

Table of Contents

Introduction

Award: GFOA Certificate.....	1
CEO Letter of Transmittal	2
Teachers' Retirement Board.....	4
Executive Staff.....	5
Professional Services	6
Year in Review.....	6

Financial

Report of Independent Auditors.....	9
Management's Discussion and Analysis	12
Financial Highlights.....	12
Overview of Financial Statements	12
Financial Analysis.....	13
Net Assets	14
Changes in Net Assets.....	14
Requests for Information	15
Basic Financial Statements	
Statement of Fiduciary Net Assets	16
Statement of Changes in Fiduciary Net Assets....	17
Notes to the Basic Financial Statements	18
<i>Description of the System and</i>	
<i>Contribution Information.....</i>	18
<i>Summary of Significant Accounting Policies</i>	23
<i>Cash, Cash Equivalents, and Investments</i>	25
<i>Contingencies.....</i>	28
<i>Commitments</i>	28
<i>New Accounting Pronouncements.....</i>	28

Required Supplementary Information

Schedule of Funding Progress.....	30
Schedule of Contributions from Employers and Other Contributing Entities.....	31

Other Supplemental Information

Schedule of Administrative Expenses.....	34
Schedule of Investment Expenses from Continuous Appropriation	35
Schedule of Consultant and Professional Services Expenses	38
Voluntary Investment Program Schedule of Administrative Expenses.....	41
Teachers' Health Benefits Fund Schedule of Administrative Expenses.....	42

Investments

Investment Consultant's Report	43
Investments	44

Charts

<i>Asset Allocation</i>	44
<i>Investment Growth</i>	44
<i>Returns</i>	45
<i>Asset Categories Performance.....</i>	45
<i>Largest Fixed Income Holdings.....</i>	46
<i>Largest Equity Holdings.....</i>	47
<i>Investment Summary.....</i>	49
<i>Schedule of Fees.....</i>	49
<i>Broker Commissions</i>	50

Actuarial

Defined Benefit Program

Actuary’s Certification Letter 51
Summary of Actuarial Assumptions and Methods 53
Independent Actuarial Review..... 54
Summary of Program Provisions 55
Changes in Program Provisions..... 57
Schedule of Active Member Valuation Data..... 62
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls 62

Defined Benefit Supplement Program

Actuary’s Certification Letter 64
Summary of Actuarial Assumptions and Methods 66
Independent Actuarial Review..... 66
Summary of Program Provisions 67
Changes in Program Provisions..... 68
Schedule of Active Member Valuation Data..... 73
Schedule of Retired Members and Beneficiaries Added to and Removed from Rolls 73

Cash Balance Benefit Program

Actuary’s Certification Letter 74
Summary of Actuarial Assumptions and Methods..... 76
Independent Actuarial Review..... 76
Summary of Program Provisions 76
Changes in Program Provisions..... 78
Schedule of Active Participant Valuation Data 82
Schedule of Retired Participants and Beneficiaries Added to and Removed from Rolls 82

Statistical

Defined Benefit Program Schedules..... 85
 Defined Benefit Supplement Program Schedules 91
 Participating Employers, Defined Benefit and Defined Benefit Supplement Programs 92
 Cash Balance Benefit Program Schedules..... 98
 Cash Balance Benefit Program Participating Employers 99
 Programs Administered or Overseen by the Retirement System..... 100
 Voluntary Investment Program Schedules 100
 Voluntary Investment Program Participating Employers 101