ 42,058,871

See accompanying independent auditors' report.

INVESTMENT OVERVIEW

On the macro front, the concerns are largely the same as the prior year with the addition of the effect of low oil prices on energy related companies. The economy is growing at a pedestrian rate of just above 2% per year and Europe's recovery remains relatively weak. A slowdown in China's rate of growth is having a negative affect on commodity and emerging markets. The Middle East and the Ukraine remain in the headlines. Offsetting these concerns to some extent has been a decent housing market and a good jobs market. Unlike the robust returns of last year, the markets took a bit of a breather. The U.S. stock market returned 7.3% for the fiscal year.

It is difficult not to get caught up in the headlines, but as a pension plan it is more important to stay focused on the long-term. The System continues to invest in a mix of liquid, high quality bonds and stocks. These types of investments allow the System to participate in rising markets while moderating the risks on the downside. A high quality balanced fund has proven to be a successful strategy in a variety of markets over long periods of time.

As in previous years, the bias to quality was a primary goal and was successfully met. "Conservation of Capital" and "Conservatism" remain the guiding principles for investment decisions. The Board of Trustees continues to use a diversified portfolio to accomplish these objectives.

The domestic economy continued to grow for the fiscal year. Industrial production, personal income and housing all improved last year, while the employment data has been strong. There continues to be general weakness in most foreign economies. A combination of stimulative policies by central bankers and improving developed economies helped those financial markets relative to emerging markets.

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

Returns for one, three, five, ten and twenty-year periods are presented in this section. Longer time periods, such as the twenty-year period, 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. The Daily Valuation Method was used to calculate time-weighted rates of return.

The return for the S&P 500 was 7.4%. U.S. large cap stocks outperformed small cap and mid cap stocks last year. The S&P MidCap 400 and the S&P SmallCap 600 indexes had returns of 6.4% and 6.7%, respectively. The Healthcare and Consumer Discretionary sectors had the best performance, while Energy and Utilities lagged.

International markets on the other hand had negative returns. The MSCI EAFE Index had a (4.2)% return and the MSCI Emerging Market Index had a return of (5.1)%. The returns were much stronger in local currency terms with only Canada suffering a negative return in its own currency. The strength of the dollar reduced those returns, in some cases by over 20%.

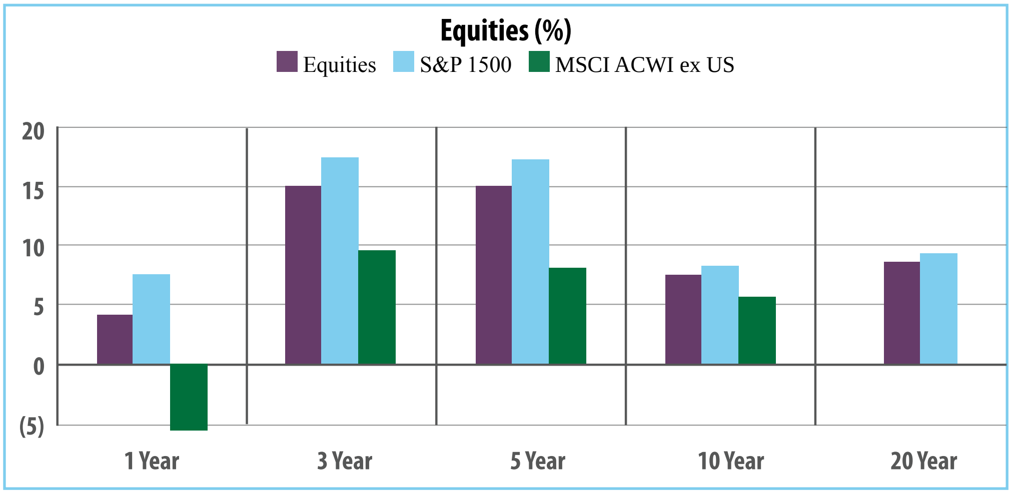
The longer the maturity of the bond the better the performance. In contrast to the previous year, the spread on corporate bonds widened, which lowered their returns. The total return on the 10 year Treasury Note was 3.8% and the 30 year Treasury Bond had a 6.9% return. The return on short-term Treasury bills was negligible again due to the Federal Reserve's policies to stimulate the economy.

We look at two fixed income indexes to measure the bond market's performance. The Barclays Government / Credit Index had a return of 1.7%. It is a broad index containing corporate and government sponsored bonds as well as Treasuries. The Citigroup Treasury / Sponsored / AAA/AA had a return of 2.2% and is a broad index containing higher rated corporate bonds as well as Treasuries and Government securities. Higher quality bonds outperformed lower quality bonds as evidenced by the 2.0% return for AA rated bonds versus 0.3% for BBB rated bonds.

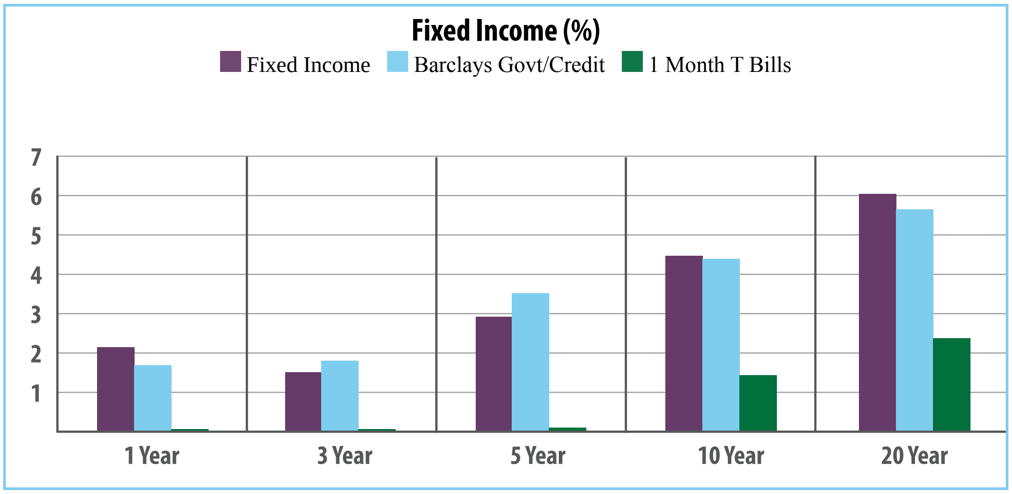
In summary, the investment status of the System is excellent. The high quality of the System's investments is in keeping with the continued policy of "Conservatism" and "Conservation of Capital."

Prepared by the Division of Investment Services

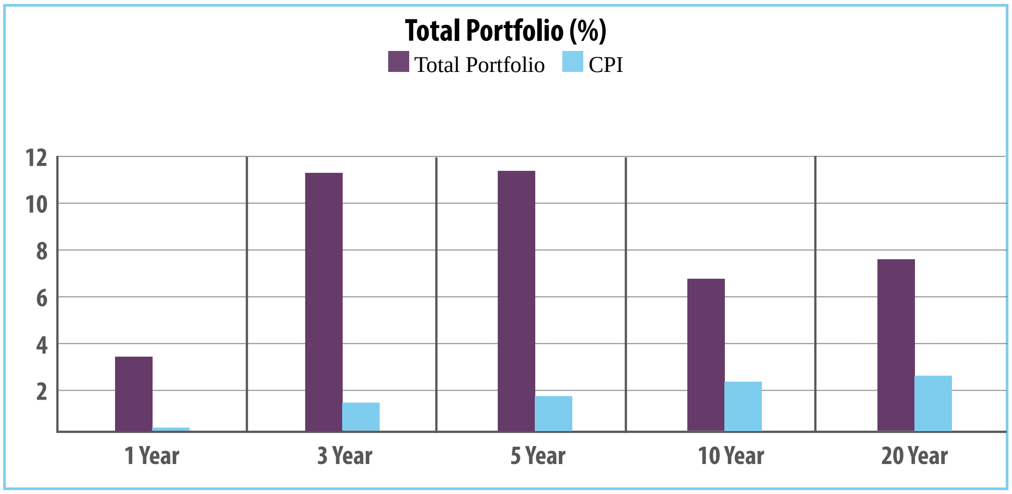
RATES OF RETURN



	Equities	S&P 1500	MSCI ACWI ex US
1 Year	4.30	7.31	(5.26)
3 Year	15.39	17.47	9.44
5 Year	15.14	17.43	7.76
10 Year	7.15	8.10	5.54
20 Year	8.49	9.19	—



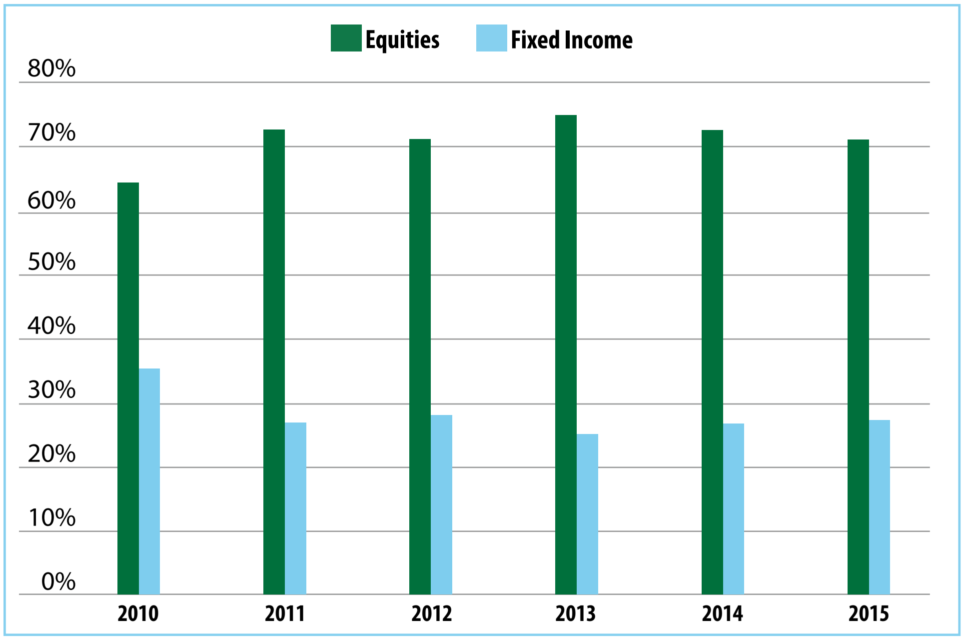
	Fixed Income	Barclays Govt/ Credit	1 Month T Bills
1 Year	2.16	1.69	0.02
3 Year	1.49	1.76	0.03
5 Year	2.98	3.52	0.05
10 Year	4.42	4.38	1.26
20 Year	6.00	5.63	2.41



	Total Portfolio	CPI
1 Year	3.70	0.18
3 Year	11.24	1.32
5 Year	11.27	1.83
10 Year	6.82	2.07
20 Year	7.89	2.25

Note: Time-weighted rates of return are calculated using the Daily Valuation Method based on market rates of return.

Asset Allocation



Schedule of Fees and Commissions

For the Year Ended June 30, 2015

	2015
Investment Advisors' Fees*:	
U.S. Equity	$ 13,682,054
International Equity	14,533,293
Investment Commissions:	
U.S. Equity	5,348,084
International Equity	13,249,832
SEC & Foreign Transaction Fees:	1,708,301
Miscellaneous*:	13,843,524
Total Fees and Commissions	$ 62,365,088

*Amount included in total investment expenses shown on page 42.

Investment Summary

Asset Allocation at June 30	2010	2011	2012	2013	2014	2015
Equities	63.7%	72.3%	71.0%	73.5%	72.9%	71.2%
Fixed Income	36.3%	27.7%	29.0%	26.5%	27.1%	28.8%
Asset Allocation at June 30 (in millions)						
Equities	$28,238	$37,568	$37,191	$41,396	$47,126	$46,423
Fixed Income	16,076	14,387	15,188	14,882	17,491	18,807
Short-Term Securities	—	—	—	—	100	—
Total Investments	$44,314	$51,955	$52,379	$56,278	$64,617	$65,230

PORTFOLIO DETAIL STATISTICS

Twenty Largest Equity Holdings*

Shares	Company	Fair Value
7,192,508	Apple Inc.	$ 902,120,316
13,048,442	Microsoft Corp.	576,088,714
6,728,277	Exxon Mobil Corp.	559,792,646
4,954,730	Johnson & Johnson	482,887,986
875,672	Google Inc.	464,993,647
7,349,728	Wells Fargo & Co.	413,348,703
5,804,909	JPMorgan Chase & Co.	393,340,634
11,566,906	Pfizer Inc.	387,838,358
7,875,909	Verizon Communications Inc.	367,096,118
4,670,180	Procter & Gamble Co.	365,394,883
3,657,077	Chevron Corp.	352,798,218
13,252,062	General Electric Co.	352,107,287
2,484,600	Berkshire Hathaway Inc.	338,178,906
3,798,900	Facebook Inc.	325,812,659
4,246,200	Visa Inc.	285,132,330
15,983,810	Bank of America Corp.	272,044,446
8,662,774	Intel Corp.	263,478,271
6,633,500	Coca Cola Co.	260,232,205
1,588,030	International Business Machines Corp.	258,308,960
7,061,308	AT&T Inc.	250,817,660
	Total of 20 Largest Equity Holdings	$ 7,871,812,947
	Total Equity Holdings	$ 46,422,828,055

Ten Largest Fixed-Income Holdings*

Description	Maturity Date	Interest Rate %	Par Value	Fair Value
U.S. Treasury Note	11/15/24	2.2500	$ 1,291,000,000	$ 1,283,137,810
U.S. Treasury Note	9/30/17	1.8750	1,065,000,000	1,091,955,150
U.S. Treasury Note	8/15/21	2.1250	645,000,000	652,256,250
General Electric Company	10/9/22	2.7000	605,000,000	591,429,850
U.S. Treasury Note	8/15/24	2.3750	564,000,000	567,039,960
U.S. Treasury Bond	11/15/28	5.2500	428,000,000	557,872,320
U.S. Treasury Bond	2/15/39	3.5000	480,000,000	517,425,600
EMC Corporation	6/1/20	2.6500	468,000,000	472,797,000
U.S. Treasury Note	1/31/17	3.1250	448,000,000	466,408,320
General Electric Capital Corporation	1/5/26	5.5500	388,000,000	450,755,120
Total of 10 Largest Fixed-Income Holdings				$ 6,651,077,380
Total Fixed-Income Holdings				$ 18,807,237,620

* A complete listing is available upon written request, subject to restrictions of O.C.G.A. Section 47-1-14.

ACTUARY'S CERTIFICATION LETTER

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

May 1, 2015

Board of Trustees
Teachers Retirement System of Georgia
Suite 100, Two Northside 75
Atlanta, GA 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, 2014. The report indicates that annual employer contributions at the rate of 14.27% of compensation for the fiscal year ending June 30, 2017 are sufficient to support the benefits of the System. 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. The valuation takes into account the effect of all amendments to the System enacted through the 2014 Session of the General Assembly. 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.

The System is funded on an actuarial reserve basis. The actuarial assumptions recommended by the actuary and adopted by the Board are both individually and 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 No. 27 and those outlined in the Board's funding policy. 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 amortized as a level percent of payroll in accordance with the funding policy adopted by the Board.

The necessary GASB Statement No. 67 disclosure information has been provided in a separate supplemental report.

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.

Future actuarial results may differ significantly from the current results presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions;

ACTUARY'S CERTIFICATION LETTER

continued

changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law. Since the potential impact of such factors is outside the scope of a normal annual actuarial valuation, an analysis of the range of results is not presented herein.

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, ASA, FCA, MAAA
President

Cathy Turcot
Principal and Managing Director

John J. Garrett, ASA, FCA, MAAA
Principal and 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, 2014, was made on the basis of the funding policy adopted by the Board on November 20, 2013 and the 5-year experience study adopted by the Board on November 17, 2010. The Board is responsible for maintaining this funding policy. A summary of plan provisions can be found in the Introductory Section beginning on page 12, and a plan description can be found in the Financial Section beginning on page 15.

The more pertinent facts and significant assumptions underlying the computations included in the June 30, 2014 valuation are as follows:

a) **Actuarial Method Used.** The actuarial cost method used for funding purposes is the Entry Age Normal method, which is the same cost method used for financial reporting purposes. The Entry Age Normal method is the most commonly used funding method among public retirement plans. This cost method allocates the cost of benefits over each member's expected career as a level percentage of their expected salary and demonstrates the highest degree of stability in the calculation of a plan's normal cost over time. Gains and losses are reflected in the unfunded accrued liability. Adopted November 20, 2013.

b) **Ultimate Investment Return.** 7.50% compounded annually, which consists of a 4.50% assumed real rate of return and a 3.00% assumed annual rate of inflation. This long-term expected rate of return is used to determine the total pension liability for financial reporting purposes. Adopted November 20, 2013.

c) **Salary Increases.** Salaries are expected to increase 3.75% to 7.00% annually depending upon the members' years of creditable service. The salary increase includes a 0.75% assumed real rate of wage inflation and a 3.00% assumed annual rate of inflation. Adopted November 17, 2010.

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 RP-2000 Combined Mortality Table (set back two years for males and three years for females). The death-after-disability retirement rates are based on the RP-2000 Disabled Mortality Table (set back two years for males). Adopted November 17, 2010.

e) **Asset Valuation Method.** In accordance with the funding policy, the actuarial value of the assets was set equal to the market value of assets on June 30, 2014. Five-year smoothing of investment gains and losses will commence in subsequent years. 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 in subsequent years will be one-fifth of the difference between market value and actuarial expected value. Adopted November 20, 2013. The actuarial value of assets is limited to a range between 75% and 125% of market value. Adopted July 27, 2011.

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 member's average compensation over the two consecutive years of membership service producing the highest such average, 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.** The present value of the unfunded accrued liability, based on unaudited data provided the actuary by the System, was approximately $13.7 billion at June 30, 2014.

SUMMARY OF ACTUARIAL ASSUMPTIONS & METHODS

continued

h) Valuation Interest Rate Smoothing. The valuation liabilities are calculated using a smoothed interest rate method. The interest rate assumed during the look-forward period (currently 23 years from the valuation date) is the investment rate of return expected to be earned during the look-forward period based on the actual rate of return earned during the look-back period (currently 7 years) such that the average assumed rate of return over the combined 30-year period is equivalent to the assumed ultimate investment rate of return (currently 7.50%). The interest rate after the 23-year look-forward period is the ultimate investment rate of return of 7.50%. Adopted November 20, 2013. The smoothed interest rate used during the 23-year look-forward period is subject to a corridor around the annual expected rate of return to limit the extent that the calculated smoothed rate can vary from the long-term investment rate of return. Adopted November 20, 2013.

i) Required Contributions (% of compensation). Contributions required by the annual actuarial valuation as of June 30, 2014, to be made for the year ended June 30, 2017.

(1) Member	**6.00%**
(2) Employer:	
Normal	**6.56%**
Unfunded Accrued Liability	**7.71%**
Total	**14.27%**

Service Retirement

Adopted November 17, 2010

	Male		Female	
Age	< 30 years of service	≥ 30 years of service	< 30 years of service	≥ 30 years of service
50	5.00%	50.00%	5.00%	50.00%
55	5.00	38.00	5.00	35.00
60	20.00	35.00	25.00	40.00
61	18.00	30.00	25.00	40.00
62	25.00	35.00	25.00	40.00
63	20.00	33.00	25.00	40.00
64	18.00	30.00	25.00	40.00
65	30.00	30.00	30.00	30.00
66	30.00	30.00	30.00	30.00
67	30.00	30.00	28.00	28.00
68	28.00	28.00	28.00	28.00
69	26.00	26.00	28.00	28.00
70	30.00	30.00	30.00	30.00

Separation Before Service Retirement

Adopted November 17, 2010

	Annual Rate of				
			Withdrawal Years of Service		
Age	Death	Disability	*0-4 Yrs*	*5-9 Yrs*	*10+ Yrs*
			Male		
20	0.03%	0.03%	31.00%	— %	— %
25	0.04	0.03	18.00	16.00	—
30	0.04	0.04	14.00	8.00	11.00
35	0.06	0.04	14.00	6.00	3.00
40	0.10	0.05	13.00	6.00	2.25
45	0.13	0.09	12.00	6.00	2.20
50	0.19	0.17	11.00	5.50	2.50
55	0.29	0.32	11.00	5.00	2.70
60	0.53	—	11.00	5.00	—
64	0.88	—	11.00	5.00	—
			Female		
20	0.02%	0.02%	30.00%	— %	— %
25	0.02	0.02	14.00	25.00	—
30	0.02	0.02	13.00	9.00	9.00
35	0.04	0.03	13.00	7.00	3.50
40	0.06	0.04	11.00	7.00	3.00
45	0.09	0.07	10.00	5.50	2.00
50	0.13	0.12	10.00	5.00	2.00
55	0.20	0.38	10.00	4.75	2.75
60	0.35	—	10.00	4.75	—
64	0.58	—	10.00	4.75	—

ACTUARIAL VALUATION DATA

Active Members

Fiscal Year[1]	Number of Participating Employers	Active Members: Members	Active Members: Annual Payroll[2] (000's)	Active Members: Average Pay	Active Members: % Increase
2005	375	199,088	$ 8,252,598	$ 41,452	1.8 %
2006	377	206,592	8,785,985	42,528	2.6
2007	385	215,566	9,492,003	44,033	3.5
2008	389	224,993	10,197,584	45,324	2.9
2009	392	226,537	10,641,543	46,975	3.6
2010	386	222,020	10,437,703	47,012	0.1
2011	399	216,137	10,099,278	46,726	- 0.6
2012	404	213,648	10,036,023	46,975	0.5
2013	401	209,854	9,924,682	47,293	0.7
2014	405	209,828	9,993,686	47,628	0.7

Retirees 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 Allowances
2005	6,176	$ 230,973	1,594	$ 33,139	66,172	$ 1,854,279	11.9 %	$ 28,022
2006	5,691	223,279	1,644	37,087	70,219	2,040,471	10.0	29,059
2007	5,858	230,924	1,656	39,293	74,421	2,232,102	9.4	29,993
2008	5,817	238,137	1,655	39,808	78,583	2,430,431	8.9	30,928
2009	5,543	245,006	1,768	45,116	82,358	2,630,321	8.2	31,938
2010	6,383	279,009	1,763	46,853	86,978	2,862,477	8.8	32,910
2011	7,136	295,192	1,937	55,062	92,177	3,102,607	8.4	33,659
2012	7,055	298,471	1,915	55,565	97,317	3,345,513	7.8	34,377
2013	7,937	322,853	1,983	59,453	103,271	3,608,913	7.9	34,946
2014	7,078	291,066	2,195	68,324	108,154	3,831,655	6.2	35,428

(1) Fiscal year refers to the actuarial valuation performed as of June 30 of that year and determines the funding necessary for the fiscal year beginning two years after the valuation date. An actuarial valuation for the fiscal year ended June 30, 2015 is currently in process and was not available for this analysis.

(2) The annual payroll shown in the schedule of active member valuation data is the annual compensation of the active members at the date of the valuation. The covered payroll reported in the financial section represents the payroll during the fiscal year upon which employer contributions were made.

Solvency Test (in thousands)

	Aggregate Actuarial Accrued Liabilities For				Portion of Accrued Liabilities Covered by Assets		
Fiscal Year*	(1) Active Member Contributions	(2) Retirees and Beneficiaries	(3) Active Members (Employer-Financed Portion)	Actuarial Value of Assets	(1)	(2)	(3)
2005	$ 5,171,813	$ 23,229,592	$ 19,409,809	$ 46,836,895	100.0 %	100.0 %	95.0%
2006	5,417,408	25,653,251	19,989,022	49,263,027	100.0	100.0	91.0
2007	5,703,184	28,212,100	21,081,286	52,099,171	100.0	100.0	86.3
2008	6,009,710	30,915,200	22,208,867	54,354,284	100.0	100.0	78.5
2009**	6,382,932	29,725,063	23,342,121	53,438,604	100.0	100.0	74.2
2010	6,705,274	34,264,548	22,622,215	54,529,416	100.0	100.0	59.9
2011	6,973,343	37,271,020	21,734,277	55,427,716	100.0	100.0	51.5
2012	7,242,569	39,759,145	21,346,964	56,262,332	100.0	100.0	43.4
2013	7,480,767	43,152,402	21,587,696	58,594,837	100.0	100.0	36.9
2014	7,815,630	45,841,742	22,114,745	62,061,722	100.0	100.0	38.0

* Fiscal year refers to the actuarial valuation performed as of June 30 of that year and determines the funding necessary for the fiscal year beginning two years after the valuation date. An actuarial valuation for the fiscal year ended June 30, 2015 is currently in process and was not available for this analysis.

** Revised since the previous valuation to reflect the refinement of the smoothed valuation interest rate methodology used in the 2010 valuation, which includes corridors around the long-term investment rate of return.

Member and Employer Contribution Rates

Fiscal Year	Member	Employer
2007	5.00 %	9.28 %
2008	5.00	9.28
2009	5.00	9.28
2010	5.25	9.74
2011	5.53	10.28
2012	5.53	10.28
2013	6.00	11.41
2014	6.00	12.28
2015	6.00	13.15
2016	6.00	14.27

ACTUARIAL VALUATION DATA

continued

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]
6/30/05	$ 46,836,895	$ 47,811,214	$ 974,319	98.0 %	$ 8,252,598	11.8 %
6/30/06	49,263,027	51,059,681	1,796,654	96.5	8,785,985	20.4
6/30/07	52,099,171	54,996,570	2,897,399	94.7	9,482,003	30.5
6/30/08	54,354,284	59,133,777	4,779,493	91.9	10,197,584	46.9
6/30/09*	53,438,604	59,450,116	6,011,512	89.9	10,641,543	56.5
6/30/10	54,529,416	63,592,037	9,062,621	85.7	10,437,703	86.8
6/30/11	55,427,716	65,978,640	10,550,924	84.0	10,099,278	104.5
6/30/12	56,262,332	68,348,678	12,086,346	82.3	10,036,023	120.4
6/30/13	58,594,837	72,220,865	13,626,028	81.1	9,924,682	137.3
6/30/14	62,061,722	75,772,117	13,710,395	81.9	9,993,686	137.2

*Revised since the previous valuation to reflect the refinement of the "smoothed valuation interest rate" methodology used in the 2010 valuation, which includes corridors around the long-term investment rates of return.

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

Analysis of Financial Experience (in millions)

Analysis of the Change in Unfunded Accrued Liability Increase (Decrease) During the Years Ended June 30,

Item	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Interest Added to Previous Unfunded Accrued Liability	$ 1,084.6	$ 977.8	$ 846.2	$ 733.2	$ 486.3	$ 358.5	$ 217.3	$ 134.7	$ 73.1	$ (29.1)
Accrued Liability Contribution	(662.0)	(604.7)	(443.5)	(396.3)	(312.0)	(125.0)	(118.5)	57.2	51.9	49.4
Experience:										
Valuation Asset Growth	(836.1)	1,241.1	1,855.1	2,018.7	1,674.9	2,433.5	548.9	(132.3)	675.3	516.4
Pensioners' Mortality	35.3	52.7	51.6	24.2	89.8	50.1	58.4	25.6	(40.7)	(14.0)
Turnover and Retirements	119.6	378.2	319.1	195.3	269.5	307.1	291.4	213.3	65.8	59.9
New Entrants	115.3	96.2	101.2	89.6	123.7	185.1	258.8	212.6	143.5	104.0
Salary Increases	(624.9)	(715.2)	(709.9)	(1,132.2)	(1,040.5)	14.1	162.8	294.5	144.1	(227.5)
Method Changes (4)	—	(926.7)	—	—	—	(2,062.3)	—	—	(339.2)	313.7
Interest Smoothing	739.8	915.9	(627.0)	412.8	—	—	—	—	—	—
Amendments (1)	—	—	—	(685.5)	—	—	386.3	252.3	48.5	—
Change in Member Contribution Rate (3)	—	—	—	—	12.8	—	(15.7)	(8.4)	—	—
Assumption Changes (2)	—	—	—	—	1,472.4	—	—	—	—	589.4
Miscellaneous	112.8	124.4	142.6	228.5	274.2	70.9	92.4	51.2	—	—
Total Increase	$ 84.4	$ 1,539.7	$ 1,535.4	$ 1,488.3	$ 3,051.1	$ 1,232.0	$ 1,882.1	$ 1,100.7	$ 822.3	$ 1,362.2

(1) Amendments
- 2006 - Reflects the impact of House Bill 400 which increased allowances effective July 1, 2006 to retirees and beneficiaries retired before July 1, 1987.
- 2007 - Reflects the impact of the first phase of the Plymel lawsuit.
- 2008 - Reflects the impact of the final Plymel lawsuit.
- 2011 - Reflects the impact of discontinuing the one-time 3% increase on the first $37,500 of members' allowances for all members who retire on or after January 1, 2013.

(2) Assumption Changes
- 2005 - The assumed rates of withdrawal, disability, retirement, and mortality and the assumed rates of salary increase have been revised to more closely reflect the actual and anticipated experience of the System. In addition, the administration expense load was increased to 0.25% from 0.15% of active payroll.
- 2010 - The assumed rates of withdrawal, disability, retirement, and mortality and the assumed rates of salary increase have been revised to more closely reflect the actual and anticipated experience of the System.

(3) Member Contribution Rate
- 2007 - Reflects an increase in the member contribution rate from 5.00% to 5.25% effective July 1, 2009.
- 2008 - Reflects an increase in the member contribution rate from 5.25% to 5.53% effective July 1, 2010.
- 2010 - Reflects an increase in the member contribution rate from 5.53% to 6.00% effective July 1, 2012.

(4) Method Changes
- 2006 - Reflects change from 5-year to 7-year market value smoothing (method for determining the actuarial value of assets).
- 2009 - Reflects change to a valuation interest rate smoothing methodology and a change to include a corridor around the long-term investment rate of return.
- 2013 - Reflects change to asset smoothing methodology where the final actuarial value of assets used for the current valuation was set to the market value of assets as of June 30, 2013. Five-year smoothing of investment gains and losses will commence in subsequent years.

STATISTICAL SECTION OVERVIEW & FINANCIAL TRENDS

The statistical section presents additional information to provide financial statement users with added historical perspective, context, and detail to assist in using the information in the financial statements, notes to financial statements, and required supplementary information to understand and assess the System's financial condition.

Financial Trends

The schedules presented on page 56 and page 57 contain trend information to help the reader understand how the System's financial position has changed over time.

Operating Information

The schedules presented on pages 58 through 68 contain benefits, service and employer data to help the reader understand how the System's financial report relates to the services of the System and the activities it performs.

Additions by Source (in thousands)

Fiscal Year	Member Contributions	Employer and Nonemployer Contributions	Net Investment Income (Loss)	Total Additions to (Deductions from) Fiduciary Net Position
2006	$ 485,721	$ 855,626	$ 2,691,062	$ 4,032,409
2007	524,940	927,371	6,792,341	8,244,652
2008	554,027	986,759	(1,775,578)	(234,792)
2009	567,635	1,026,287	(6,572,435)	(4,978,513)
2010	592,264	1,057,416	4,671,571	6,321,251
2011	604,126	1,089,912	9,594,994	11,289,032
2012	601,512	1,082,224	1,090,900	2,774,636
2013	640,745	1,180,469	6,938,349	8,759,563
2014	640,120	1,270,963	9,826,743	11,737,826
2015	661,835	1,406,706	2,384,145	4,452,686

Contributions were made in accordance with actuarially determined contribution requirements.

Deductions by Type (in thousands)

Fiscal Year	Benefit Payments: Service	Partial Lump-Sum Option	Disability	Survivor Benefits	Supplemental Payments[1]	Lump-Sum Death Settlement	Total Benefit Payments	Net Administrative Expenses	Refunds	Total Deductions From Fiduciary Net Position
2006	$ 1,863,194	$ 26,601	$ 62,773	$ 35,394	$ 2,093	$ 1,376	$ 1,991,431	$ 20,173	$ 53,138	$ 2,064,742
2007	2,128,927	33,378	70,431	46,670	1,842	1,702	2,282,950	22,073	52,875	2,357,898
2008	2,527,156	40,820	89,348	95,452	1,648	2,059	2,756,483	23,744	54,482	2,834,709
2009	2,385,561	37,191	72,028	36,922	1,414	1,371	2,534,487	22,603	49,414	2,606,504
2010	2,639,144	34,530	74,998	49,290	1,122	1,340	2,800,424	20,223	53,638	2,874,285
2011	2,868,815	37,652	80,393	52,122	922	1,599	3,041,503	20,986	67,916	3,130,405
2012	3,091,370	42,441	85,830	55,328	754	1,829	3,277,552	21,954	72,157	3,371,663
2013	3,353,295	42,259	91,727	58,234	633	2,001	3,548,149	22,584	81,142	3,651,875
2014	3,569,374	33,148	98,145	61,203	508	2,074	3,764,452	15,025	87,095	3,866,572
2015	3,791,526	34,494	103,483	64,911	379	2,086	3,996,879	14,996	80,085	4,091,960

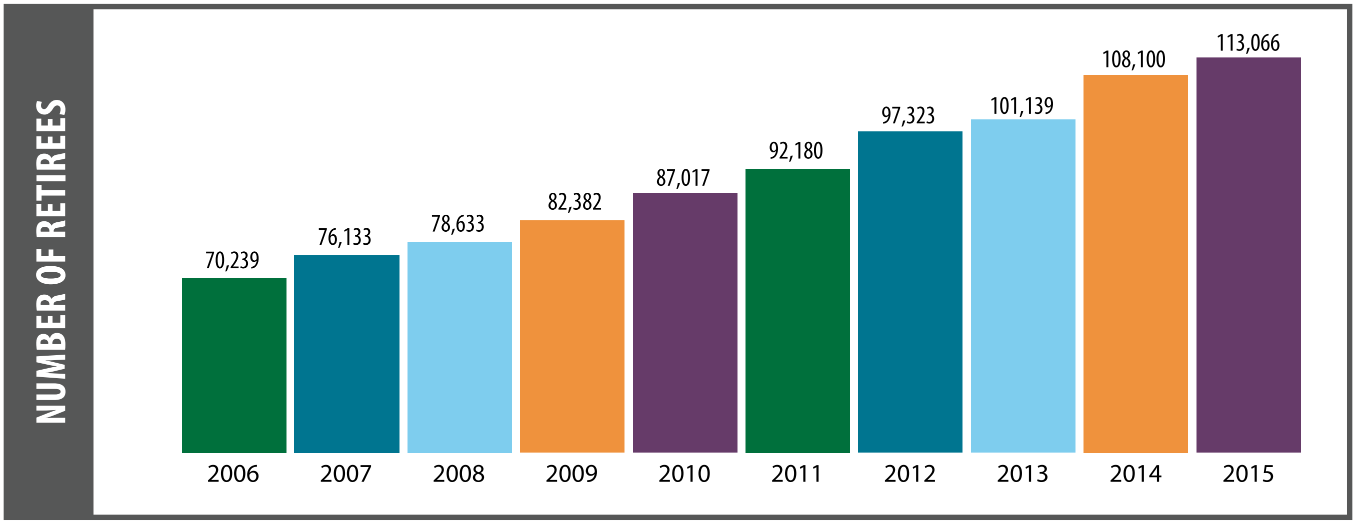
[1] Supplemental payments to retirees who belong to a local retirement system.

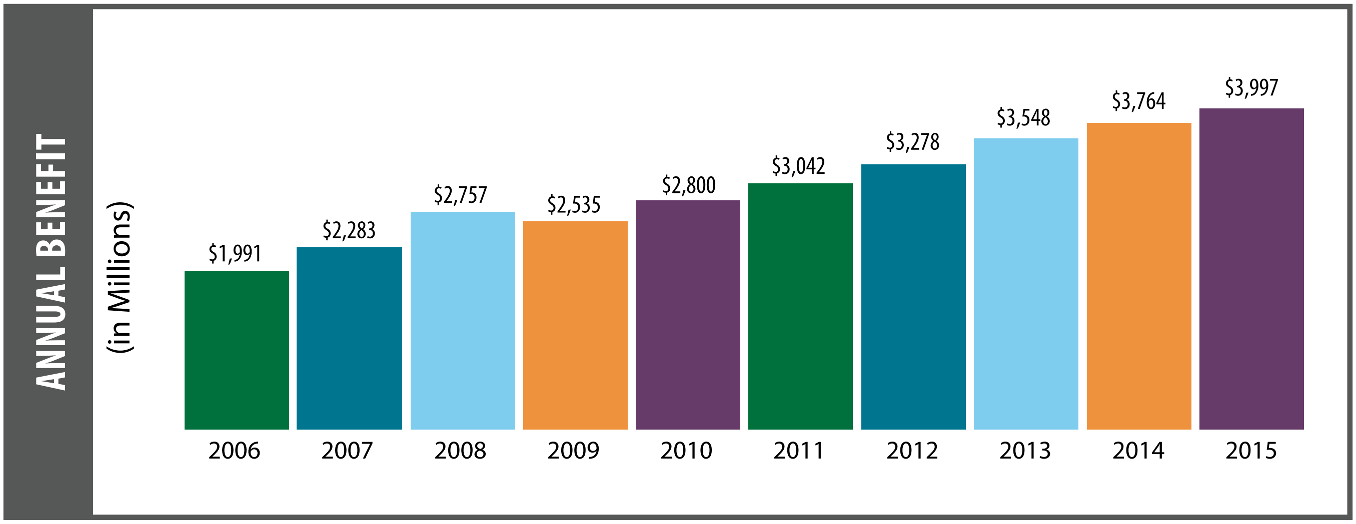
Changes in Fiduciary Net Position (in thousands)

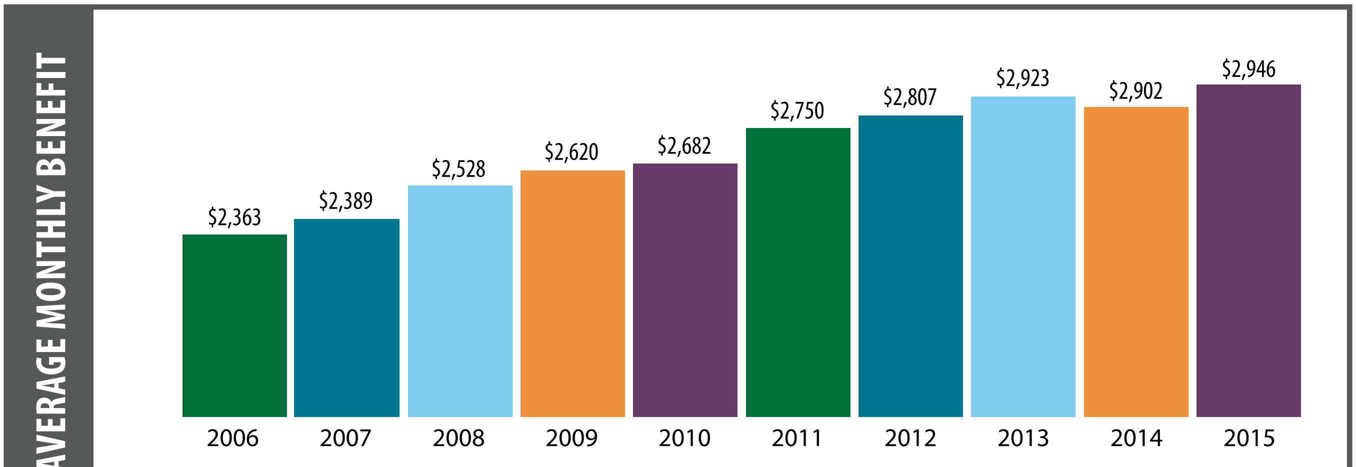
Fiscal Year	Total Additions to (Deductions from) Fiduciary Net Position	Total Deductions from Fiduciary Net Position	Changes in Fiduciary Net Position
2006	$ 4,032,409	$ 2,064,742	$ 1,967,667
2007	8,244,652	2,357,898	5,886,754
2008	(234,792)	2,834,709	(3,069,501)
2009	(4,978,513)	2,606,504	(7,585,017)
2010	6,321,251	2,874,285	3,446,966
2011	11,289,032	3,130,405	8,158,627
2012	2,774,636	3,371,663	(597,027)
2013	8,759,563	3,651,875	5,107,688
2014	11,737,826	3,866,572	7,871,254
2015	4,452,686	4,091,960	360,726

OPERATING INFORMATION

Benefit Payment Statistics

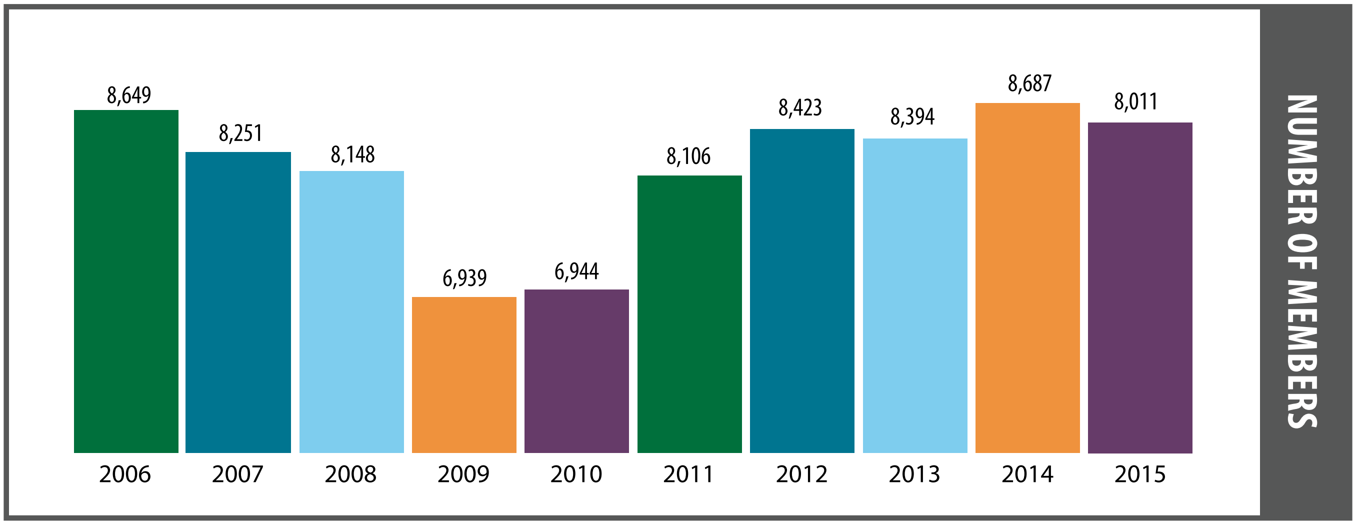


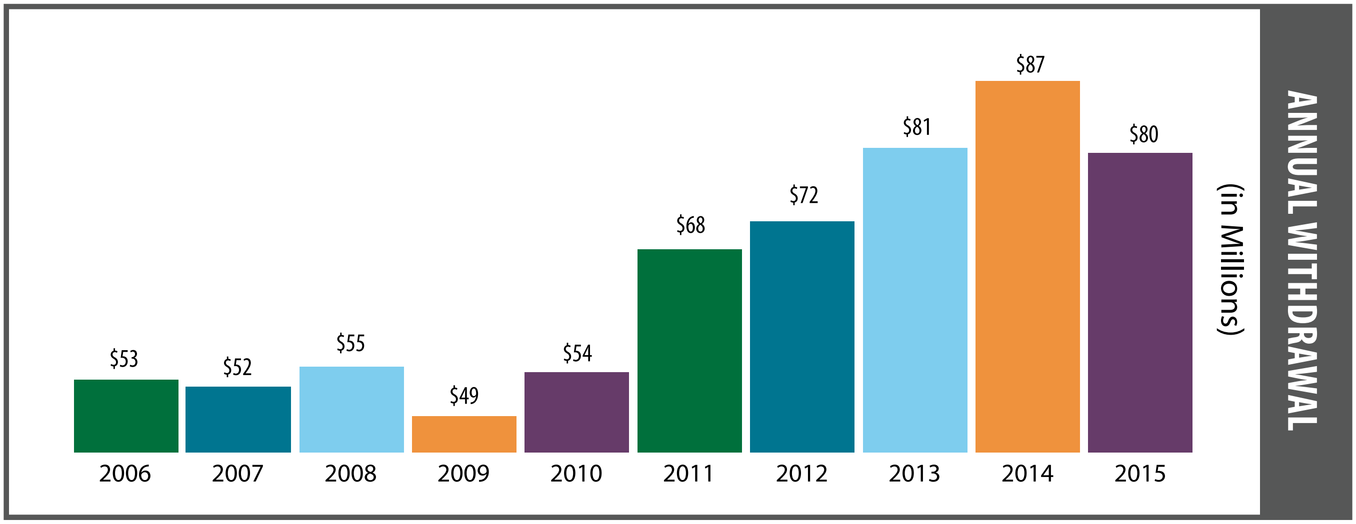


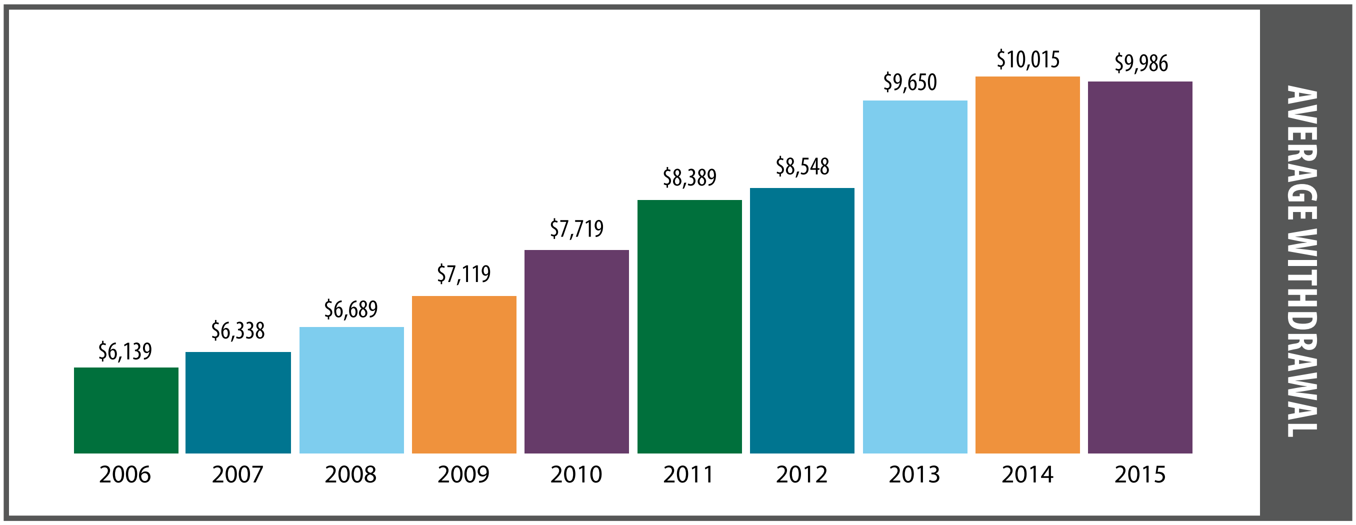


Retirees who belonged to a local retirement system and who received supplemental payments are not included.

Member Withdrawal Statistics







OPERATING INFORMATION

continued

Average Monthly Benefit Payments for New Retirees

	Years Credited Service					
Effective Retirement Dates for Fiscal Years Ended June 30,	**10 - 15**	**16 - 20**	**21 - 25**	**26 - 30**	**Over 30**	**Total**
2006						
Average monthly benefit	$ 759.49	$1,236.93	$1,874.90	$2,356.35	$3,361.85	$2,436.59
Average final average salary	$3,002.19	$3,273.99	$4,036.61	$4,571.12	$5,338.88	$4,495.40
Number of retirees	815	651	653	718	2,780	5,617
2007						
Average monthly benefit	$ 757.50	$1,246.18	$1,782.60	$2,350.01	$3,330.98	$2,335.28
Average final average salary	$3,193.24	$3,580.49	$4,061.53	$4,669.55	$5,406.13	$4,182.19
Number of retirees	975	704	758	729	2,725	5,891
2008						
Average monthly benefit	$ 809.08	$1,324.02	$1,866.99	$2,466.86	$3,488.62	$2,424.71
Average final average salary	$3,404.28	$3,734.90	$4,283.55	$4,797.61	$5,676.32	$4,755.66
Number of retirees	1,010	726	777	686	2,665	5,864
2009						
Average monthly benefit	$ 812.18	$1,293.52	$1,892.41	$2,564.06	$3,603.15	$2,456.32
Average final average salary	$3,430.35	$3,676.14	$4,302.88	$4,938.17	$5,785.56	$4,794.47
Number of retirees	1,008	701	774	601	2,480	5,564
2010						
Average monthly benefit	$ 859.93	$1,433.00	$1,931.22	$2,624.98	$3,655.74	$2,479.89
Average final average salary	$3,651.87	$4,095.26	$4,366.28	$5,142.35	$5,820.83	$4,902.99
Number of retirees	1,195	786	1,018	690	2,736	6,425
2011						
Average monthly benefit	$ 879.11	$1,483.30	$1,963.77	$2,719.55	$3,735.70	$2,456.69
Average final average salary	$3,753.60	$4,216.80	$4,461.70	$5,175.76	$5,940.78	$4,943.41
Number of retirees	1,455	954	1,150	812	2,797	7,168
2012						
Average monthly benefit	$ 900.60	$1,417.23	$2,008.09	$2,723.70	$3,764.35	$2,425.05
Average final average salary	$3,813.60	$4,070.28	$4,564.72	$5,250.18	$5,995.69	$4,948.47
Number of retirees	1,532	920	1,125	885	2,589	7,051
2013						
Average monthly benefit	$ 881.25	$1,465.23	$1,979.00	$2,626.66	$3,642.94	$2,335.21
Average final average salary	$3,720.18	$4,200.63	$4,506.44	$5,060.19	$5,811.25	$4,821.63
Number of retirees	1,721	1,107	1,279	1,060	2,762	7,929
2014						
Average monthly benefit	$ 877.35	$1,410.94	$1,902.93	$2,515.64	$3,556.03	$2,152.62
Average final average salary	$3,801.40	$4,136.09	$4,454.29	$4,962.86	$5,868.78	$4,736.63
Number of retirees	1,744	1,066	1,169	994	2,099	7,072
2015						
Average monthly benefit	$ 897.66	$1,416.36	$2,008.34	$2,566.87	$3,573.41	$2,217.71
Average final average salary	$3,818.45	$4,161.17	$4,635.36	$5,007.10	$5,900.24	$4,812.42
Number of retirees	1,659	1,119	1,164	1,035	2,190	7,167

Retired Members by Type of Benefit

Amount of Monthly Benefit	Number of Retirees	Type of Retirement [1] A	B	C	D	Option Selected [2] Max	Opt-1	Opt-2	Opt-3	Opt-4	Opt-2 Pop-Up	Opt-3 Pop-Up
$ 1–250	555	331	52	110	62	224	6	172	62	51	27	13
250–500	4,585	3,767	426	390	2	2,848	150	864	196	108	307	112
500–750	6,236	5,243	590	399	4	4,048	217	1,020	242	72	463	174
750–1000	6,697	5,801	532	360	4	4,194	247	1,118	277	42	596	223
1000–1250	6,679	5,786	506	382	5	4,089	247	1,120	300	45	613	265
1,250–1,500	5,708	4,992	441	271	4	3,481	208	906	271	41	555	246
1,500–1,750	4,985	4,392	363	228	2	2,904	201	777	299	39	503	262
1,750–2,000	4,611	4,102	311	197	1	2,675	187	719	255	44	446	285
2,000–2,250	4,485	4,000	315	168	2	2,576	195	671	272	42	425	304
2,250–2,500	4,410	4,006	295	109	-	2,556	181	610	278	48	483	254
2,500–2,750	4,537	4,149	284	104	-	2,624	206	608	266	43	526	264
2,750–3,000	5,060	4,709	271	80	-	3,020	229	588	265	67	575	316
3,000–3,250	5,549	5,271	188	90	-	3,436	246	627	280	67	558	335
3,250–3,500	6,004	5,766	165	73	-	3,733	255	658	255	87	673	343
3,500–3,750	6,406	6,267	93	46	-	4,182	342	545	271	89	596	381
3,750–4,000	6,150	6,043	73	34	-	4,072	326	470	282	90	547	363
4,000–4,250	5,370	5,304	36	30	-	3,556	297	448	238	82	433	316
4,250–4,500	4,538	4,471	31	36	-	3,074	269	361	215	66	329	224
4,500–4,750	3,647	3,602	19	26	-	2,477	185	295	180	64	251	195
4,750–5,000	2,940	2,916	8	16	-	1,971	173	249	149	48	191	159
Over 5,000	13,914	13,776	38	100	-	8,333	786	1,723	1,070	408	862	732
TOTALS	**113,066**	**104,694**	**5,037**	**3,249**	**86**	**70,073**	**5,153**	**14,549**	**5,923**	**1,643**	**9,959**	**5,766**

[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, beginning on page 12 for descriptions of Options.

OPERATING INFORMATION

continued

Retirement Payments By County of Residence

County	Number of Retirees	FY15 Total Gross Pay
Appling	275	$ 10,035,288
Atkinson	91	3,050,993
Bacon	136	4,895,737
Baker	34	1,082,562
Baldwin	702	24,305,079
Banks	191	6,365,091
Barrow	606	19,587,481
Bartow	888	30,925,518
Ben Hill	267	8,985,557
Berrien	249	8,125,339
Bibb	1,826	63,243,703
Bleckley	264	8,337,804
Brantley	129	4,222,682
Brooks	176	6,011,225
Bryan	299	9,353,845
Bulloch	1,263	45,102,365
Burke	257	8,404,504
Butts	256	9,082,942
Calhoun	111	3,427,250
Camden	323	11,921,186
Candler	155	4,853,879
Carroll	1,661	59,340,472
Catoosa	429	14,341,978
Charlton	82	2,919,809
Chatham	2,712	95,014,665
Chattahoochee	30	961,572
Chattooga	288	9,808,940
Cherokee	1,872	67,036,815
Clarke	3,104	131,784,810
Clay	55	1,902,336
Clayton	1,147	41,725,773
Clinch	95	3,563,277
Cobb	5,282	193,817,455
Coffee	483	16,695,563
Colquitt	528	18,831,369
Columbia	2,085	73,771,143
Cook	207	6,963,889
Coweta	1,222	44,291,767
Crawford	192	6,819,522
Crisp	308	10,752,318

County	Number of Retirees	FY15 Total Gross Pay
Dade	114	$ 3,472,563
Dawson	274	11,076,392
Decatur	343	12,312,264
DeKalb	5,614	234,276,276
Dodge	262	8,736,782
Dooly	118	4,377,294
Dougherty	1,557	57,866,097
Douglas	876	30,902,324
Early	185	6,470,908
Echols	8	254,217
Effingham	369	10,892,912
Elbert	286	9,155,515
Emanuel	347	12,310,856
Evans	136	4,294,493
Fannin	329	11,834,191
Fayette	1,623	63,204,792
Floyd	1,310	48,564,955
Forsyth	888	31,960,196
Franklin	338	12,123,767
Fulton	6,849	295,008,570
Gilmer	363	13,226,767
Glascock	34	1,061,722
Glynn	1,206	44,418,092
Gordon	512	17,528,251
Grady	275	9,374,596
Greene	281	11,602,301
Gwinnett	4,138	154,366,188
Habersham	579	19,571,724
Hall	1,771	67,950,206
Hancock	137	4,296,485
Haralson	310	10,075,990
Harris	357	12,742,668
Hart	282	10,873,598
Heard	82	2,502,850
Henry	1,670	60,379,775
Houston	1,270	45,959,915
Irwin	103	3,655,739
Jackson	908	31,923,369
Jasper	186	6,316,091
Jeff Davis	140	5,722,531

Retirement Payments By County of Residence continued

County	Number of Retirees	FY15 Total Gross Pay	County	Number of Retirees	FY15 Total Gross Pay
Jefferson	205	$ 6,820,411	Richmond	2,744	$ 89,446,109
Jenkins	117	3,913,407	Rockdale	790	28,915,074
Johnson	116	4,052,327	Schley	59	1,800,150
Jones	216	7,900,954	Screven	211	6,941,113
Lamar	218	7,619,762	Seminole	132	4,283,055
Lanier	70	2,076,511	Spalding	827	28,190,250
Laurens	681	24,170,749	Stephens	378	13,397,643
Lee	279	9,560,419	Stewart	73	2,475,506
Liberty	273	9,244,279	Sumter	506	18,994,223
Lincoln	146	5,310,279	Talbot	82	2,268,063
Long	56	1,633,365	Taliaferro	19	551,085
Lowndes	1,571	53,328,917	Tattnall	194	6,630,864
Lumpkin	432	15,739,540	Taylor	108	3,820,340
Macon	152	5,098,354	Telfair	194	6,781,510
Madison	731	20,651,916	Terrell	115	3,845,365
Marion	81	2,504,219	Thomas	697	24,072,692
McDuffie	294	10,153,633	Tift	806	28,461,425
McIntosh	166	5,601,154	Toombs	352	12,235,035
Meriwether	232	8,033,242	Towns	226	8,110,912
Miller	80	2,673,414	Treutlen	99	3,293,097
Mitchell	266	8,420,363	Troup	730	26,675,059
Monroe	277	10,019,078	Turner	173	5,539,003
Montgomery	127	4,468,982	Twiggs	75	2,661,117
Morgan	354	13,010,637	Union	353	13,275,975
Murray	306	11,630,963	Upson	354	12,157,554
Muscogee	2,395	86,513,490	Walker	562	18,406,511
Newton	768	27,135,686	Walton	1,031	36,157,374
Oconee	1,167	47,466,435	Ware	535	19,096,799
Oglethorpe	267	8,534,270	Warren	57	2,002,820
Paulding	573	18,369,788	Washington	257	9,124,799
Peach	577	21,440,529	Wayne	370	11,910,452
Pickens	594	22,962,799	Webster	28	847,178
Pierce	252	8,312,843	Wheeler	92	3,429,308
Pike	235	8,021,034	White	438	15,495,955
Polk	454	16,629,724	Whitfield	884	32,367,472
Pulaski	136	4,784,409	Wilcox	148	5,338,767
Putnam	349	12,975,202	Wilkes	159	5,252,921
Quitman	32	1,129,582	Wilkinson	126	4,047,402
Rabun	258	10,303,741	Worth	200	6,699,051
Randolph	89	3,258,428	Outside GA	15,580	426,097,517
			TOTALS	**113,066**	**$ 3,996,879,000**

OPERATING INFORMATION

continued

Principal Participating Employers

	2015			2006		
Employers	Covered Employees	Rank	Percentage of Total System	Covered Employees	Rank	Percentage of Total System
State of Georgia	32,578	1	15.22 %	—	—	—
Gwinnett County Schools	16,270	2	7.60 %	14,808	1	7.07 %
Cobb County Schools	11,191	3	5.23 %	11,152	3	5.33 %
DeKalb County Schools	10,129	4	4.73 %	11,374	2	5.43 %
Fulton County Schools	9,646	5	4.51 %	9,052	4	4.32 %
Atlanta Public Schools	5,227	6	2.44 %	5,385	7	2.57 %
Clayton County Schools	5,010	7	2.34 %	5,532	6	2.64 %
Chatham County Schools	4,321	8	2.02 %	3,943	8	1.88 %
Henry County Schools	3,995	9	1.87 %	—	—	—
Cherokee County Schools	3,621	10	1.69 %	—	—	—
Muscogee County School District	—	—	—	3,815	9	1.82 %
Richmond County Schools	—	—	—	3,777	10	1.80 %
University of Georgia	*	—	*	7,934	5	3.79 %
Top 10	101,988		47.65 %	76,772		36.65 %
Total	214,015		100.0 %	209,349		100.00 %

* Amount is included in State of Georgia totals

Note: GASB Statement No. 67 was implemented during the fiscal year ended June 30, 2014 and required legally separate employers within the same financial reporting entity to be treated as a single employer for reporting purposes. Therefore, information presented for fiscal years prior to implementation is not comparable with information presented for fiscal years after implementation.

Reporting Entities

Universities and Colleges

Abraham Baldwin Agricultural College
Albany State University
Armstrong Atlantic State University
Atlanta Metropolitan State College
Bainbridge College
Clayton College & State University
College of Coastal Georgia
Columbus State University
Cooperative Extension Service
Dalton State College
Darton College
East Georgia State College
Fort Valley State University
Georgia College & State University
Georgia Gwinnett College
Georgia Highlands College
Georgia Institute of Technology
Georgia Perimeter College
Georgia Regents University
Georgia Southern University
Georgia Southwestern State University
Georgia State University
Gordon College
Kennesaw State University
Middle Georgia State College
Savannah State University
South Georgia State College
The University of Georgia
University of North Georgia
University of West Georgia
Valdosta State University

Boards of Education

Appling County
Atkinson County
Atlanta Public
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 Independent
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

Boards of Education, cont.

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
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

OPERATING INFORMATION
continued

Reporting Entities, *cont.*

Boards of Education, cont.

Jefferson County
Jenkins County
Johnson County
Jones County
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 School District
Pulaski County
Putnam County
Quitman County
Rabun County
Randolph County
Richmond County
Rockdale County
Rome City
Schley County
Screven County

Boards of Education, cont.

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
Thomaston-Upson County
Thomasville City
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
Camden County Library
Catoosa County Library
Chatsworth-Murray County Library
Chattooga County Library System
Cherokee Regional Library
Chestatee Regional Library
Clayton County Regional Library
Coastal Plains Regional Library
Cobb County Public Library
Conyers-Rockdale Library System
Coweta Public Library
DeKalb County Public Library
DeSoto Trail Regional Library
Dougherty County Public Library
East Central Georgia Regional Library
Elbert County Library
Fitzgerald-Ben Hill County Library
Flint River Regional Library
Forsyth County Public Library
Gwinnett County Public Library
Hall County Library
Hart County Library
Henry County Library
Houston County Public Library
Jackson Butts County Library
Jefferson County Library System
Kinchafoonee Regional Library
Lake Blackshear Regional Library
Lee County Library
Lincoln County Library
Live Oak Public Libraries
Mary Vinson Memorial Library
Middle Georgia Regional Library
Moultrie-Colquitt County Library
Mountain Regional Library

Reporting Entities, *cont.*

Public Libraries, cont.

Northeast Georgia Regional Library
Newton County Library
Northwest 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
Roddenbery 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
Troup-Harris-Coweta Regional Library
Uncle Remus Regional Library
Warren County Public Library
West Georgia Regional Library
Worth County Library System

Technical Colleges

Albany Technical Institute
Athens Technical College
Atlanta Technical College
Augusta Technical Institute
Central Georgia Technical College
Chattahoochee Technical College
Coastal Pines Technical College
Columbus Technical Institute
Georgia Northwestern Technical College
Georgia Piedmont Technical College
Gwinnett Technical College
Lanier Technical College

Technical Colleges, cont.

Moultrie Technical College
North Georgia Technical Institute
Oconee Fall Line Technical College
Ogeechee Technical College
Savannah Technical College
South Georgia Technical Institute
Southeastern Technical College
Southern Crescent Technical College
Southwest Georgia Technical College
West Georgia Technical College
Wiregrass Georgia Technical College

Regional Educational Service Agencies

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

Charter Schools

Academy for Classical Education, Inc.
Amana Academy
Atlanta Classical Academy
Atlanta Heights Charter School
Atlanta Neighborhood Charter School, Inc.
Baconton Community Charter School
Brighten Academy
Centennial Academy
Charles Drew Charter School
Charter Conservatory for Liberal Arts and Technology
Chattahoochee Hills Charter School, Inc.
Cherokee Charter Academy
Coweta Charter Academy
DeKalb Academy of Technology and Environment
DeKalb Path Academy
DeKalb Preparatory Academy
Destiny Achievers Academy of Excellence
Foothills Education Charter High School
Fulton Leadership Academy
Fulton Science Academy High School
Fulton Sunshine Academy Inc.
Georgia Connections Academy
Georgia Cyber Academy
Georgia Magnet Charter School
International Academy of Smyrna Charter School
International Community School
Intown Academy Charter School
Ivy Preparatory Academy for Girls
Ivy Preparatory Young Men's Academy
Ivy Preparatory Academy
Kennesaw Charter Science and Math Academy
Kipp Metro Atlanta Collaborative
Latin Academy Charter School

OPERATING INFORMATION

continued

Reporting Entities, *cont.*

Charter Schools, cont.

Leadership Preparatory Academy Charter School
Mountain Education Center Inc.
New Life Academy of Excellence Inc.
North Metro Academy of Performing Arts
Odyssey Charter School
Pataula Charter Academy
Provost Academy Georgia
Tapestry Public Charter School
The Globe Academy
The Kindezi School
The Main Street Academy
The Museum School of Avondale Estates
Utopian Academy for the Arts
Wesley International Academy
Westside Atlanta Charter School

State Agencies

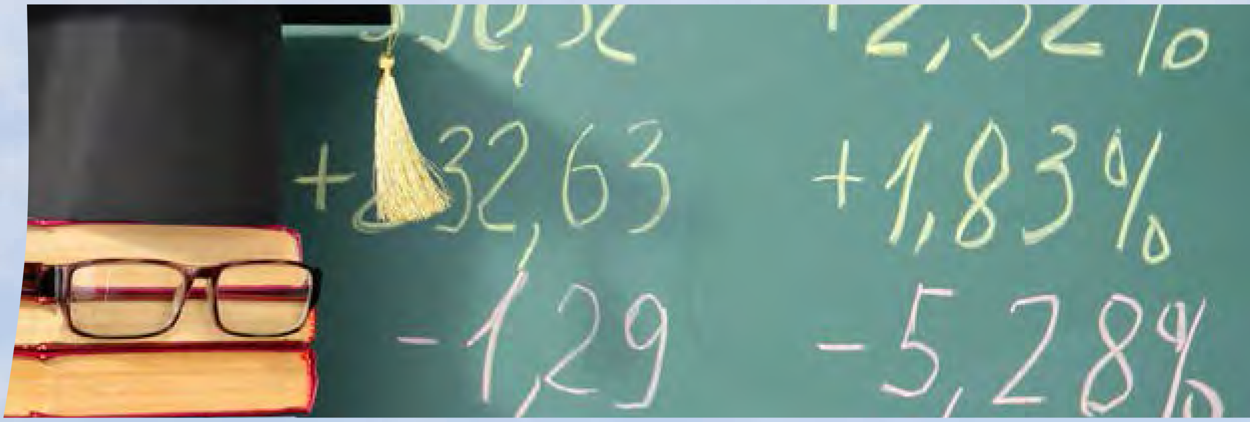
Department of Administrative Service
Department of Community Health
Department of Corrections
Department of Human Services
Department of Natural Resource
Department of Public Health
Department of Public Safety
Department of Behavioral Health and Development Disability
Georgia Building Authority
Georgia Bureau of Investigation
Georgia Department of Audits
Georgia Department of Community Affairs
Georgia Department of Driver Services
Georgia Department of Early Care and Learning
Georgia Department of Education
Georgia Department of Juvenile Justice
Georgia Department of Labor
Georgia Department of Revenue
Georgia General Assembly

State Agencies, cont.

Georgia Public Defender Standard Council
Georgia Public Telecommunications Commission
Georgia Soil and Water Conservation Commission
Georgia Student Finance Commission
Georgia World Congress Center Authority
Governors Office of Planning and Budget
Prosecuting Attorneys' Council of Georgia
Secretary of State
State Accounting Office
State Board of Pardons and Paroles
State Road Toll and Authority
Technical College System of Georgia
University System of Georgia

Other

Baldwin County Board of Health
Clayton Center Community Service Board
DeKalb County DFACS
Effingham County Tax Commissioner Office
Floyd County DFACS
Georgia Military College
Glynn County Health Dept Coastal Health District
Hall County DFACS
Ware County Health Department
Whitfield County Board of Health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Teachers Retirement System of Georgia

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Two Northside 75, Suite 100
Atlanta, GA 30318
(404) 352-6500 or (800) 352-0650
www.TRSGA.com