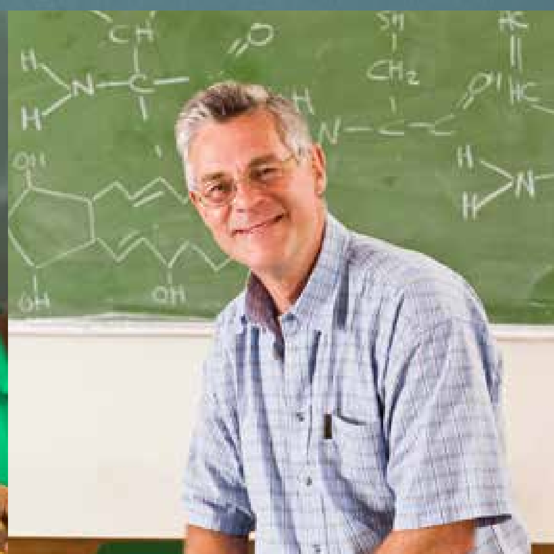
Teachers Retirement System of Georgia

A COMPONENT UNIT OF THE STATE OF GEORGIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2016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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year ended June 30, 2016

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

Dr. L.C. (Buster) Evans
Executive Director

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Presented to

Teachers Retirement System of Georgia

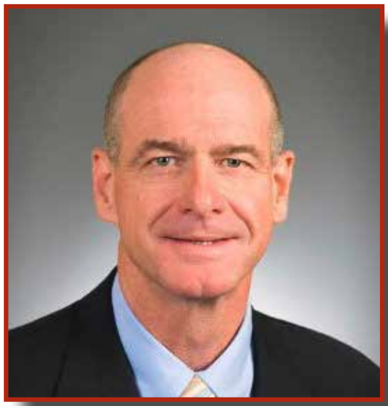
For its Comprehensive Annual Financial Report for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

BOARD OF TRUSTEES

as of December 1, 2016



Teachers Retirement System of Georgia

Dr. L.C. (Buster) Evans
Executive Director

December 12, 2016
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, 2016. 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, 2015. This was the 28th 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 433,171 active and retired members, and 306 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. The concept of reasonable assurance recognizes the cost of a control should not exceed the benefits likely to be derived. Therefore, the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatements. 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 beginning 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 liquid, 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. A high quality balanced fund has proven to be a successful strategy in a variety of markets over a long period of time. For fiscal year 2016 the System's portfolio was comprised of 31.4% fixed income and 68.6% equities and experienced a 1.4% rate of return. A comparative analysis of rates of return is presented on page 44. For additional information and analysis pertaining to investment policies and strategies, asset allocations, and yield, see Management's Discussion and Analysis beginning on page 17 and the Investment Section beginning on page 43. The System addresses the safeguarding of investments by requiring that they be held by agent custodial banks in the name of the System and that deposits are insured by the Federal Deposit Insurance Corporation.

As in previous years, maintaining quality was a primary goal and was successfully met. "Conservation of Capital" and "Conservatism" continue to be the guiding principles for 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 79.1% for the fiscal year ended June 30, 2015. 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

At TRS, 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 engage and keep our newer members informed, we individually counseled 7,429 members at the TRS office and around the State. Through our 336 outreach events, including meetings, benefit fairs, and workshops, we reached over 26,500 members and retirees in over 120 counties. We conducted 6 half-day seminars for over 600 members, with speakers from TRS, Social Security Administration, the Department of Community Health, and financial/estate planning experts. We presented 5 employer training seminars to 171 human resources personnel from 130 TRS reporting employers. We also automated the scheduling process for our event hosts, making scheduling and planning outreach events easier and more convenient for our gracious employers.

To enhance the services we provide our members, we continued the practice of automating many of our processes. We created the ability for our employers to securely upload documents to TRS via their online Employer Desktop, we enabled members with the ability to submit online requests for benefit estimates, and we provided retirees with the ability to obtain a benefit verification letter without having to verbally request one. Our goal is to continue to enhance and automate as many processes as possible to provide more expedient, accurate, convenient, and secure services.

To provide our members with more enhanced and automated business processes, our technology division was hard at work making sure our systems were secure, available, and convenient. We upgraded various systems without any interruptions in service, enhanced online security so our members can feel confident while doing business with TRS online, and blocked over 9 million hacker probes on our system. We had over 13,600 members and retirees register for a new online account, processed over 7,000 online retirement applications, and disbursed over $4.3 billion in monthly benefit payments.

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,

L.C. Evans

Dr. L.C. (Buster) Evans
Executive Director

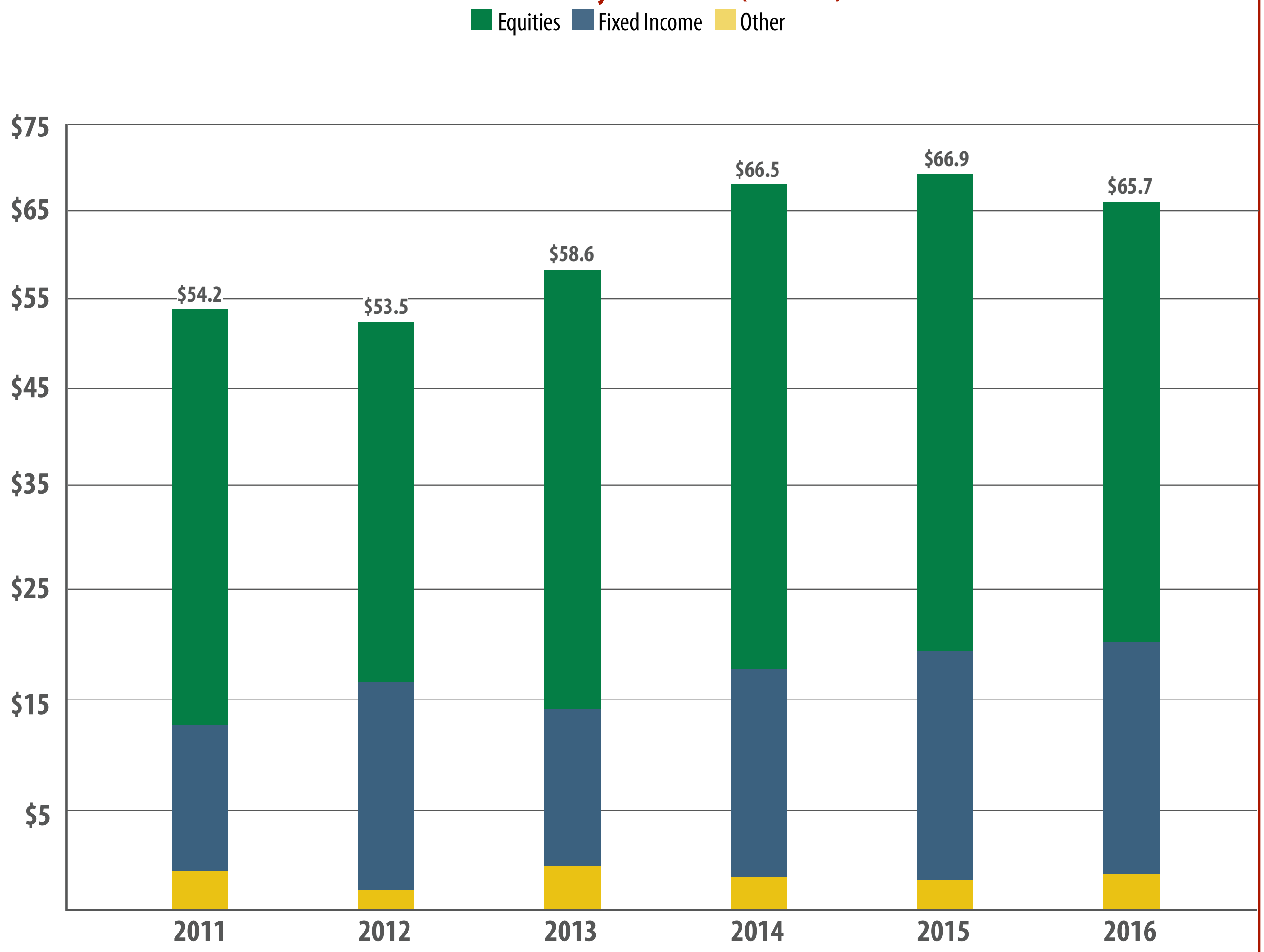
Financial Highlights	June 30, 2016	2015	% Change
Member Contributions	$ 685,626,000	$ 661,835,000	+ 3.6
Employer and Nonemployer Contributions	$ 1,580,532,000	$ 1,406,706,000	+ 12.4
Interest and Dividend Income	$ 1,442,252,000	$ 1,450,750,000	− 0.6
Benefits Paid to Retired Members	$ 4,228,819,000	$ 3,996,879,000	+ 5.8
Member Withdrawals	$ 79,334,000	$ 80,085,000	− 0.9
Interest Credited to Member Contributions	$ 320,388,000	$ 307,113,000	+ 4.3
Statistical Highlights			
Active Membership	218,215	214,015	+ 2.0
Members Leaving the System	7,383	8,011	− 7.8
Retired Members	117,918	113,066	+ 4.3
Average Monthly Benefit	$ 2,989	$ 2,946	+ 1.5

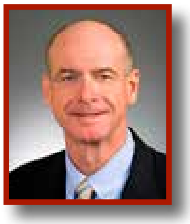
Total System Assets at June 30 (in thousands)

	2011	2012	2013	2014	2015	2016
Equities	$37,567,598	$37,190,400	$41,395,706	$47,126,335	$46,422,828	$43,651,536
Fixed Income	14,386,920	15,188,293	14,882,328	17,490,895	18,807,238	19,979,237
Other[1]	2,196,449	1,154,311	2,360,040	1,907,659	1,620,195	2,087,314
Total System Assets	$54,150,967	$53,533,004	$58,638,074	$66,524,889	$66,850,261	$65,718,087

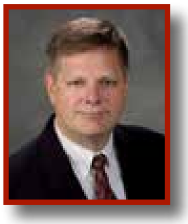
[1] Includes receivables, cash and cash equivalents, and capital assets, net.

Growth of Total System Assets (in billions)





Dr. L.C. (Buster) Evans
Executive Director



Stephen J. Boyers
Chief Financial Officer

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

R. Cory Buice
Director
Retirement Services

K. Paige Donaldson
Director
Employer Services and
Contact Management

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

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
Barrow, Hanley, Mewhinney & Strauss
Baillie Gifford Overseas Limited
Cooke & Bieler
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 the 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.

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.

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, 14.27% of annual salary; and investment income.

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, 2016, 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, 2016, 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 2016, Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application*. 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 and related ratios, schedule of employer and nonemployer 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, actuatial, 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 30, 2016 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.

December 12, 2016

KPMG LLP

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, 2016. 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, 2016, the System's assets exceeded its liabilities by $65.6 billion (reported as net position) as compared to the net position of $66.8 billion at June 30, 2015, representing a decrease of $1.2 billion.
- Contributions from members increased by $23.8 million or 3.6% from $661.8 million in 2015 to $685.6 million in 2016. Employer and nonemployer contributions increased by $173.8 million or 12.4% from $1.4 billion in 2015 to $1.6 billion in 2016. The increase in member contributions is primarily due to an increase in the number of active members and higher average payroll during the year. The increase in employer contributions is primarily due to an increase in the employer contribution rate in addition to the increase in the number of active members and higher average payrolls during the year.
- Pension benefits paid to retirees and beneficiaries for the years ended June 30, 2016 and 2015 were $4.2 billion and $4.0 billion, representing an increase of 5.8%. This is due to an increase in the number of retirees and beneficiaries receiving benefit payments and post-retirement 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 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 and Related Ratios: 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, 2016 and 2015 is as follows (dollars in thousands):

	Net Position June 30		Amount	Percentage
	2016	2015	Change	Change
Assets:				
Cash and cash equivalents and receivables	$ 2,080,140	$ 1,612,868	$ 467,272	29.0 %
Investments	63,630,773	65,230,066	(1,599,293)	(2.5) %
Capital assets, net	7,174	7,327	(153)	(2.1) %
Total Assets	65,718,087	66,850,261	(1,132,174)	(1.7) %
Deferred Outflows of Resources	4,978	4,640	338	7.3 %
Liabilities:				
Net pension liability	27,702	25,077	2,625	10.5 %
Due to brokers and accounts payable	140,732	24,592	116,140	472.3 %
Total Liabilities	168,434	49,669	118,765	239.1 %
Deferred Inflows of Resources	2,220	6,121	(3,901)	(63.7) %
Net position	$ 65,552,411	$ 66,799,111	$ (1,246,700)	(1.9) %

The $1.2 billion decrease in net position from 2015 to 2016 is primarily due to net disbursements exceeding investment returns.

Financial Analysis of the System *continued*

The following table presents the investment allocation at June 30, 2016 and 2015:

Asset Allocation at June 30 (in percentages):	2016	2015
Equities:		
Domestic	52.7 %	53.2 %
International	15.9 %	18.0 %
Domestic Obligations:		
U.S. Treasuries	15.2 %	12.2 %
Corporate and Other Bonds	14.5 %	15.0 %
International Obligations:		
Governments	0.5 %	0.5 %
Corporates	1.2 %	1.1 %
Asset Allocation at June 30 (in thousands):		
Equities:		
Domestic	$ 33,530,541	$ 34,699,701
International	10,120,995	11,723,127
Domestic Obligations:		
U.S. Treasuries	9,693,234	7,971,115
Corporate and Other Bonds	9,228,519	9,783,085
International Obligations:		
Governments	324,118	323,472
Corporates	733,366	729,566
	$ 63,630,773	$ 65,230,066

The total investment portfolio at June 30, 2016 decreased $1.6 billion from June 30, 2015, which is primarily due to net disbursements exceeding investment returns.

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, 2016 was (2.92)%, compared to (0.45)% for the fiscal year ended June 30, 2015.

The investment rate of return in fiscal year 2016 was 1.4%, with a (0.3)% return for equities and a 5.5% return for fixed income. The five-year annualized rate of return on investments at June 30, 2016 was 7.3% with an 8.8% return on equities and a 3.4% return on fixed income.

(Unaudited) *continued*

Financial Analysis of the System *continued*

A summary of the changes in the System's net position for the years ended June 30, 2016 and 2015 is as follows (dollars in thousands):

	Changes in Net Position			
	2016	2015	Amount Change	Percentage Change
Additions:				
Employer Contributions	$ 1,572,624	$ 1,399,668	$ 172,956	12.4 %
Nonemployer Contributions	7,908	7,038	870	12.4 %
Member Contributions	685,626	661,835	23,791	3.6 %
Net Investment Income	810,574	2,384,145	(1,573,571)	(66.0) %
Total Additions	3,076,732	4,452,686	(1,375,954)	(30.9) %
Deductions:				
Benefit Payments	4,228,819	3,996,879	231,940	5.8 %
Refunds	79,334	80,085	(751)	(0.9) %
Administrative Expenses	15,279	14,996	283	1.9 %
Total Deductions	4,323,432	4,091,960	231,472	5.7 %
Net Increase (Decrease) in Net Position	$ (1,246,700)	$ 360,726	$ (1,607,426)	(445.6) %

Additions

The System accumulates resources needed to fund benefits through contributions and returns on invested funds. Member contributions were higher with an increase of 3.6% in 2016 compared to 2015, primarily due to an increase in membership salary coupled with an increase in the number of active members in 2016. Employer and nonemployer contributions increased 12.4% in 2016 as a result of an increase in the number of active members in 2016 and an increase in the employer contribution rate to 14.27% from 13.15% in 2015. 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 2016 compared to 2015, primarily due to lower returns in equity markets.

Deductions

Deductions increased 5.7% in 2016, primarily because of the 5.8% increase in benefit payments. Regular pension benefit payments increased due to an increase in the number of retirees and beneficiaries receiving benefit payments to 117,918 in 2016 from 113,066 in 2015 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, 2016 (in thousands)

Assets	
Cash and Cash Equivalents	$ 1,611,503
Receivables:	
Interest and Dividends	181,651
Due from Brokers for Securities Sold	108,698
Member and Employer Contributions	176,641
Other	1,647
Total Receivables	468,637
Investments - at fair value:	
Equities:	
Domestic	33,530,541
International	10,120,995
Domestic Obligations:	
U.S. Treasuries	9,693,234
Corporate and Other Bonds	9,228,519
International Obligations:	
Governments	324,118
Corporates	733,366
Total Investments	63,630,773
Capital Assets, net	7,174
Total Assets	65,718,087
Deferred Outflows of Resources	4,978
Liabilities	
Net Pension Liability	27,702
Due to Brokers for Securities Purchased	133,725
Accounts Payable and Other	7,007
Total Liabilities	168,434
Deferred Inflows of Resources	2,220
Net Position Restricted for Pensions	$ 65,552,411

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2016 (in thousands)

Additions:	
Contributions:	
Employer	$ 1,572,624
Nonemployer	7,908
Member	685,626
Investment Income:	
Net Decrease in Fair Value of Investments	(593,395)
Interest, Dividends, and Other	1,442,252
Total Investment Income	848,857
Less Investment Expense	38,283
Net Investment Income	810,574
Total Additions	3,076,732
Deductions:	
Benefit Payments	4,228,819
Refunds of Member Contributions	79,334
Administrative Expenses, net	15,279
Total Deductions	4,323,432
Net Decrease in Net Position	(1,246,700)
Net Position Restricted for Pensions:	
Beginning of Year	66,799,111
End of Year	$ 65,552,411

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 306 employers and 1 nonemployer contributing entity participating in the plan at June 30, 2016.

As of June 30, 2016, participation in the System is as follows:

Inactive members and beneficiaries currently receiving benefits	117,918
Inactive members not yet receiving benefits, vested	11,251
Inactive members, nonvested	85,787
Active plan members	218,215
Total	433,171

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.

The normal retirement (pension) benefit paid to a member is 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.

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 2016 were based on the June 30, 2013 actuarial valuation as follows:

Member	6.00 %
Employer:	
Normal	6.38 %
Unfunded accrued liability	7.89 %
Total	14.27 %

1. Plan Description *continued*

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.

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.

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, 2016:

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

Approximately 15.2% 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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.92)%. 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.

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

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

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.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) 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.

New Accounting Pronouncements

During fiscal year 2016, the System adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements and requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. See note 3 for disclosures related to GASB Statement No. 72.

During fiscal year 2016, the System adopted the provisions of GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in external financial reports for making decisions and assessing accountability. The implementation of GASB Statement No. 73 did not impact the amounts recorded in the financial statements. However, this Statement did provide additional clarification on the reporting requirements of the System's required supplementary information.

During fiscal year 2016, the System adopted the provisions of GASB Statement No. 76, The *Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* which supersedes GASB Statement 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify the hierarchy of GAAP used to prepare financial statements for the purpose of improving the usefulness and comparability of those statements among governments. The implementation of GASB Statement No. 76 did not impact the amounts recorded or disclosures in the financial statements.

During fiscal year 2016, the System adopted the provisions of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.* The objective of this Statement is to establish criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial statement reporting. There are no applicable reporting requirements for the System related to the adoption of this Statement.

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 $1,611,502,713 at June 30, 2016, with actual bank balances of $1,618,130,658. 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.

3. Investment Program *continued*

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, 2016, the System held U.S. Treasury bonds of $9,693,234,530 and international government bonds of $324,117,580.
- U.S. and foreign corporate obligations. At June 30, 2016, the System held U.S. corporate bonds of $9,228,519,170 and international corporate bonds of $733,365,800.
- Obligations unconditionally guaranteed by agencies of the U.S. government. At June 30, 2016, the System did not hold agency bonds.
- Private placements are authorized under the same general restrictions applicable to corporate bonds. At June 30, 2016, 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 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, 2016, the System held domestic equities of $33,530,540,904.
- 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, 2016, the System held ADRs of $7,690,333,820 and international equities of $2,430,661,504.

Fair Value Measurements: The System categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the inputs used in valuation and gives the highest priority to unadjusted quoted prices in active markets and requires that observable inputs be used in the valuations when available. The disclosure of fair value estimates in the hierarchy is based on whether the significant inputs into the valuations are observable. In determining the level of the hierarchy in which the estimate is disclosed, the highest level, Level 1, is given to unadjusted quoted prices in active markets and the lowest level, Level 3, to unobservable inputs.

Level 1 – Valuations based on unadjusted quoted prices for identical instruments in active markets that the System has the ability to access.

Level 2 – Valuations based on quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

In instances where inputs used to measure fair value fall into different levels in the fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each investment. The table on page 27 shows the fair value leveling of the System's investments.

3. Investment Program *continued*

Investments Measured at Fair Value as of June 30, 2016

	Fair value measures using			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs	
Investment by fair value level	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities:				
Domestic	$ 33,530,207,866	—	333,038	33,530,540,904
International	10,050,913,291	70,082,033	—	10,120,995,324
Obligations:				
Domestic:				
U.S. Treasuries	9,693,234,530	—	—	9,693,234,530
Corporate Bonds	—	9,228,519,170	—	9,228,519,170
International:				
Governments	—	324,117,580	—	324,117,580
Corporate Bonds	—	733,365,800	—	733,365,800
Total Investments by fair value level	$ 53,274,355,687	10,356,084,583	333,038	63,630,773,308

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Equity securities classified in Level 2 are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the common ordinary share. Equity securities classified in Level 3 are valued using third party valuations not currently observable in the market.

Debt securities classified in Level 1 are valued using prices quoted in active markets. Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These securities have nonproprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

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 holds one bond which was downgraded to a rating below "A". 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, 2016, are shown in the chart on page 28.

3. Investment Program *continued*

Quality Ratings of Fixed Income Investments Held at June 30, 2016

Investment type	Standard and Poor's/ Moody's quality rating	June 30, 2016 fair value
Domestic Obligations:		
U.S. Treasuries		$ 9,693,234,530
Corporates	AAA/Aaa	747,119,570
	AA/Aaa	824,087,920
	AA/Aa	1,073,113,560
	A/Aa	346,252,770
	AA/A	2,024,487,440
	A/A	3,889,941,110
	BBB/Baa	323,516,800
Total Corporates		9,228,519,170
International Obligations:		
Governments	A/Aa	324,117,580
Corporates	AA/Aa	322,392,760
	A/Aa	410,973,040
Total Fixed Income Investments		$ 19,979,237,080

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, 2016, 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.

Effective Duration of Fixed Income Assets by Security Type

Fixed income security type	Fair Value June 30, 2016	Percentage of all fixed income assets	Effective duration (years)
Domestic Obligations:			
U.S. Treasuries	$ 9,693,234,530	48.5 %	6.1
Corporates	9,228,519,170	46.2 %	3.5
International Obligations:			
Governments	324,117,580	1.6 %	1.3
Corporates	733,365,800	3.7 %	1.5
Total	$ 19,979,237,080	100.0 %	4.6

3. Investment Program *continued*

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. The System's foreign exchange risk management policy does not quantify limitations on foreign currency-denominated investments. As of June 30, 2016, the System's exposure to foreign currency risk in U.S. Dollars is highlighted in the following table:

International Investment Securities at Fair Value as of June 30, 2016

Currency	Equities	Fixed Income	Total
Australian Dollar	$ 121,650,100	$ —	$ 121,650,100
Brazilian Real	67,565,634	—	67,565,634
British Pound	274,708,195	—	274,708,195
Canadian Dollar	26,370,562	—	26,370,562
Czech Krone	1,870,189	—	1,870,189
Danish Krone	43,639,880	—	43,639,880
Euro	297,222,810	—	297,222,810
Hong Kong Dollar	159,852,207	—	159,852,207
Indonesian Rupiah	24,468,392	—	24,468,392
Japanese Yen	455,472,087	—	455,472,087
Malaysian Ringgit	40,860,654	—	40,860,654
Mexican Peso	39,273,757	—	39,273,757
New Taiwan Dollar	154,189,050	—	154,189,050
Philippine Peso	23,614,146	—	23,614,146
Polish Zloty	10,523,085	—	10,523,085
Singapore Dollar	62,662,897	—	62,662,897
South African Rand	127,972,965	—	127,972,965
South Korean Won	238,620,540	—	238,620,540
Swedish Krona	126,123,104	—	126,123,104
Swiss Franc	63,921,706	—	63,921,706
Thailand Baht	70,079,544	—	70,079,544
Total Holdings subject to foreign currency risk	2,430,661,504	—	2,430,661,504
Investment securities payable in U.S. dollars	7,690,333,820	1,057,483,380	8,747,817,200
Total international investments - at fair value	$ 10,120,995,324	$ 1,057,483,380	$ 11,178,478,704

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 $14,136,669,213 at June 30, 2016. The collateral value was equal to 105.5% of the loaned securities' value at June 30, 2016. 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, 2015	Additions	Disposals	Balance at June 30, 2016
Capital Assets:				
Land	$ 4,320,718	$ 21,069	$ —	$ 4,341,787
Building	2,800,000	—	—	2,800,000
Furniture and Fixtures	530,131	19,192	(145,907)	403,416
Computer Equipment	2,514,821	247,350	(265,525)	2,496,646
Computer Software	14,979,713	—	—	14,979,713
	25,145,383	287,611	(411,432)	25,021,562
Accumulated Depreciation For:				
Building	(770,000)	(70,000)	—	(840,000)
Furniture and Fixtures	(433,536)	(22,315)	145,907	(309,944)
Computer Equipment	(1,634,875)	(338,544)	255,710	(1,717,709)
Computer Software	(14,979,713)	—	—	(14,979,713)
	(17,818,124)	(430,859)	401,617	(17,847,366)
Capital Assets, Net	$ 7,327,259	$ (143,248)	$ (9,815)	$ 7,174,196

During fiscal year 2016, 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, 2016 were as follows (dollars in thousands):

Total pension liability	$ 86,183,526
Plan fiduciary net position	65,552,411
Employers' and nonemployers' net pension liability	$ 20,631,115
Plan fiduciary net position as a percentage of the total pension liability	76.06%

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, 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary Increases	3.25 - 9.00%, including inflation
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation

Post-retirement mortality rates were based on the RP-2000 White Collar Mortality Table for future mortality improvement projected to 2025 with the Society of Actuaries' projection scale BB (set forward one year for males) for service retirements and dependent beneficiaries. Rates of mortality in active service were based on the RP-2000 Employee Mortality Table projected to 2025 with projection scale BB.

The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2009 – June 30, 2014.

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 %	(0.50) %
Domestic large cap equities	39.80 %	9.00 %
Domestic mid cap equities	3.70 %	12.00 %
Domestic small cap equities	1.50 %	13.50 %
International developed market equities	19.40 %	8.00 %
International emerging market equities	5.60 %	12.00 %
Total	100.00 %	

*Net 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):

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Employers' and nonemployers' net pension liability	$ 32,112,585	$ 20,631,115	$ 11,178,017

Actuarial valuation date: The total pension liability is based upon the June 30, 2015 actuarial valuation. An expected total pension liability is determined as of June 30, 2016 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.

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.html.

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, 2016 was 24.72% of annual covered payroll for Old and New Plan members and 21.69% for GSEPS members. The System's contributions to ERS for funding purposes totaled $4.1 million for the year ended June 30, 2016. 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, 2016, 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, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2015 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, 2015. At June 30 2015, the System's proportion was 0.683763%, which is based on contributions, and an increase of 0.015143% from its proportion measured as of June 30, 2014.

7. System Employees' Retirement Benefits *continued*

For the year ended June 30, 2016, the System recognized pension expense of $2.5 million. At June 30, 2016, 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
Differences between expected and actual experience	$ –	$ 221,334
Net difference between projected and actual earnings on pension plan investments	–	1,998,742
Changes in proportion and differences between the System's contributions and proportionate share of contributions	876,395	–
System's contributions subsequent to the measurement date	4,101,877	–
Total	$ 4,978,272	$ 2,220,076

System contributions subsequent to the measurement date of $4.1 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, 2017. 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:	
2017	$ (303,365)
2018	(823,352)
2019	(890,882)
2020	673,918

Actuarial assumptions: The total pension liability as of June 30, 2015 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	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, 2014 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	$ 39,268,523	$ 27,701,961	$ 17,841,018

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.html.

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

	2016	2015	2014
Total pension liability:			
Service cost	$ 1,435,810	$ 1,386,498	$ 1,374,556
Interest	5,990,178	5,779,597	5,557,046
Changes of benefit terms	—	—	—
Differences between expected and actual experience	380,526	(165,785)	—
Changes of assumptions	662,047	—	—
Benefit payments	(4,228,819)	(3,996,879)	(3,764,452)
Refunds of member contributions	(79,334)	(80,085)	(87,095)
Net change in total pension liability	4,160,408	2,923,346	3,080,055
Total pension liability - beginning	82,023,118	79,099,772	76,019,717
Total pension liability - ending (a)	86,183,526	82,023,118	79,099,772
Plan fiduciary net position:			
Contributions - employer	1,572,624	1,399,668	1,264,546
Contributions - nonemployer	7,908	7,038	6,417
Contributions - member	685,626	661,835	640,120
Net investment income	810,574	2,384,145	9,826,743
Benefit payments	(4,228,819)	(3,996,879)	(3,764,452)
Refunds of member contributions	(79,334)	(80,085)	(87,095)
Administrative expense	(15,279)	(14,996)	(15,025)
Other[1]	—	(27,706)	—
Net Change in Plan Fiduciary Net Position	(1,246,700)	333,020	7,871,254
Plan fiduciary net position-beginning	66,799,111	66,466,091	58,594,837
Plan fiduciary net position-ending (b)	65,552,411	66,799,111	66,466,091
Net pension liability - ending (a) - (b)	$ 20,631,115	$ 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 and Related Ratios (dollars in thousands)

	2016	2015	2014
Total pension liability	$ 86,183,526	$ 82,023,118	$ 79,099,772
Plan fiduciary net position	65,552,411	66,799,111	66,466,091
Employers' and nonemployers' net pension liability	$ 20,631,115	$ 15,224,007	12,633,681
Plan fiduciary net position as a percentage of the total pension liability	76.06%	81.44%	84.03%
Covered-employee payroll	$ 11,075,907	$ 10,697,384	10,349,862
Employers' and nonemployers' net pension liability as a percentage of covered-employee payroll	186.27%	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.

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

Schedule of Employer and Nonemployer Contributions (dollars in thousands)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined employer and nonemployer contribution	$ 1,580,532	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
Contributions in relation to actuarially determined contribution	$ 1,580,532	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
Contribution deficiency (excess)	$ —	—	—	—	—	—	—	—	—	—
Covered-employee payroll	$ 11,075,907	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
Contributions as a percentage of covered-employee payroll	14.27%	13.15%	12.28%	11.41%	10.28%	10.28%	9.74%	9.28%	9.28%	9.24%

Schedule of Investment Returns

	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	(2.92)%	(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)

	2016	2015
System's proportion of the net pension liability	0.683763 %	0.668620 %
System's proportionate share of the net pension liability	$ 27,702	$ 25,077
System's covered-employee payroll	16,291	17,622
System's proportionate share of the net pension liability as a percentage of its covered-employee payroll	170.04 %	142.31 %
ERS fiduciary net position as a percentage of the total pension liability	76.20 %	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)

	2016	2015
Contractually required contribution	$ 4,102	$ 3,433
Contributions in relation to the contractually required contribution	4,102	3,433
Contribution deficiency (excess)	$ —	$ —
System's covered-employee payroll	$ 16,880	$ 18,145
Contributions as a percentage of covered-employee payroll	24.30 %	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.

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: On November 18, 2015, the Board adopted recommended changes to the economic and demographic assumptions utilized by the System. Primary among the changes were the updates to rates of mortality, retirement, withdrawal, and salary increases.

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 (June 30, 2016 employer contributions are based on June 30, 2013 valuation). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Valuation date	June 30, 2013
Actuarial cost method	Entry age
Amortization method	Level percent of payroll, closed
Remaining amortization period	30 Years
Asset valuation method	Five-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, 2016 (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.

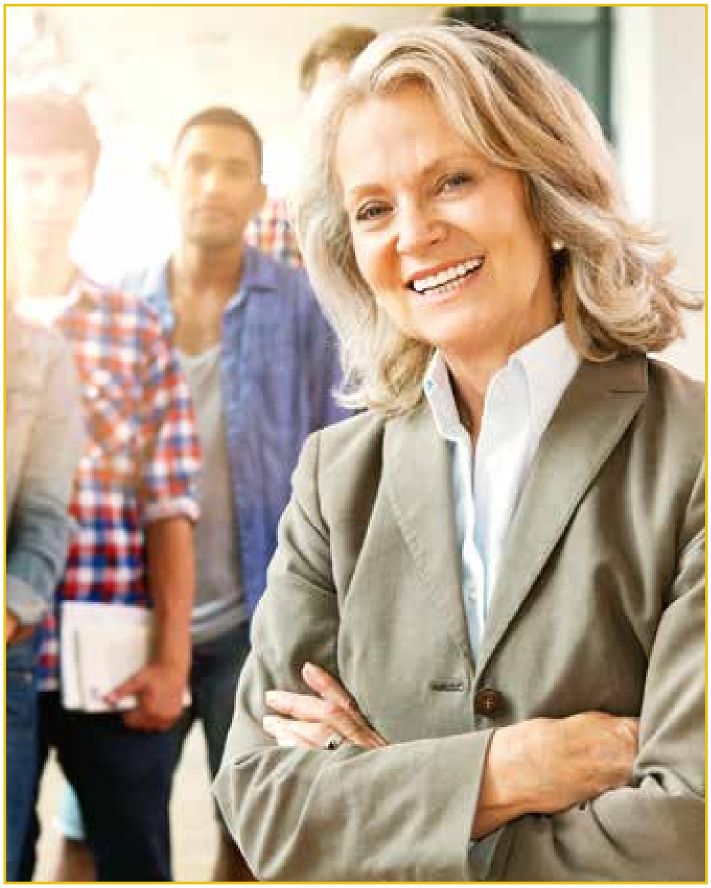
Schedule of the System's Contributions to ERS

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.

Changes in Benefit Terms and Assumptions

Changes of benefit terms: There were no changes in benefit terms that affect the measurement of the total pension liability since the prior measurement date.

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



Schedule of Administrative Expenses

Personal Services:	
Salaries and Fringes	$ 8,006,658
Retirement Contributions	1,227,683
Health Insurance	2,437,301
FICA	571,795
Miscellaneous	89,578
Total Personal Services	12,333,015
Communications:	
Postage	275,544
Publications and Printing	207,529
Telecommunications	116,922
Travel	113,308
Total Communications	713,303
Professional Services:	
Computer Services	970,854
Contracts	5,455
Actuarial Services	188,910
Audit Fees	195,540
Legal Services	41,318
Medical Services	62,775
Total Professional Services	1,464,852
Management Expenses:	
Building Maintenance	578,950
Total Management Expenses	578,950
Other Services and Charges:	
Repairs and Maintenance	6,593
Supplies and Materials	260,959
Depreciation Expense	430,859
Miscellaneous	166,347
Total Other Services and Charges	864,758
Total Administrative Expenses	15,954,878
Less Reimbursement by Other State Retirement Systems for Services Rendered on Their Behalf	675,960
Net Administrative Expenses	$ 15,278,918

See accompanying independent auditors' report.

ADDITIONAL INFORMATION

For the Year Ended June 30, 2016

Schedule of Investment Expenses

Investment Advisory and Custodial Fees	$ 24,854,868
Miscellaneous	13,428,673
Total Investment Expenses	$ 38,283,542

See accompanying independent auditors' report.

While worldwide economic concerns remain in the forefront of investors' minds, it is politics that seems to have moved to the forefront of market worries. The concerns are too numerous to name, but the biggest problems currently seem to be Brexit and the U.S. election. The economy continued its slow growth with Real GDP increasing 1.3% year over year. Generally, global growth remains concentrated in Asia and Emerging markets. Despite relatively slow growth, low inflation and political uncertainty, the U.S. economy is performing better than most developed economies. The U.S. stock market had a subpar return of 3.6% for the fiscal year.

It is important to remember the pension plan has a long-term investment horizon and that short-term concerns should not drive the investment decisions. 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 although there was not broad based strength. Industrial production has been erratic and decreased slightly on a year over year basis. Employment and consumer demand remained relatively strong. Likewise, foreign economies presented a mixed bag of strength and weakness. For the most part central banks remained accommodative, though the Federal Reserve Bank did raise short term rates by 0.25% in December of 2015.

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 rates of return in a manner consistent with the CFA Institute's objectives as stated in its publication "Global Investment Performance Standards Handbook," third edition.

The return for the S&P 500 was 4.0%. 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 1.3% and 0.0%, respectively. The search for yield led to outsized returns for the Utilities and Telecom sectors while Financials and Energy had negative returns.

International markets on the other hand had negative returns. The MSCI EAFE Index had a (10.2)% return and the MSCI Emerging Market Index had a return of (12.1)%. In a reversal from the prior year, the dollar was down about 1% against foreign currencies.

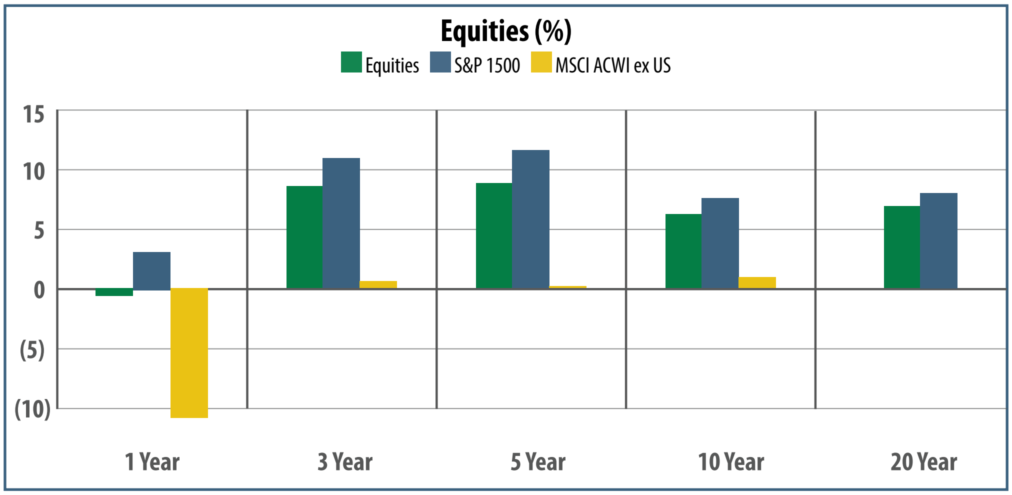
Interest rates declined again so the longer the maturity of the bond the better the performance. The total return on the 10 year Treasury Note was 9.5% and the 30 year Treasury Bond had a 20.6% return. The return on short-term Treasury bills was 0.1%.

We look at two fixed income indexes to measure the bond market's performance. The Barclays Government/Credit Index had a return of 6.7%. 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 6.1% and is a broad index containing higher rated corporate bonds as well as Treasuries and Government securities. In another change from the prior year, higher quality bonds underperformed lower quality bonds as evidenced by a 1.5% outperformance of BBB rated bonds versus AA rated bonds.

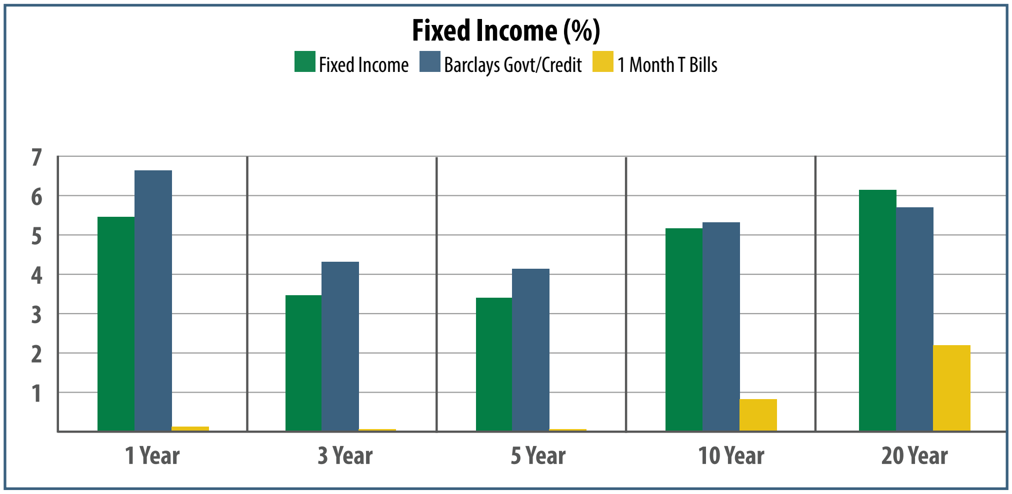
In summary, the investment status of the System is excellent. The high quality of the System's investments is in keeping with the continued policy of "Conservatism" and "Conservation of Capital."

Prepared by the Division of Investment Services

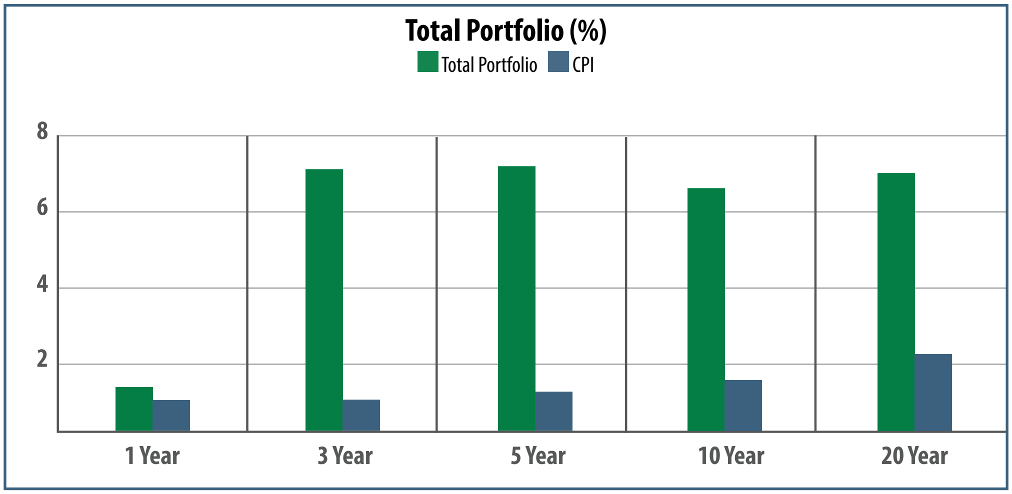
RATES OF RETURN



	Equities	S&P 1500	MSCI ACWI ex US
1 Year	(0.3)%	3.6%	(10.2)%
3 Year	8.7	11.5	1.2
5 Year	8.8	11.9	0.1
10 Year	6.0	7.5	1.9
20 Year	7.3	8.2	—



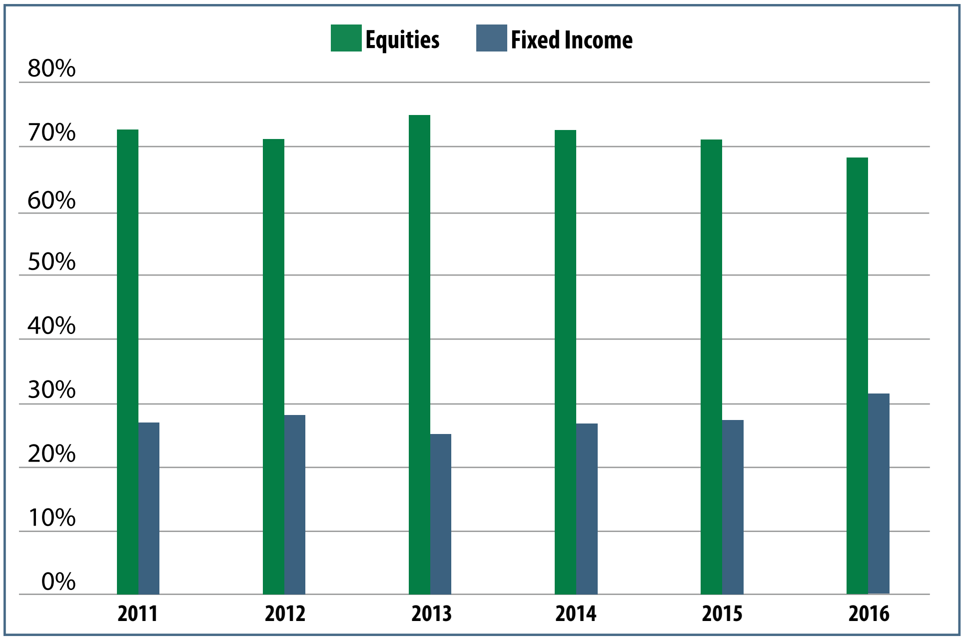
	Fixed Income	Barclays Govt/ Credit	1 Month T Bills
1 Year	5.5%	6.7%	0.1%
3 Year	3.5	4.2	0.1
5 Year	3.4	4.1	—
10 Year	5.1	5.2	0.9
20 Year	6.1	5.7	2.2



	Total Portfolio	CPI
1 Year	1.4%	1.1%
3 Year	7.2	1.1
5 Year	7.3	1.3
10 Year	6.3	1.7
20 Year	7.2	2.2

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, 2016

Investment Advisors' Fees*:	
U.S. Equity	$ 13,999,074
International Equity	9,167,917
Investment Commissions:	
U.S. Equity	6,042,522
International Equity	13,010,731
SEC & Foreign Transaction Fees:	1,899,909
Miscellaneous*:	15,116,551
Total Fees and Commissions	$ 59,236,704

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

Investment Summary

Asset Allocation at June 30	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Equities	72.3%	71.0%	73.5%	72.9%	71.2%	68.6%
Fixed Income	27.7%	29.0%	26.5%	27.1%	28.8%	31.4%
Asset Allocation at June 30 (in millions)						
Equities	$37,568	$37,191	$41,396	$47,126	$46,423	$43,652
Fixed Income	14,387	15,188	14,882	17,491	18,807	19,979
Short-Term Securities	—	—	—	—	100	—
Total Investments	$51,955	$52,379	$56,278	$64,617	$65,230	$63,631

PORTFOLIO DETAIL STATISTICS

Twenty Largest Equity Holdings*

Shares	Company	Fair Value
6,998,308	Apple Inc.	$ 669,038,245
906,472	Alphabet Inc.	632,875,879
12,195,242	Microsoft Corp.	624,030,533
6,515,077	Exxon Mobil Corp.	610,723,318
4,709,330	Johnson & Johnson	571,241,729
4,036,200	Facebook Inc.	461,256,936
598,284	Amazon.Com Inc.	428,143,996
7,411,309	Verizon Communications Inc.	413,847,495
11,424,406	Pfizer Inc.	402,253,335
3,733,777	Chevron Corp.	391,411,843
4,487,180	Procter & Gamble Co.	379,929,531
11,880,862	General Electric Co.	374,009,536
2,488,500	Berkshire Hathaway Inc.	360,309,915
8,012,917	AT&T Inc.	346,238,144
5,538,509	JPMorgan Chase & Co.	344,162,949
7,131,428	Wells Fargo & Co.	337,530,487
4,187,600	Visa Inc.	310,594,292
6,788,300	Coca Cola Co.	307,713,639
8,968,374	Intel Corp.	294,162,667
2,649,565	PepsiCo Inc.	280,694,916
Total of 20 Largest Equity Holdings		$ 8,540,169,385
Total Equity Holdings		$ 43,651,536,228

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	$ 1,377,135,520
U.S. Treasury Note	9/30/17	1.8750	1,065,000,000	1,082,434,050
U.S. Treasury Note	3/31/23	1.5000	800,000,000	811,528,000
U.S. Treasury Note	4/30/19	1.6250	768,000,000	787,622,400
U.S. Treasury Note	8/15/21	2.1250	645,000,000	679,720,350
General Electric Company	10/9/22	2.7000	605,000,000	634,947,500
U.S. Treasury Note	8/15/24	2.3750	564,000,000	607,095,240
U.S. Treasury Bond	2/15/39	3.5000	480,000,000	605,774,400
U.S. Treasury Bond	11/15/28	5.2500	428,000,000	602,444,240
General Electric Capital Corporation	1/5/26	5.5500	388,000,000	483,673,040
Total of 10 Largest Fixed-Income Holdings				$ 7,672,374,740
Total Fixed-Income Holdings				$ 19,979,237,080

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

Cavanaugh Macdonald
CONSULTING, LLC
The experience and dedication you deserve

May 1, 2016

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, 2015. The report indicates that annual employer contributions at the rate of 16.81% of compensation for the fiscal year ending June 30, 2018 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.

Since the previous valuation, various assumptions and methods have been revised to reflect the results of the experience investigation for the five-year period ending June 30, 2014.

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 2015 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 financial reporting purposes meet the parameters set by Actuarial Standards of Practice (ASOPS). 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 Plan and the employers are required to comply with the financial reporting requirements of GASB Statements No. 67 and 68. The necessary disclosure information is provided in separate supplemental reports.

We have provided the following information and supporting schedules for the Actuarial Section of the Comprehensive Annual Financial Report:

- Summary of Actuarial Assumptions and Methods
- Schedule of Active Members
- Schedule of Retirees and Beneficiaries Added to and Removed from Rolls
- Schedule of Funding Progress
- Analysis of Financial Experience

ACTUARY'S CERTIFICATION LETTER

continued

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; 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

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, 2015, 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 18, 2015. 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, 2015 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 4.75% assumed real rate of return and a 2.75% 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 18, 2015.

c) **Salary Increases.** Salaries are expected to increase 3.25% to 9.00% annually depending upon the members' years of creditable service. The salary increase includes a 0.50% assumed real rate of wage inflation and a 2.75% assumed annual rate of inflation. Adopted November 18, 2015.

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 White Collar Mortality Table projected to 2025 with projection scale BB (set forward one year for males). The death-after-disability retirement rates are based on the RP-2000 Disabled Mortality Table projected to 2025 with projection scale BB (set forward two years for males and four years for females). Adopted November 18, 2015.

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, 2013. Five-year smoothing of investment gains and losses commenced in the subsequent year. 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 is 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 $17.3 billion at June 30, 2015.

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, 2015, to be made for the year ended June 30, 2018.

(1) Member	**6.00%**
(2) Employer:	
Normal	**6.84%**
Unfunded Accrued Liability	**9.97%**
Total	**16.81%**

Service Retirement

Adopted November 18, 2015

	Male		Female	
Age	< 30 years of service	≥ 30 years of service	< 30 years of service	≥ 30 years of service
50	3.50%	60.00%	3.00%	55.00%
55	5.00	40.00	5.50	37.00
60	20.00	36.00	25.00	43.00
61	18.00	32.00	25.00	43.00
62	26.00	36.00	25.00	43.00
63	22.00	33.00	25.00	43.00
64	22.00	32.00	25.00	43.00
65	30.00	30.00	31.00	31.00
66	32.00	32.00	33.00	33.00
67	30.00	30.00	30.00	30.00
68	30.00	30.00	30.00	30.00
69	28.00	28.00	30.00	30.00
70	30.00	30.00	30.00	30.00

Separation Before Service Retirement

Adopted November 18, 2015

	Annual Rate of				
			Withdrawal Years of Service		
Age	Death	Disability	*0-4 Yrs*	*5-9 Yrs*	*10+ Yrs*
		Male			
20	0.0320%	0.0135%	25.00%	— %	— %
25	0.0349	0.0135	17.00	12.00	—
30	0.0412	0.0210	13.50	7.00	8.00
35	0.0717	0.0330	13.50	6.00	3.00
40	0.1001	0.0550	13.00	6.00	2.50
45	0.1399	0.0900	12.00	6.00	2.30
50	0.1983	0.1700	11.00	5.50	2.50
55	0.2810	0.3000	11.00	5.50	3.00
60	0.4092	—	12.00	5.50	—
64	0.5330	—	13.00	6.50	—
		Female			
20	0.0177%	0.0100%	28.00%	— %	— %
25	0.0192	0.0130	13.50	16.00	—
30	0.0245	0.0140	13.50	8.00	6.00
35	0.0441	0.0190	13.00	7.00	3.50
40	0.0655	0.0390	11.00	6.50	3.00
45	0.1043	0.0650	10.50	6.00	2.30
50	0.1555	0.1400	10.00	5.00	2.40
55	0.2228	0.3400	10.00	5.00	2.75
60	0.3058	—	10.50	5.50	—
64	0.4015	—	13.00	6.50	—

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
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
2015	414	213,990	10,347,332	48,354	1.5

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
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
2015	7,207	306,751	2,237	72,818	113,124	4,065,588	6.1	35,939

(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, 2016 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)
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
2015	8,153,958	50,251,964	24,385,088	65,514,119	100.0	100.0	29.1

* 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, 2016 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
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
2017	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)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL (Funding Excess) as a Percentage of Covered Payroll [(b-a)/c]
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
6/30/15	65,514,119	82,791,010	17,276,891	79.1	10,347,332	167.0

*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	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Interest Added to Previous Unfunded Accrued Liability	$ 1,077.6	$ 1,084.6	$ 977.8	$ 846.2	$ 733.2	$ 486.3	$ 358.5	$ 217.3	$ 134.7	$ 73.1
Accrued Liability Contribution	(796.1)	(662.0)	(604.7)	(443.5)	(396.3)	(312.0)	(125.0)	(118.5)	57.2	51.9
Experience:										
Valuation Asset Growth	(677.3)	(836.1)	1,241.1	1,855.1	2,018.7	1,674.9	2,433.5	548.9	(132.3)	675.3
Pensioners' Mortality	37.7	35.3	52.7	51.6	24.2	89.8	50.1	58.4	25.6	(40.7)
Turnover and Retirements	335.9	119.6	378.2	319.1	195.3	269.5	307.1	291.4	213.3	65.8
New Entrants	138.9	115.3	96.2	101.2	89.6	123.7	185.1	258.8	212.6	143.5
Salary Increases	(227.6)	(624.9)	(715.2)	(709.9)	(1,132.2)	(1,040.5)	14.1	162.8	294.5	144.1
Method Changes [4]	—	—	(926.7)	—	—	—	(2,062.3)	—	—	(339.2)
Interest Smoothing	2,861.2	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]	688.3	—	—	—	—	1,472.4	—	—	—	—
Miscellaneous	127.9	112.8	124.4	142.6	228.5	274.2	70.9	92.4	51.2	—
Total Increase	$ 3,566.5	$ 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] 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

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.

2015 - 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, assumptions related to percent married, unused sick leave, and termination benefits were also revised.

[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.

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
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
2016	685,626	1,580,532	810,574	3,076,732

Contributions were made in accordance with actuarially determined contribution requirements.

Deductions by Type (in thousands)

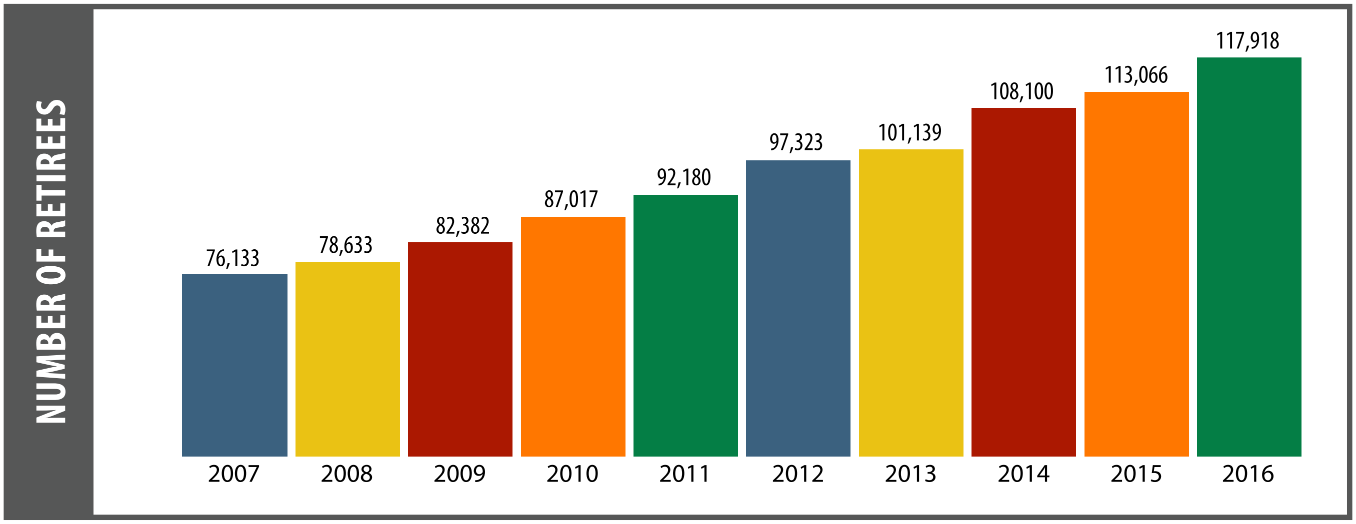
	Benefit Payments									
Fiscal Year	Service	Partial Lump-Sum Option	Disability	Survivor Benefits	Supplemental Payments [1]	Lump-Sum Death Settlement	Total Benefit Payments	Net Administrative Expenses	Refunds	Total Deductions From Fiduciary Net Position
2007	$ 2,128,927	$ 33,378	$ 70,431	$ 46,670	$ 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
2016	4,015,786	33,929	109,669	67,013	312	2,110	4,228,819	15,279	79,334	4,323,432

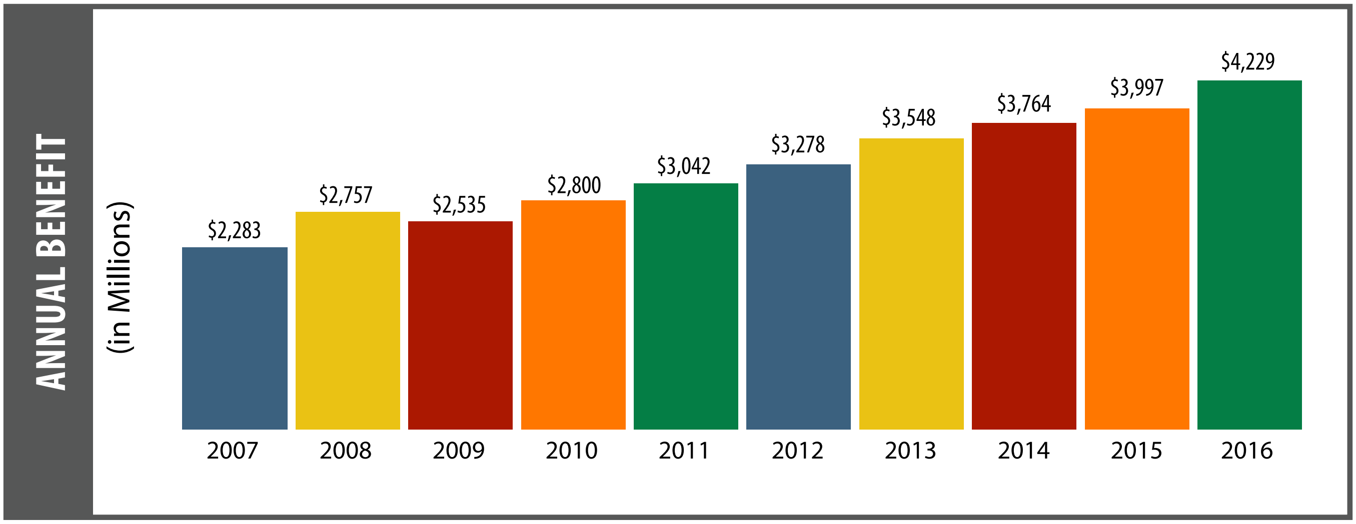
[1] Supplemental payments to retirees who belong to a local retirement system.

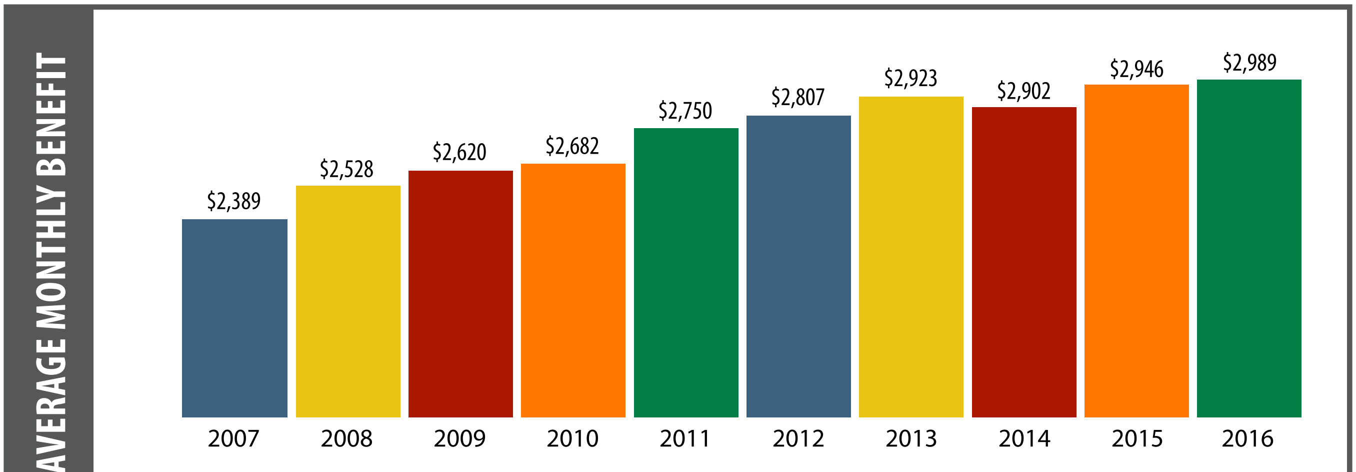
Changes in Fiduciary Net Position (in thousands)

Fiscal Year	Total Additions to (Deductions from) Fiduciary Net Position	Total Deductions from Fiduciary Net Position	Changes in Fiduciary Net Position
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
2016	3,076,732	4,323,432	(1,246,700)

Benefit Payment Statistics

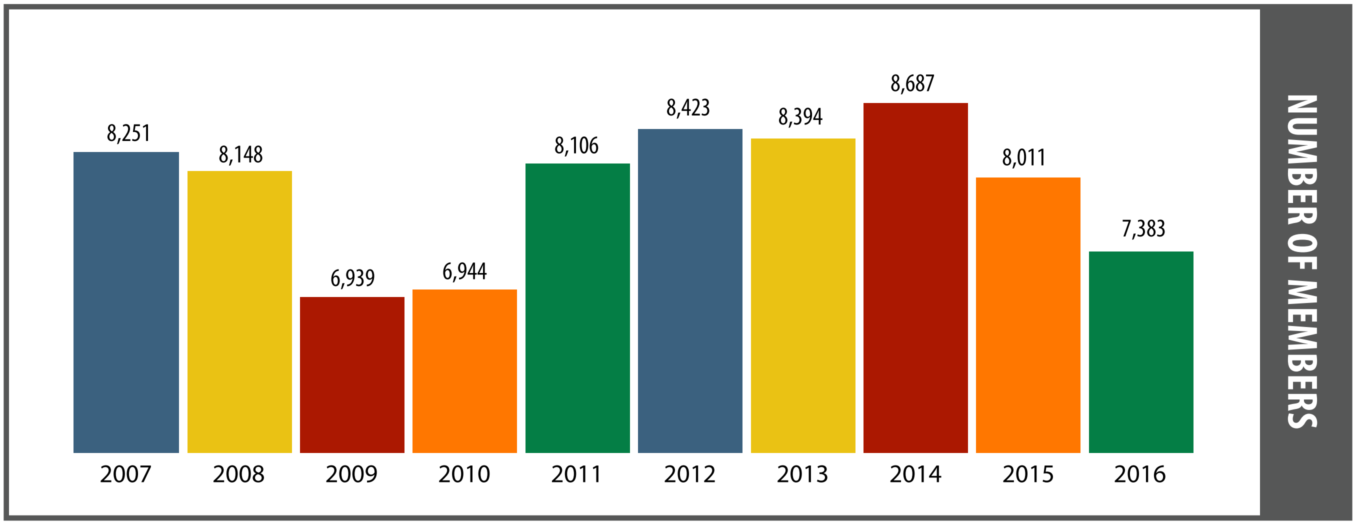


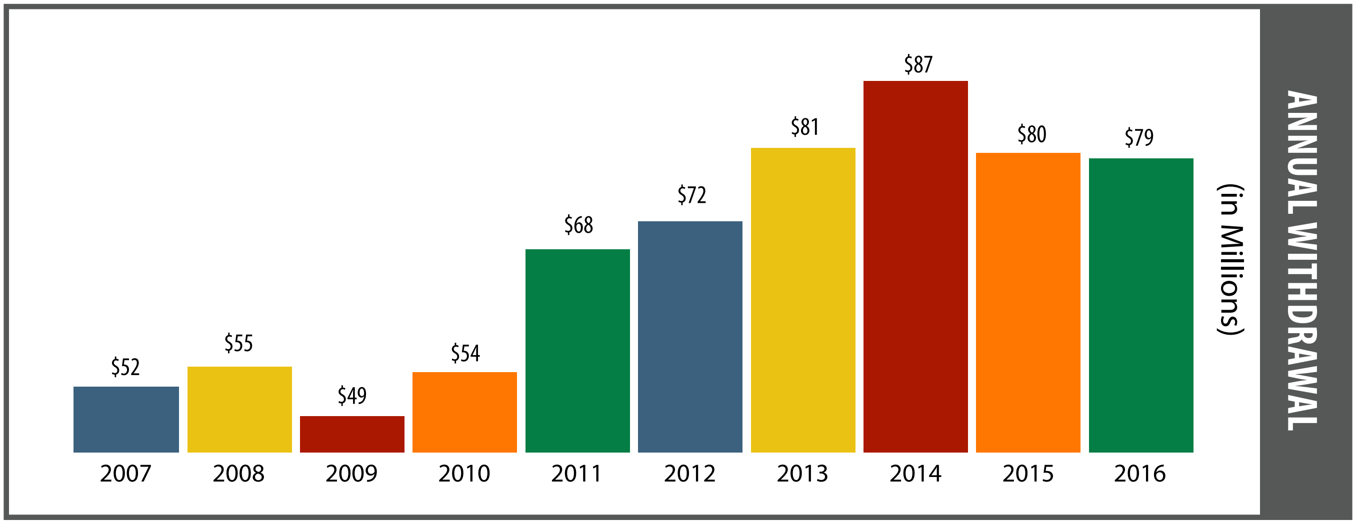


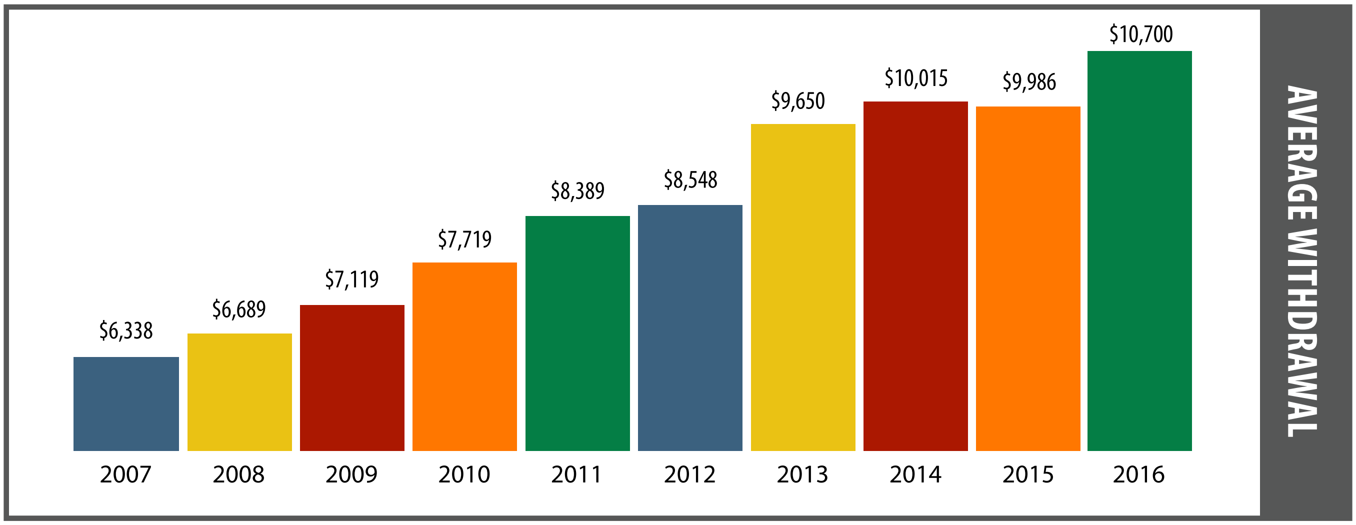


Retirees who belonged to a local retirement system and who received supplemental payments are not included.

Member Withdrawal Statistics







continued

Average Monthly Benefit Payments for New Retirees

Effective Retirement Dates for Fiscal Years Ended June 30,	Years Credited Service 10 - 15	16 - 20	21 - 25	26 - 30	Over 30	Total
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
2016						
Average monthly benefit	$ 883.07	$1,447.47	$1,979.68	$2,582.75	$3,496.30	$2,207.94
Average final average salary	$3,786.36	$4,215.09	$4,558.19	$5,046.61	$5,796.47	$4,786.10
Number of retirees	1,695	1,094	1,130	1,001	2,297	7,217

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	530	316	52	109	53	201	8	171	64	47	29	10
250–500	4,670	3,870	403	395	2	2,891	161	877	195	113	319	114
500–750	6,420	5,413	611	392	4	4,093	233	1,077	253	68	512	183
750–1000	6,938	6,023	537	375	3	4,303	264	1,149	274	58	660	230
1000–1250	7,065	6,159	521	380	5	4,321	263	1,176	318	40	666	281
1,250–1,500	6,039	5,315	455	267	2	3,650	214	965	266	52	622	270
1,500–1,750	5,207	4,583	375	246	3	3,000	209	823	307	43	549	276
1,750–2,000	4,797	4,260	328	209	-	2,729	201	751	274	42	503	297
2,000–2,250	4,680	4,184	320	174	2	2,658	192	704	272	49	483	322
2,250–2,500	4,573	4,155	302	116	-	2,595	191	634	292	53	525	282
2,500–2,750	4,651	4,281	270	100	-	2,646	210	619	270	41	560	305
2,750–3,000	4,982	4,596	293	93	-	2,909	218	641	263	55	602	294
3,000–3,250	5,555	5,251	217	87	-	3,311	258	639	285	80	613	368
3,250–3,500	5,918	5,676	160	82	-	3,611	251	668	275	77	678	358
3,500–3,750	6,101	5,928	128	45	-	3,835	312	572	267	97	622	396
3,750–4,000	6,464	6,345	83	36	-	4,248	350	531	279	85	606	365
4,000–4,250	5,576	5,499	46	31	-	3,643	300	447	263	83	486	354
4,250–4,500	5,003	4,948	27	28	-	3,333	303	403	220	79	391	274
4,500–4,750	3,982	3,919	28	35	-	2,665	224	343	197	44	301	208
4,750–5,000	3,254	3,221	15	18	-	2,227	164	260	155	63	215	170
Over 5,000	15,513	15,366	40	107	-	9,362	881	1,874	1,140	429	993	837
TOTALS	**117,918**	**109,308**	**5,211**	**3,325**	**74**	**72,231**	**5,407**	**15,324**	**6,129**	**1,698**	**10,935**	**6,194**

(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	FY16 Total Gross Pay
Appling	282	$ 10,403,523
Atkinson	94	3,231,082
Bacon	141	4,937,728
Baker	32	1,039,727
Baldwin	740	26,300,300
Banks	199	6,689,425
Barrow	624	20,621,485
Bartow	938	32,335,410
Ben Hill	271	9,129,817
Berrien	249	8,204,198
Bibb	1,858	66,015,943
Bleckley	279	9,107,101
Brantley	136	4,568,862
Brooks	183	6,377,048
Bryan	315	10,326,304
Bulloch	1,322	47,456,956
Burke	268	8,732,672
Butts	267	9,577,475
Calhoun	120	3,725,689
Camden	362	12,974,347
Candler	154	4,872,492
Carroll	1,738	62,609,482
Catoosa	457	15,530,646
Charlton	87	3,246,253
Chatham	2,809	99,909,220
Chattahoochee	30	1,079,378
Chattooga	304	10,117,841
Cherokee	2,007	72,974,570
Clarke	3,162	136,150,327
Clay	58	2,012,281
Clayton	1,196	43,904,834
Clinch	96	3,633,565
Cobb	5,531	205,217,805
Coffee	504	17,799,275
Colquitt	565	20,221,109
Columbia	2,214	79,319,379
Cook	211	7,361,481
Coweta	1,298	47,468,450
Crawford	199	6,925,323
Crisp	328	11,516,472

County	Number of Retirees	FY16 Total Gross Pay
Dade	118	$ 3,700,306
Dawson	293	11,946,438
Decatur	346	13,266,177
DeKalb	5,839	247,402,657
Dodge	262	8,923,239
Dooly	124	4,641,783
Dougherty	1,628	61,242,790
Douglas	936	33,450,177
Early	191	6,675,630
Echols	8	267,806
Effingham	405	12,092,998
Elbert	297	9,485,267
Emanuel	368	13,422,696
Evans	140	4,656,803
Fannin	347	12,603,771
Fayette	1,697	67,783,015
Floyd	1,347	50,980,996
Forsyth	978	34,968,141
Franklin	350	12,760,340
Fulton	7,016	306,692,407
Gilmer	379	13,928,462
Glascock	37	1,128,067
Glynn	1,253	46,762,453
Gordon	530	18,302,576
Grady	284	10,273,457
Greene	287	12,158,660
Gwinnett	4,385	165,463,540
Habersham	616	21,068,967
Hall	1,852	72,254,734
Hancock	141	4,336,192
Haralson	328	10,689,731
Harris	388	14,143,826
Hart	290	11,365,940
Heard	93	2,780,580
Henry	1,783	65,355,976
Houston	1,333	49,470,891
Irwin	107	3,759,987
Jackson	970	34,415,777
Jasper	188	6,539,713
Jeff Davis	150	5,727,716

Retirement Payments By County of Residence continued

County	Number of Retirees	FY16 Total Gross Pay	County	Number of Retirees	FY16 Total Gross Pay
Jefferson	208	$ 7,266,640	Richmond	2,815	$ 92,989,541
Jenkins	123	4,132,842	Rockdale	820	30,551,049
Johnson	122	4,181,231	Schley	57	1,762,216
Jones	222	8,309,500	Screven	220	7,439,449
Lamar	234	8,265,610	Seminole	133	4,554,712
Lanier	70	2,245,076	Spalding	856	29,600,565
Laurens	695	25,095,654	Stephens	410	14,689,204
Lee	294	10,288,187	Stewart	76	2,559,812
Liberty	298	9,967,269	Sumter	522	19,681,139
Lincoln	152	5,671,710	Talbot	84	2,361,972
Long	56	1,718,850	Taliaferro	21	624,451
Lowndes	1,625	56,297,055	Tattnall	198	6,836,110
Lumpkin	451	16,614,067	Taylor	115	4,192,884
Macon	154	5,065,689	Telfair	189	6,726,583
Madison	764	22,210,524	Terrell	124	4,313,956
Marion	83	2,500,312	Thomas	731	25,328,961
McDuffie	306	10,922,870	Tift	827	30,039,893
McIntosh	173	5,973,271	Toombs	365	13,323,353
Meriwether	240	8,548,529	Towns	240	9,017,503
Miller	81	2,781,273	Treutlen	104	3,434,314
Mitchell	270	8,739,663	Troup	773	28,784,180
Monroe	285	10,367,499	Turner	181	5,945,953
Montgomery	138	4,846,269	Twiggs	77	2,658,630
Morgan	360	13,640,388	Union	372	14,244,836
Murray	319	12,255,528	Upson	363	12,651,666
Muscogee	2,494	90,927,127	Walker	573	19,136,113
Newton	786	28,356,019	Walton	1,088	38,726,509
Oconee	1,199	50,165,790	Ware	549	19,800,546
Oglethorpe	281	8,950,302	Warren	57	1,989,468
Paulding	618	20,054,185	Washington	266	9,493,039
Peach	582	22,421,722	Wayne	381	12,789,574
Pickens	612	24,370,856	Webster	26	842,176
Pierce	256	8,289,838	Wheeler	94	3,522,558
Pike	243	8,446,971	White	446	16,352,737
Polk	456	17,218,554	Whitfield	910	34,155,180
Pulaski	145	5,096,126	Wilcox	148	5,523,274
Putnam	357	13,643,160	Wilkes	170	5,798,007
Quitman	36	1,207,860	Wilkinson	129	4,086,825
Rabun	266	11,049,261	Worth	221	7,447,016
Randolph	91	3,444,413	Outside GA	16,330	452,779,399
			TOTALS	**117,918**	**$ 4,228,819,000**

Principal Participating Employers

	2016			2007		
Employers	**Covered Employees**	**Rank**	**Percentage of Total System**	**Covered Employees**	**Rank**	**Percentage of Total System**
State of Georgia	37,036	1	15.26 %	—	—	—
Gwinnett County Schools	16,701	2	7.65 %	15,626	1	7.16 %
Cobb County Schools	11,410	3	5.23 %	11,996	3	5.50 %
DeKalb County Schools	10,618	4	4.87 %	11,726	2	5.38 %
Fulton County Schools	9,804	5	4.49 %	9,407	4	4.31 %
Atlanta Public Schools	5,177	6	2.37 %	5,487	7	2.52 %
Clayton County Schools	4,983	7	2.28 %	5,560	6	2.55 %
Chatham County Schools	4,458	8	2.04 %	4,058	8	1.86 %
Henry County Schools	4,053	9	1.86 %	—	—	—
Cherokee County Schools	3,782	10	1.73 %	—	—	—
Muscogee County School District	—	—	—	3,894	9	1.79 %
Richmond County Schools	—	—	—	3,828	10	1.75 %
University of Georgia	*	—	*	8,059	5	3.69 %
Top 10	108,022		47.78 %	79,641		36.51 %
Total	218,215		100.0 %	218,141		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
Augusta University
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 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 City Schools
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

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
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.

North Georgia Technical Institute
Oconee Fall Line Technical College
Ogeechee Technical College
Savannah Technical College
South Georgia Technical College
Southeastern Technical College
Southern Crescent Technical College
Southern Regional 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
Dubois Integrity Academy
Foothills Education Charter High School
Fulton Leadership Academy
Furlow Charter School
Georgia Connections Academy
Georgia Cyber Academy
Georgia Magnet Charter School
Georgia Online Academy, Inc.
Georgia School for Innovation and the Classics
International Academy of Smyrna Charter School
International Charter School of Atlanta
International Community School
Ivy Preparatory Academy for Girls
Ivy Preparatory Young Men’s Academy
Ivy Preparatory Academy
Kennesaw Charter Science and Math Academy

Reporting Entities, *cont.*

Charter Schools, cont.

Kipp Metro Atlanta Collaborative
Latin Academy Charter School
Latin College Prep
Latin Grammar School
Leadership Preparatory Academy Charter School
Macon Charter
Mountain Education Center Inc.
New Life Academy of Excellence Inc.
North Metro Academy of Performing Arts
Odyssey Charter School
Pataula Charter Academy
Scintilla Charter Academy
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

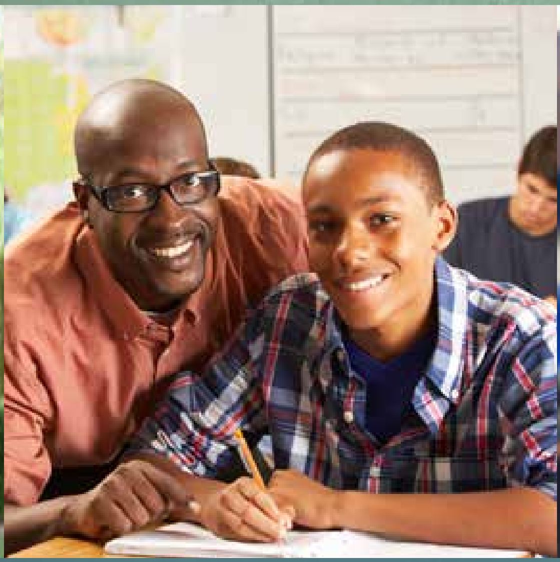
Department of Administrative Service
Department of Agriculture
Department of Community Health
Department of Corrections
Department of Human Services
Department of Natural Resource
Department of Public Health
Department of Public Safety
Department of Behavioral Health and Development Disability
Georgia 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

State Agencies, cont.

Georgia Department of Economic Development
Georgia Department of Juvenile Justice
Georgia Department of Labor
Georgia Department of Law
Georgia Department of Revenue
Georgia General Assembly
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
Georgia Technology Authority
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
Clarke County Health Department
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
Habersham County Board of Commissioners
Ware County Health Department
Whitfield County Board of Health



Teachers Retirement System of Georgia

A COMPONENT UNIT OF THE STATE OF GEORGIA

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