

Table of Contents

INTRODUCTORY SECTION

Letter of Transmittal	1
GFOA Certificate of Achievement for Excellence in Financial Reporting	6
Public Pension Coordinating Council Standards Award For Funding and Administration.	7
Organization Chart.	8
Section Responsibilities and Professional Consultants	9
Alaska Retirement Management Board	10

FINANCIAL SECTION

Independent Auditors' Report.	13
Management's Discussion and Analysis	15

Basic Financial Statements

Combining Statement of Fiduciary Net Position	24
Combining Statement of Changes in Fiduciary Net Position	25

Notes To Financial Statements – An Integral Part of the Basic Financial Statements

Note 1 – Description.	26
Note 2 – Summary of Significant Accounting Policies.	32
Note 3 – Investments	34
Note 4 – Deposit and Investment Risk	35
Note 5 – Foreign Exchange, Derivative, and Counterparty Credit Risk.	37
Note 6 – Net Pension Liability – Defined Benefit Pension Plan.	38
Note 7 – Defined Benefit OPEB Funding Status	40
Note 8 – Claims Payable	43
Note 9 – Commitments and Contingencies	43
Note 10 – Medicare Part D Retiree Drug Subsidy.	44
Note 11 – Early Retiree Reinsurance Program.	44

Required Supplementary Information (Unaudited)

Schedule of Changes in Employer Net Pension Liability and Related Ratios – Defined Benefit Pension Plan	46
Schedule of Employer and Nonemployer Contributions – Defined Benefit Pension Plan	47
Schedule of Investment Returns	49
Schedule of Funding Progress – Defined Benefit OPEB Plans.	50
Schedule of Contributions from Employers and the State of Alaska – Defined Benefit OPEB Plans	51

Notes to Required Supplementary Information

Note 1 – Description of Schedule of Funding Progress.	52
Note 2 – Actuarial Assumptions and Methods	52

Supplemental Schedules

Schedule of Administrative and Investment Deductions	64
Schedule of Payments to Consultants Other than Investment Advisors.	65

INVESTMENT SECTION

Investment Consultant's Report	67
Treasury Division Staff and External Money Managers and Consultants	69
Investment Report	71
Schedule of Investment Results	72
Asset Allocations	73

Table of Contents

INVESTMENT SECTION (CONT.)

Top Ten Holdings by Asset Type	77
Schedule of Investment Management Fees	78
Investment Summary Schedules	80
Recaptured Commission Fees	86

ACTUARIAL SECTION

Teachers' Retirement System Defined Benefit Retirement Plan

Actuarial Certification	87
Description of Actuarial Methods and Valuation Procedures	90
Summary of Actuarial Assumptions and Changes in Assumptions	97
Funding Excess/(Unfunded Liability)	109
Employer Contribution Rates	110
Schedule of Active Member Valuation Data	111
Schedule of Pension Benefit Recipients Added to and Removed from Rolls	111
Pension Solvency Test	112
Postemployment Healthcare Solvency Test	113
Analysis of Financial Experience	114
Summary of Plan Provisions and Changes in Plan Provisions	116

Teachers' Retirement System Defined Contribution Retirement Plan

Actuarial Certification	123
Description of Actuarial Assumptions and Valuation Procedures	125
Summary of Actuarial Assumptions and Changes in Assumptions	127
Funding Excess/(Unfunded Liability)	137
Employer Contribution Rates	138
Schedule of Active Member Valuation Data	138
Occupational Death and Disability Solvency Test	139
Retiree Medical Solvency Test	140
Summary of Plan Provisions and Changes in Plan Provisions	141

STATISTICAL SECTION

Statistical Section Overview	145
Changes in Fiduciary Net Position	146
Additions by Source	152
Deductions by Type	158
Schedule of Average Pension Benefit Payments – New Benefit Recipients	164
Schedule of Pension and Healthcare Benefit Deductions by Type	165
Schedule of Benefit Recipients by Type and Option Elected	166
System Membership by Status	167
Principal Participating Employers	168
Participating Employers	169