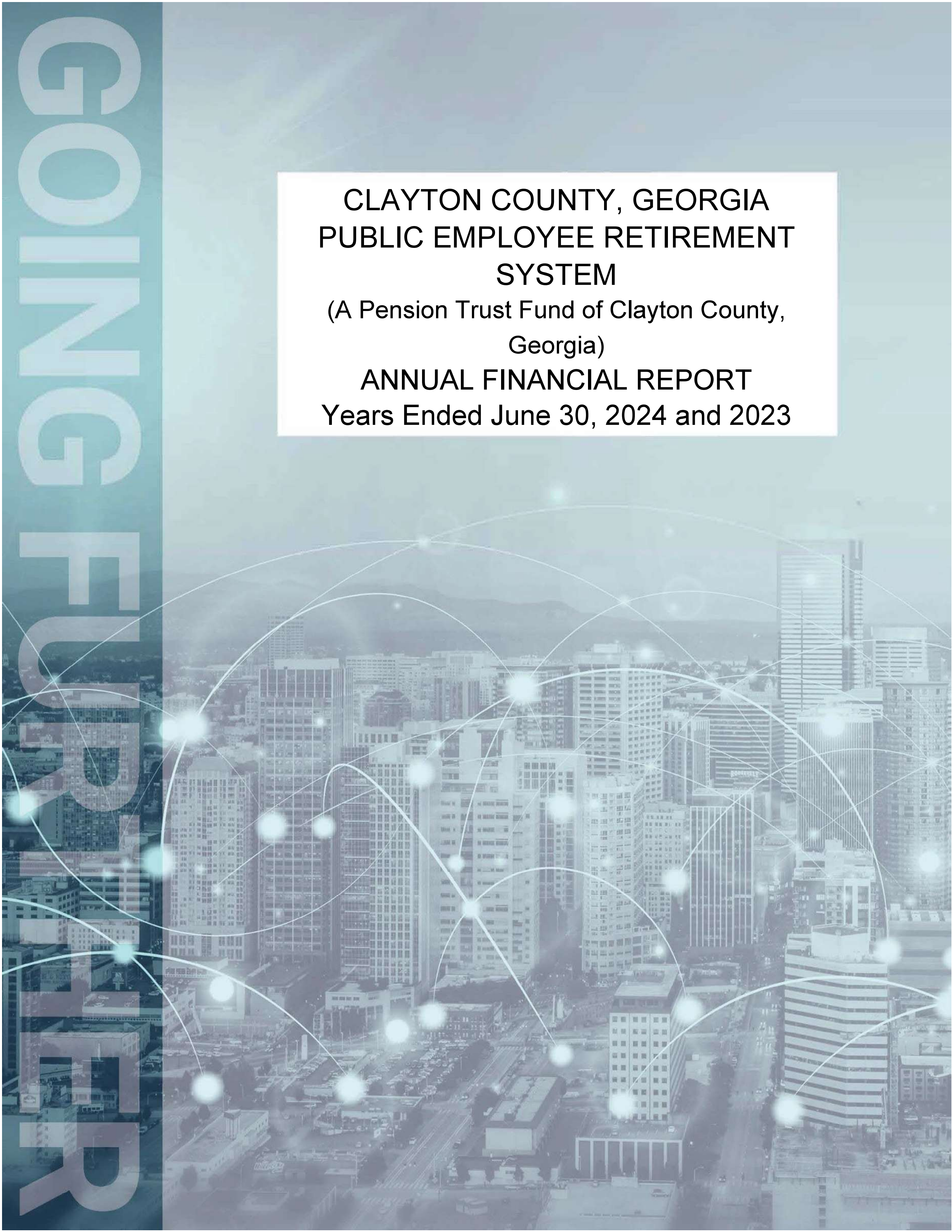

CLAYTON COUNTY, GEORGIA PUBLIC EMPLOYEE RETIREMENT SYSTEM

(A Pension Trust Fund of Clayton County, Georgia)

ANNUAL FINANCIAL REPORT

Years Ended June 30, 2024 and 2023

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM
(A Pension Trust Fund of Clayton County, Georgia)

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PUBLIC EMPLOYEE RETIREMENT SYSTEM

ANNUAL FINANCIAL REPORT
YEARS ENDED JUNE 30, 2024 AND 2023

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I. INTRODUCTORY SECTION (UNAUDITED)

This Section Contains the Following Subsections:

LISTING OF PRINCIPAL OFFICIALS AND CONSULTANTS

LETTER OF TRANSMITTAL

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM
LISTING OF PRINCIPAL OFFICIALS AND CONSULTANTS
JUNE 30, 2024

PENSION BOARD MEMBERS

Terry Hicks, Chairman
James Crissey, Vice Chairman
Stacey Merritt, Interim Secretary/Treasurer
Debbie Decker, Member
Pamela Ambles, Member

CLAYTON COUNTY BOARD OF COMMISSIONERS

Jeffrey E. Turner, Chairman
Gail Hambrick, Vice Chair
Felicia Franklin Warner, Commissioner
DeMont Davis, Commissioner
Vacant

Actuary

Gallagher Benefit Services, Inc.

Investment Custodian

U.S. Bank

Independent Auditor

Mauldin & Jenkins, LLC

Clayton County Pension Board
112 Smith Street
Jonesboro, Georgia 30236
Phone: 770-477-3222

March 20, 2025

The Honorable Terry Hicks, Chairman
Members of the Clayton County Pension Board,
Employees of Clayton County and Clayton County Water Authority,
And Citizens of Clayton County, Georgia

Ladies and Gentlemen:

The Annual Comprehensive Financial Report of the Public Employee Retirement System (PERS) of Clayton County, Georgia for the fiscal year ended June 30, 2024, is submitted herewith. Responsibility for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures, rests with the Clayton County Pension Board. We believe that the data as presented is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Public Employee Retirement System, and that all disclosures necessary to enable interested citizens to gain a reasonable understanding of the Public Employee Retirement System's financial affairs have been included.

There are five major sections presented in the Annual Comprehensive Financial Report: the Introductory Section, the Financial Section, the Actuarial Section, the Statistical Section, and the Compliance Section. The Introductory Section includes a Table of Contents, a Letter of Transmittal from the Chief Financial Officer, and a list of the Public Employee Retirement System's principal officials and consultants. The Transmittal Letter includes summarized financial information about the Public Employee Retirement System for the fiscal year. Also included is a discussion of the Public Employee Retirement System's current economic condition.

The Financial Section includes the independent auditors' report, the Management Discussion and Analysis, the basic financial statements, and required supplemental information of the Public Employee Retirement System. Notes to the financial statements and supplementary information are also included, which provide additional detail of data summarized in the financial statements.

As completed by the actuarial firm, Gallagher Benefit Services, Inc., the Actuarial Section includes the actuarial certification, the comparative summary of principal valuation results, and other information from the actuarial report for fiscal year ended June 30, 2024.

The Statistical Section contains information pertaining to revenues, expenses, Plan net position, and investment results.

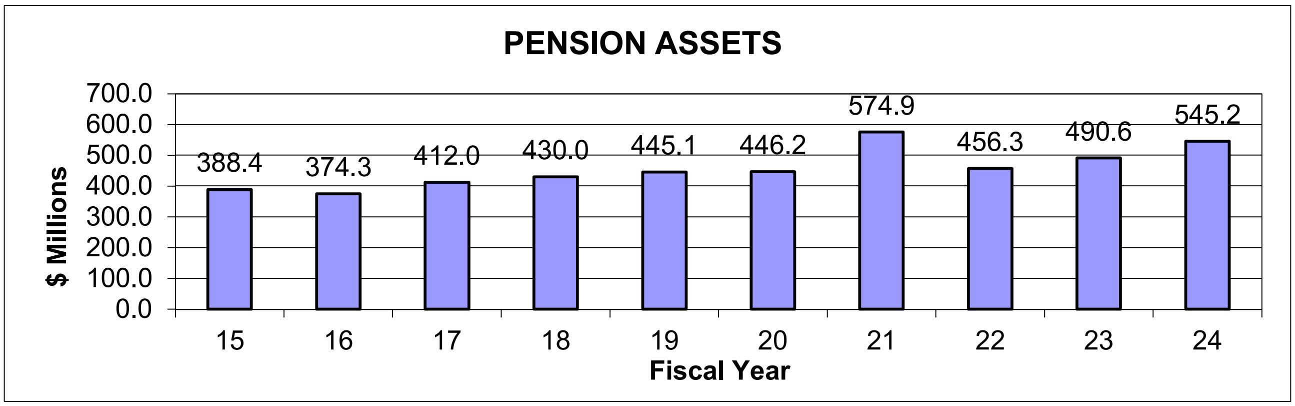
The Compliance Section includes the Auditor’s report on internal controls and other matters.

ECONOMIC CONDITION

Financial Highlights

The Public Employee Retirement System (PERS) maintains an investment policy designed to promote a strong financial future for the Plan. Our long-term objectives for the total portfolio and managers are to maintain high levels of performance over complete market cycles relative to its appropriate weighted benchmark index and within the universe of managers of its management style. Funding of the Pension Plan is adequate to secure current and future retirement benefits with the market value of Net Position Held in Trust for Pension Benefits totaling $545,297,258 at June 30, 2024.

The growth of Plan assets is illustrated in the accompanying graph. Plan assets increased from $388.4 million at June 30, 2015 to $545.2 million as of June 30, 2024. This demonstrates the strongest performance of the capital markets in the last decade.



Annual growth returns increased by 4.2% over the last ten years. It experienced a gradual incline through fiscal year 2015 with a slight market correction in 2016. The following four years were considered a rebound, ending with a strong, all-time high for 2021. Economic growth and performance continued to slow as fiscal year 2022 ended. In the end, the result was negative outcomes across all market capitalizations.

As the employer and employee contributions to the Plan are offset by the payment of retirement benefits, the increase in Plan assets represents gains (realized and unrealized) from portfolio investments, as well as additional amounts contributed by the employers. The total returns for the Plan held at U.S. Bank engaged by the Pension Board are detailed in the next few paragraphs and table.

The total **gross time weighted return** for the portfolio in fiscal year 2024 increased by 1.21%, coming in under the County's Custom benchmark of 12.73%. Over a trailing three-year period, the Plan produced an annually compounded total return of .75%, coming in below the benchmark return of 2.33%. For the past five years, the Plan generated a return of 7.20% slightly underperforming its benchmark of 7.77%. Since inception, the Plan has generated a return of 8.40%, which exceeds the assumed earning rate of 7.75% as shown in the Actuarial Valuation Report. The asset valuation method is a five-year smoothed market value. For fiscal year 2024, the projected salary increases for County participants are estimated at 4%. For fiscal year 2024, the projected salary increases for Water Authority participants are estimated at 6.50%. The expected salary increase on July 1, 2025 was increased to 4.75% for County participants and decreased to 4% for Water Authority participants.

In fiscal year 2020, the Pension Board voted to engage U.S. Bank for Custodial and Benefit payment services. The conversion of pension assets took place on July 1, 2020 from Transamerica to U.S. Bank. The current custodian has a directive on file to utilize the Vanguard Total Stock Market Fund as the funding source for any benefit payments. The current managers for fiscal year 2024 are Eagle Capital, Channing Capital, and Deprince, Race & Zollo Inc.

The total **fund return** for the pension plan narrowly outperformed to its custom benchmark for the year. The Plan produced a return of 12.79% for the fiscal year ended June 30, 2024, whereas the Fund Class benchmark was 12.73%. The three-year annualized return did not exceed its perspective fund benchmark, short by 1.58%, and the five-year return did not exceed its benchmark, short by 57 basis points (.57%). The custom benchmark is composed of 20% Russell 1000 Index, 20% Russell 3000 Index, 15% Russell 2500 Index, 15% MSCI AC World ex USA, 25% Bloomberg Barclay U.S. Aggregate Index, and 5% NCREIF Fund Index-Open End Diversified Core (EW).

The following table shows the annually compounded total returns for each of the managers and its' benchmarks.

Investment Performance at June 30, 2024

Total Pension Plan	***Total Return***	***Benchmark Return***	***Benchmarks***
One Year	12.79%	12.73%	Russell 1000 Index (20%) Russell 3000 Index (20%) Russell 2500 Index (15%) MCSI AC World ex USA (Net) (15%) Blmbg. US Aggregate Index (25%) NCREIF Fund Index-Open End Diversified Core (EW)(5%)
Three Years	0.75	2.33	
Five Years	7.20	7.77	

Appointments

The Pension Board retained Gallagher Benefit Services Inc., (previously known as Buck Global), as the Plan actuary and Bryan Cave Leighton Paisner as specialized legal counsel. During the year, Gallagher completed the Valuation Report and consulted on other items of interest to the Pension Board. In addition, Bryan Cave has assisted in reviewing legal documents and responding to other legal matters. U.S. Bank has served as the custodian bank and record-keeper / processor for the Plan since July 1, 2020. Prior to U.S. Bank, Transamerica was the custodian from July 1, 2013 through June 30, 2020. Mariner, previously known as AndCo, was retained on August 9, 2018 to provide expertise in the selection of investment funds and financial analysis, as well as additional consulting services of the Pension Plan.

Plan Enhancements

The Plan was restated in 2015 with a general January 1, 2016 effective date. The May 5, 2015 restatement focused on new employees hired on or after January 1, 2016 and served to consolidate amendments made after the last restatement on July 1, 2013. The 2015 restatement primarily changed the pension benefit formula, vesting period, and retirement ages. It also increased the Employee and Employer contribution requirements. The restatement also contained clarifications pertaining to the manner in which average monthly compensation is determined for benefit calculation purposes; qualification for certain death benefits; to define "leased employee" and eligibility of certain classes of employees. All changes in 2015 were approved with the goal in mind of improving funding levels of the Plan. The Board of Commissioners approved an amendment on September 4, 2018. This amendment clarified current language in several sections, added the positions of Court Reporter and Superior Court Law Clerk to the Eligible Employee definition, made changes to rehired employee bridging rules, and corrected an omission in providing a death benefit to the spouse of a deceased employee. In addition, for employees hired prior to January 1, 2016, the projections include a 2.0% cost-of-living adjustment after the 84th payment effective July 1, 2009. The most recent amendment to the Plan was made in late June 2023 increasing the Employer contribution rate from 13.9% to 21.50% of covered payroll. This contribution percentage increase is intended to improve the funding status; effective date was the first payroll in July 2023.

REPORTING ENTITY

The Pension Board is the governing body of the Clayton County Public Employee Retirement System. The Board consists of members representing the Clayton County Board of Commissioners and the Clayton County Water Authority as well as one at-large member who is a citizen of Clayton County. Under the amended Plan, the Public Employee Retirement System maintains a contributory, defined benefit pension plan that covers all Civil Service full time County employees, full time Water Authority employees, department heads, certain elected officials, and certain appointed employees. The Board of Commissioners and the Water Authority fund the Plan at 21.50% of covered payroll, paid on a quarterly basis. Employees continue to contribute 7.50% of salary to the Plan on a bi-weekly basis. The overall contributions from the Employers and Employees total 29%.

FINANCIAL INFORMATION

Accounting and Budgetary Controls

In developing and evaluating the Public Employee Retirement System's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability of assets.

The concept of reasonable assurance recognizes that: (1) the cost of control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Public Employees' Retirement System's internal accounting controls adequately safeguard assets and provide reasonable assurance surrounding the proper recording of financial transactions.

Accounting Method

The funds of the Public Employee Retirement System are reported on the accrual basis of accounting. The measurement focus is based upon the determination of net position and changes in financial net position.

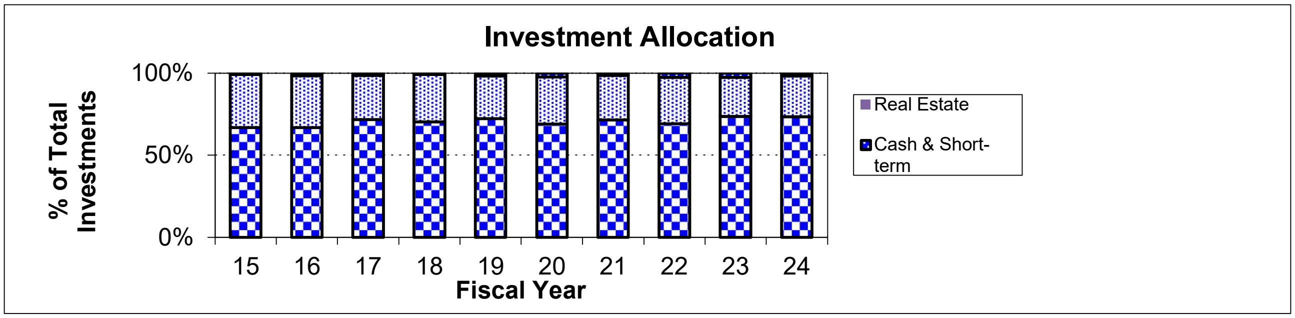
Plan Disclosures

Effective July 1, 2013, the Plan implemented the provisions of GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25,* which significantly changed the disclosures required related to the Plan and GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and 71- *an amendment of GASB Statement No. 68,* which affected required note disclosures in the Annual Comprehensive Financial Report.

Investments and Funding

When valued at market as of the end of the fiscal year, 73.63% of the Plan's long-term investment portfolio of $545,297,258 was held in equity based mutual funds and 23.55% in fixed income mutual funds. Note D of the Annual Financial Report provides further detail of the Plan's long-term investment allocation. Cash and short-term investments (considered cash equivalents) are reported at cost, which approximates fair value at 2.82% of the portfolio.

The following chart shows the progress made toward the Plan's goal of increasing the allocation to equities. Until June 30, 1996, fixed income securities represented the majority of Plan investments. Since then, the Plan has maintained an allocation of at least 60% in equities. Although not depicted on the chart below, the allocation to fixed income securities reached a high of 81.50% at June 30, 1992 and has experienced a significant decline over the past 30 years to only 23.7% of the portfolio today. Equities have increased from their low of 8.10% at June 30, 1992 to 69.9% at June 30, 2024. Cash equivalents totaled 2.82% at the end of the current fiscal year. This category largely represents fourth quarter Employer contributions in the Index account set aside for monthly benefit and lump sum payments, as well as cash held within the individual Separately Managed Accounts. With the exception of fiscal year 2013 when the investments were liquidated to move to a different custodian and mutual fund platform, the allocation to long-term equity has gradually increased, on average. For the past two years the long term equity investments have hovered at 70% of the portfolio. In addition, Real Estate holds a 5.3% of the portfolio.



The Plan's investment portfolio reflects a prudent, well-diversified, conservative strategy. This strategy is used to provide adequate funding for the long-term benefits for those employees covered by the Plan, while simultaneously maintaining a sound fund consistent with the requirements defined by the Plan's actuarial firm.

The market value of the Plan Net Position increased 11.1% from $490,690,248 at the end of June 30, 2023, to $545,297,258 at the end of the fiscal year, 2024. In 1997, the Plan actuary recommended a change in the asset valuation method from "market value" to the "market related actuarial value of assets" which utilizes a five-year smoothed market value of assets to determine funding status. This resulted in the "Market Related Actuarial Value" of assets equaling $553,047,188 on June 30, 2024, up 5.06% for the year. The total Actuarial Accrued Liability (AAL), a standardized measure of the Plan's liabilities, which includes an actuarial cost estimate for non-vested participants, increased 4% to $896,918,943 as of June 30, 2024 compared with $862,383,870 last year. The unfunded actuarial accrued liability increased from $335,970,121 (68.7% of Plan assets) at June 30, 2023 to $343,871,755 (63.4% of Plan assets) at June 30, 2024. Over the past five years, Clayton County's total unfunded liability has increased from $304.1 million to $343.8 million. In 2020, actuarial assumption changes were approved by the Pension Board which resulted in an unfunded liability increase in excess of $60 million. In addition, other causes for unfunded liability to increase $29.2 million in fiscal year 2022 are: salary increases, retirements, changes to the new mortality improvement scale and the updated fiscal year 2023 salary expectations.

Effective July 1, 2024, County and Water Authority quarterly contributions increased to 21.50% in order to improve future funding with the goal to pay off the ongoing unfunded liability. This was an increase of 7.60% from 13.90%, which began in fiscal year 2015.

OTHER INFORMATION

Independent Audit

The Pension Board of the Public Employee Retirement System requires an annual audit of the financial records and transactions of the PERS, conducted by independent certified public accountants as selected by the Clayton County Board of Commissioners. The financial statements for the fiscal year ended June 30, 2024 were audited by Mauldin and Jenkins, LLC. Their unmodified opinion has been included in this report. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America. An unmodified opinion indicates the financial statements are presented fairly in all material respects, as of June 30, 2024 and 2023 in accordance with U.S. generally accepted accounting principles.

Acknowledgments

The preparation of this report was accomplished with the dedicated efforts of the Pension Manager and through the cooperation of the actuarial and consulting firms employed by the Pension Board. I would also like to acknowledge the Pension Board members for their support, contributions, and guidance in the preparation of this report and the control of the financial affairs of our Public Employee Retirement System.

Respectfully submitted,

Stacey E Merritt

Stacey Merritt
Interim Secretary/Treasurer

II. FINANCIAL SECTION

This Section Contains the Following Subsections:

REPORT OF INDEPENDENT AUDITORS

MANAGEMENT'S DISCUSSION AND ANALYSIS

BASIC FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Clayton County, Georgia Public
Employee Retirement System
Jonesboro, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Clayton County, Georgia Public Employee Retirement System** (the "Plan") as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Plan as of June 30, 2024 and 2023, and the changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in the Net Pension Liability and Related Ratios, the Schedule of Contributions, and the Schedule of Investment Returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025, on our consideration of the Plan'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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the Plan's 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 Plan's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 20, 2025

Management's Discussion and Analysis (Unaudited)

This section of the annual financial report presents a narrative overview and an analysis of the financial activities of the Public Employee Retirement System (PERS) of Clayton County, Georgia for the fiscal year which ended June 30, 2024. Management encourages readers to consider the information presented here in conjunction with the additional information included in the letter of transmittal, which can be found on page three of this report.

Financial Highlights (2024 vs. 2023)

- Plan net position increased by $54,607,010 during fiscal year 2024, compared to a smaller increase of $34,312,138 in the previous year.
- The money-weighted rate of return-on-investment assets for fiscal year 2024 was 12.28% compared to a smaller percentage of 11.07% for the fiscal year ended 2023.
- The funding ratio at the end of the current fiscal year was 61.7% compared with 61.0% for fiscal year 2023. The funding ratio is measured by the actuarial value of pension assets and the ratio is used for evaluating the projected level of future contributions.

Summary of Net Position for Fiscal Years

	2024	2023
Cash and short-term investments	$ 13,207,574	$ 17,129,308
Receivables and prepaids	2,387,690	1,522,771
Investments	529,926,747	472,345,063
Total assets	545,522,011	490,997,142
Liabilities	224,753	306,894
Net position	$ 545,297,258	$ 490,690,248

- Employee contributions from the various Board of Commissioners funds and the Water Authority totaled $13,127,729 for fiscal year 2024. This is an increase of 17.67% from the previous fiscal year. Total deductions, excluding investment expenses, were $55,789,442 for fiscal year 2024. This is an increase of 2.74% over the previous fiscal year. Administrative expenses were $595,332, a decrease of 4.88% from the previous year. The number of retirees and beneficiaries receiving benefits increased by 34 in 2024.

Summary of Changes in Net Position for Fiscal Years

	2024	2023
Contributions	$ 50,478,734	$ 38,932,353
Net Investment Income	59,917,718	49,682,542
Total Additions	110,396,452	88,614,895
Deductions	55,789,442	54,302,757
Net increase (decrease)	54,607,010	34,312,138
Net position, beginning	490,690,248	456,378,110
Net position, ending	$ 545,297,258	$ 490,690,248

Overview of the Financial Statements

This Discussion and Analysis is intended to serve as an introduction to the PERS financial statements. These statements consist of three components: Fund financial statements, notes to the financial statements, and required supplementary information.

- Fund financial statements - There are two comparative financial statements presented for the PERS. The Statement of Plan Net Position as of June 30, 2024 and 2023 presents the net position available to pay future benefit payments. The Statement of Changes in Plan Net Position Available for Benefits for the year ended June 30, 2024, and 2023 provides a comparative view of the current and prior year's additions and deductions.

- Notes to the financial statements - The notes provide additional information that is essential for a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 19-33 of this report.

- Required supplementary information - The required supplementary information consists of a *Schedule of Changes in the Net Pension Liability and Related Ratios,* a *Schedule of Employer Contributions, and a Schedule of Investment Return.* These schedules provide historical trend information, which contributes to the understanding of changes in the funding status over time. This supplementary information can be found on pages 34-37 of this report.

- Actuarial Section – A complete copy of the actuarial valuation as performed by Gallagher Benefit Services, Inc. has been included in this report and can be found on page 38.

- Statistical Section - The following statistical schedules are presented for the reader's additional analysis: The *Schedule of Revenue by Source, Expenses by Type and Net Position for the Last Ten Fiscal Years* and the *Schedule of Investment Results for the Last Ten Fiscal Years.* These schedules can be found on pages 39-41.

- Compliance Section – This section (found on pages 42-44) contains the Auditor's report on Internal Control over Financial Reporting and other matters.

Requests for Information

This financial report is designed to provide a general overview of the Public Employee Retirement System finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed as follows:

Stacey Merritt
Interim Chief Financial Officer
Clayton County Finance Department
112 Smith Street
Jonesboro, GA 30236

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM

STATEMENTS OF PLAN NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
Assets		
Cash and short-term investments	**$ 13,207,574**	$ 17,129,308
Receivables		
Employer contributions	**1,613,216**	1,061,533
Interest and dividends	**755,627**	444,358
Investments, at fair value		
Stocks		
Domestic common stocks	**86,769,147**	80,574,529
Foreign stocks	**16,152,439**	10,468,958
Bonds		
U.S. Government bonds	**-**	28,437,706
Corporate bonds	**-**	4,948,853
Mutual funds		
Equity funds	**248,384,564**	218,440,606
Fixed income bond funds	**128,416,571**	76,218,063
Collective investment trust	**25,365,367**	26,176,560
Pooled investment account	**24,838,659**	27,079,788
Prepaid items	**18,847**	16,880
Total Assets	**545,522,011**	490,997,142
Liabilities		
Accounts payable	**224,753**	306,894
Total Liabilities	**224,753**	306,894
NET POSITION RESTRICTED FOR PENSION BENEFITS	**$ 545,297,258**	$ 490,690,248

The accompanying notes are an integral part of these statements.

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM
STATEMENTS OF CHANGES IN PLAN NET POSITION
JUNE 30, 2024 AND 2023

	2024	2023
Additions		
Contributions:		
Employer		
Clayton County	**$ 31,239,150**	$ 24,233,272
Clayton County Water Authority	**6,111,855**	3,542,999
Plan members		
Clayton County	**10,907,814**	9,314,797
Clayton County Water Authority	**2,219,915**	1,841,285
Total contributions	**50,478,734**	38,932,353
Investment income		
Net appreciation in the fair value of investments	**50,123,203**	42,544,016
Interest	**2,029,527**	1,567,208
Dividends	**8,585,645**	6,364,787
	60,738,375	50,476,011
Less investment expense	**(820,657)**	(793,469)
Net investment income	**59,917,718**	49,682,542
Total Additions	**110,396,452**	88,614,895
Deductions		
Benefit payments	**55,194,110**	53,676,903
Administrative expenses	**595,332**	625,854
Total Deductions	**55,789,442**	54,302,757
Net increase in net position	**54,607,010**	34,312,138
NET POSITION RESTRICTED FOR PENSION BENEFITS		
Beginning of year	**490,690,248**	456,378,110
End of Year	**$ 545,297,258**	$ 490,690,248

The accompanying notes are an integral part of these statements

NOTE A. ORGANIZATION AND GOVERNANCE

The Clayton County Public Employee Retirement System (the "Plan") is a cost-sharing, multiple employer defined benefit pension plan administered by a public employee retirement system funded by the Plan Sponsors - Clayton County (the "County"), the Clayton County Water Authority (the "Water Authority"), and Participant contributions. The Plan is administered by a five-member Board of Trustees ("PERS Board"). This Pension Board makes recommendations to the Clayton County Board of Commissioners concerning the establishment and amending of benefit provisions. The Plan is being funded in conformity with the minimum funding standards set forth in Code Section 47-20-10 of the Public Retirement Systems standard law. The Plan is also reported as a pension trust fund in the Clayton County, Georgia Annual Comprehensive Financial Report.

Membership of the Plan consisted of the following at July 1,

	2024	2023
Retirees and beneficiaries receiving benefits	**1,650**	1,616
Terminated plan members entitled to but not receiving benefits	**343**	357
Active plan members	**2,745**	2,557
Total	**4,738**	4,530

NOTE B. SUMMARY OF PLAN PROVISIONS

Effective Date	July 1, 1971.
Plan Year/Fiscal Year	Each July 1 to June 30.
Employees Covered	Full-time employees, including Commissioners, persons appointed by Commissioners, judicial secretaries, Probate Court Judge, magistrate, Court Clerks, and Water Authority employees and appointees. Effective November 1, 2010, any employee who is enrolled or becomes an active participant or member in the Employees Retirement System of Georgia or the Georgia State Employees' Pension and Savings Plan (or any successor plan) will not be covered under this System. This amendment was not reflected in the July 1, 2010 valuation. Effective July 1, 2012, State Court Law Clerks are now eligible to participate in the System. Effective July 1, 2018, court reporters employed by Clayton County and Superior Court of Clayton County law clerks are eligible to participate in the plan.

NOTE B. SUMMARY OF PLAN PROVISIONS (CONTINUED)

Credited Service	Service from employment. Effective January 1, 1999, each participant's sick leave in excess of the allowable amount, as of the last pay period of each calendar year, shall be placed in reserve status to be used in determining credited service at the participant's termination of employment. Certain employees' service with the City of Forest Park Water and Sewer Department is included as credited service.
Normal Retirement Benefit Eligibility	The earlier of age 60 and 7 years of participation (five years of participation for sworn safety personnel hired prior to June 1, 2001), or age 55 and 25 years of credited service. Effective January 1, 1999, a participant may elect to apply sick leave reserve as an age credit in determining the attainment of Normal Retirement Age. For employees hired after January 1, 2016, eligibility for General members is normal retirement at age 62 with 10 years of credited service. For Public Safety members normal retirement is at age 60 with 10 years of service or age 55 with 25 years of service.
Basic Monthly Benefit	2.5% of average monthly salary multiplied by years of credited service up to 32. For members hired after January 1, 2016, the multiplier is 2.0%. For members hired before January 1, 2016, average monthly compensation is based on the 36 highest consecutive months of service during the last 60 months of service. For members hired on or after January 1, 2016, average monthly compensation is based on the 60 highest consecutive months of service during the last 120 months of service.
Cost-of-Living Adjustments (COLA)	Annual 2.00% cost-of-living increase effective beginning July 1, 2009, for those who have received their 84th monthly benefit payment prior to July 1. For new employees hired after January 1, 2016, COLA is discretionary and provided on an adhoc basis.

NOTE B. SUMMARY OF PLAN PROVISIONS (CONTINUED)

Early Retirement Benefit	
Eligibility	For members hired before January 1, 2016, the earlier of age 50 and 25 years of credited service or age 55 and 15 years of credited service. For members hired on or after January 1, 2016, General members may take early retirement at age 60 with 15 years of service or age 55 with 25 years of service. For Public Safety members, age 55 with 15 years of service or age 50 with 25 years of service.
Benefit	Members who retire early will incur a 0.5% reduction for each month of service less than that of normal retirement.
Disability Retirement	
Eligibility	Three years of credited service for in line-of-duty; seven years of credited service for other than in line-of-duty. Ten years of credited service if hired on or after January 1, 2016.
Benefit	Greater of 30% of participants' monthly rate of compensation as of the date of disability or their accrued benefit.
Late Retirement Benefit	
Eligibility	Retirement after eligibility for normal retirement.
Benefit	Normal retirement benefit based on average monthly salary and service at actual date of retirement.
Deferred Vested Benefit	
Eligibility	Hired before January 1, 2016 - seven years of credited service. Hired on or after January 1, 2016 - ten years of credited service.
Benefit	100% of accrued benefit commencing at normal retirement age. If the member has 15 years of credited service, the member may receive a reduced benefit commencing at early retirement age.
Pre-Retirement Death Benefit	
In Line-of-Duty	
Eligibility	Participation in the Plan.
Benefit	Survivor portion of the 50% Joint and Survivor benefit payable immediately (unreduced for early commencement) if married. If not married, payments are unreduced and paid for 60 months.

NOTE B. SUMMARY OF PLAN PROVISIONS (CONTINUED)

Other Than Line-of-Duty	
Eligibility	Seven years of service.
Benefit	Same as in line-of-duty benefit if greater than age 50. If under age 50, 50% of the deferred vested benefit reduced for early retirement payable at early retirement date if married. If not married, the benefit reduced for early retirement is paid for 60 months starting at early retirement age.
Normal Form of Payment	Five years certain and life annuity.
Optional Forms of Payment	(1) 100%, 75%, or 50% joint and survivor annuity. (2) Life annuity with 120 months certain.
Contributions	Each participant will contribute 7.5% of compensation beginning July 1, 2015. The contribution rate from July 1, 2006 through June 30, 2014, was 5.5% of compensation. The contribution rate from August 8, 1998 through June 30, 2006, was 3.5% of compensation and for July 1, 1995 through August 7, 1998, was 2.0% of compensation. If a participant terminates employment before meeting the requirements for any of the above benefits, they are entitled to receive a return of their contributions with 5% interest. Any participant or beneficiary may elect to receive a refund of contributions with interest in lieu of any other benefit payable under the Plan. Employers are required to contribute at an actuarially determined rate which is the amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded actuarial accrued liability. Effective July 1, 2023, the Plan is funded based on a fixed 21.5% of pay (this is in addition to the 7.5% of pay paid by participants) plus any special budgeted percentage of pay needed to meet the minimum contribution under Georgia Statute. The combined 29% fixed rate is greater than the amount needed under Georgia Statute and is expected to amortize the unfunded liability over a 16-year period. For the year ended June 30, 2024, contributions totaled \$50,478,734, which includes \$13,127,729 of member contributions.

NOTE B. SUMMARY OF PLAN PROVISIONS (CONTINUED)

Contributions (Continued) The County and Water Authority contribution rate for the fiscal year ended June 30, 2023 was 13.9%, with contributions totaling $38,932,353, which includes $11,156,082 of member contributions.

NOTE C. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies followed by the Plan:

1. *Basis of Accounting.* The Plan's financial statements are prepared on the accrual basis of accounting. Contributions are recognized in the period in which the members provide services. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Administrative costs of the Plan are financed through investment earnings, except for certain noninvestment related administrative costs which are paid by the County. Approximately $25,000 was paid on behalf of the Plan by the County for each of the years ended June 30, 2024 and 2023.
2. *Method Used to Value Investments.* Investments are reported at fair value. Short-term investments are reported at cost which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.
3. *Use of Estimates.* The preparation of the accompanying basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE D. DEPOSITS AND INVESTMENTS

At June 30, 2024, the carrying amount of deposits for the Plan was $13,207,574 compared to $17,129,308 at June 30, 2023.

A portion of the deposits at June 30, 2024, $625,747, is part of a pooled cash account with Clayton County government's bank balance versus $620,912 in 2023. The Plan's deposits are insured by Federal Depository Insurance or collateralized with securities held in the Plan's name.

The fair value of plan investments at June 30, 2024, was $543,264.201 of which $12,581,827 was classified as cash equivalents due to the short-term nature of the investments. The fair value of Plan investments at June 30, 2023, was $489,297,816 of which $16,508,396 was classified as cash equivalents due to the short-term nature of the investments.

The Plan maintains sufficient cash to meet its immediate liquidity needs. Cash not immediately needed is invested as directed by the Clayton County Public Employees Retirement System (PERS) Board in a manner that is consistent with generally accepted standards of fiduciary responsibility, to ensure the security of principal and maximum yield on all pension fund investments through a mix of well diversified, high quality, fixed-income and equity securities. The assets of the Pension Trust Fund may only be invested in eligible investments under the Public Retirement Systems Investment Authority Law, (O.C.G.A. 47-20-80) as follows:

Short-Term

- Commercial Paper, with a maturity of 270 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 or A-1 by national credit rating agencies.
- U.S. Treasury obligations with varying terms up to 360 days.
- Repurchase Agreements, whereby the Plan invests in direct obligations of the United States Government or in obligations unconditionally guaranteed by the agencies of the United States Government. The Plan may sell or purchase such obligations under agreements to resell or repurchase such obligations at a date certain in the future, at a specific price which reflects a premium over the purchase or selling price equivalent to a stated rate of interest.
- Master Notes, an overnight security administered by a custodian bank and an obligation of a corporation whose commercial paper is rated P-1 or A-1 by national credit rating agencies.

NOTE D. DEPOSITS AND INVESTMENTS (CONTINUED)

Long-Term

Fixed-income investments are authorized in the following instruments:

- U.S. Treasury Obligations with varying terms up to 30 years.

- Corporate Bonds with at least an “A” rating by a national rating agency. Bond holdings should be diversified by issuer, sector, coupon, and quality and be readily marketable. For international bonds, portfolio holdings should be diversified among countries, geographic regions, and currencies. Currency-hedging strategies may be used to protect against adverse currency movements. Portfolios can be hedged back to the base currency (the U.S. dollar) or cross-hedged into other, more attractive, currencies. The use of options, futures, other derivatives, purchase of securities on margin, or other hedging strategies, which are designed to manage risk exposure, may only be made upon the prior written approval of the Pension Board.

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

Equity securities are also authorized for investment as a complement to the Plan’s fixed-income portfolio and as a long-term inflation hedge. No more than 75% of the total invested assets, valued at cost, may be placed in equities.

Plan assets at June 30, 2024 were held by U.S. Bank or with one of three separately managed funds – Eagle Capital, DRZ, and Channing Capital.

Plan assets at June 30, 2023 were held by U.S. Bank or with one of four separately managed funds – Eagle Capital, DRZ, Channing Capital, and Garcia Hamilton.

NOTE D. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments at June 30, 2024, are as follows:

	Fair Value	%
Stocks		
Domestic common stock	$ 86,769,147	16%
Foreign stock	16,152,439	3%
Mutual Funds		
Equity funds	248,384,564	47%
Fixed income funds	128,416,571	24%
Collective investment trust	25,365,367	5%
Pooled investment account	24,838,659	5%
Total	$ 529,926,747	100%

Investments at June 30, 2023, were as follows:

	Fair Value	%
Stocks		
Domestic common stock	$ 80,574,529	17%
Foreign stock	10,468,958	2%
Bonds		
U.S. Government issues	28,437,706	6%
Corporate issues	4,948,853	1%
Mutual Funds		
Equity funds	218,440,606	46%
Fixed income funds	76,218,063	16%
Collective investment trust	26,176,560	6%
Pooled investment account	27,079,788	6%
Total	$ 472,345,063	100%

Rate of Return

For the year ended June 30, 2024, the estimated annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was 12.28%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. GASB 67 requires that the inputs to the internal rate of return calculation used to determine the annual money-weighted rate of return should be determined at least monthly. The detail necessary to provide this calculation was not available; therefore, an estimate has been provided assuming midyear cash flows.

NOTE D. DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Plan invests primarily in stocks and mutual funds. This practice mitigates most of the interest rate risk associated with these types of investments because this allows the Plan to terminate such investments within 24 to 48 hours without penalty. The Plan's investment policy in regard to fixed-income investments require that holdings are diversified by issuer, sector, and coupon. These investments are purchased in order to maximize cash flows.

At June 30, 2024, all plan assets were held in mutual funds, stocks, a collective investment trust, and a pooled investment account, and are therefore, not exposed to interest rate risk.

At June 30, 2023, $438,958,504 of plan assets were held in mutual funds, stocks, and a collective investment trust, and therefore, not exposed to interest rate risk.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Plan will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. For the fiscal years ended June 30, 2024 and 2023, the Plan's investments were managed by U.S. Bank, or one of three separate investment managers. The Pension Board on a quarterly basis reviews manager performance. At June 30, 2024 and 2023, all investments held by the managers were in the name of the Plan. Therefore, the Pension Board believes that it can recover all investments from these managers at any time.

NOTE D. DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The Plan is required to disclose investments in any one issuer that represent 5% or more of total investments. However, investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds are excluded from this requirement. The Plan's investment policy does not specifically address the concentration of credit risk, as this is accomplished through the diversity of its holdings. As of June 30, 2024 and 2023, the Plan held no investments in any one issuer that met or exceeded 5% of the Plan's total investments.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The Plan is authorized under Georgia law to invest up to 15% of total fund assets in foreign investments. At June 30, 2024, $75,712,883 or 13.96% of the Plan's total fund assets were invested in mutual funds and a collective investment trust with primarily international equity holdings, compared to $71,315,684 or 14.52% of the Plan's investment assets at June 30, 2023.

Fair Value Measurements

The Plan categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted process in active markets for identical assets. Level 2 inputs are significant other observable inputs measure using the matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted process.

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety. The Plan also has investments held through limited a partnership and a collective investment trust for which fair value is estimated using the NAV reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy.

Investments in limited partnerships and collective investment trusts which do not have a readily determinable fair value are valued using the NAV provided by the general partner/investment manager as of June 30, 2024. The monthly or quarterly values of the partnership investments provided from the general partner are reviewed by the Plan to determine if any adjustments are necessary. The Plan currently has no plans to sell any of the investments resulting in these assets being carried at the NAV estimated by the general partner/investment manager.

NOTE D. DEPOSITS AND INVESTMENTS (CONTINUED)

The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2024:

Investment	Level 1	Level 2	Fair Value
Investments by Fair Value Level			
Stocks			
Domestic common stock	$ 86,769,147	$ -	$ 86,769,147
Foreign stock	16,152,439	-	16,152,439
Mutual Funds			
Equity funds	166,303,607	-	166,303,607
Fixed-income funds	128,416,571	-	128,416,571
Total investments by fair value level	$ 397,641,764	$ -	397,641,764
Investments Measured at Net Asset Value (NAV)			
Collective investment trust			25,365,367
Pooled investment account			24,838,659
Emerging markets opportunities funds			82,080,957
Total investments measured at NAV			132,284,983
Total investments at fair value			$ 529,926,747

The Plan had the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2023:

Investment	Level 1	Level 2	Fair Value
Investments by Fair Value Level			
Stocks			
Domestic common stock	$ 80,574,529	$ -	$ 80,574,529
Foreign stock	10,468,958	-	10,468,958
Bonds			
U.S Government issues	11,290,839	17,146,867	28,437,706
Corporate issues	4,948,853	-	4,948,853
Mutual Funds			
Equity funds	150,055,911	-	150,055,911
Fixed-income funds	76,218,063	-	76,218,063
Total investments by fair value level	$ 333,557,153	$ 17,146,867	350,704,020
Investments Measured at Net Asset Value (NAV)			
Collective investment trust			26,176,560
Pooled investment account			27,079,788
Emerging markets opportunities funds			68,384,695
Total investments measured at NAV			121,641,043
Total investments at fair value			$ 472,345,063

NOTE E. TAX STATUS

The Plan had previously received determination from the Internal Revenue Service that the Plan was designed in accordance with the applicable sections of the Internal Revenue Code. The Plan received a favorable determination from the IRS on November 17, 2014, confirming its status as a Governmental Plan under section 414(d) of the Internal Revenue Code.

NOTE F. NET PENSION LIABILITY

The components of the net pension liability at June 30, 2024, were as follows:

Total pension liability	$	927,402,936
Plan fiduciary net position		(545,297,258)
Fund's net pension liability	$	382,105,678
Plan fiduciary net position as a percentage of the total pension liability		58.80%

The required schedule of changes in the County's net pension liability and related ratios immediately following the notes to the financial statements presents multiyear trend information about whether the value of Plan assets is increasing or decreasing over time relative to the total pension liability.

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate is based on a projection of the County's current membership based on actuarial assumptions. Contributions are assumed to be made in accordance with County ordinance with additional contributions being made, if necessary, to meet the minimum funding statutes under Georgia state law. Contributions expected to be made by future new members are included to the extent contributions under Clayton County's ordinance are expected to exceed the normal cost for new members. Based on these assumptions, the pension plan's fiduciary net position was projected to be sufficient to cover future benefit payments for current members. Therefore, the long-term expected rate of return of 7.75% on pension plan investment was applied to all projected benefit payments.

NOTE F. NET PENSION LIABILITY (CONTINUED)

Actuarial Assumptions Used to Calculate the Net Pension Liability

The total pension liability as of June 30, 2024, was determined based on June 30, 2024 data, plan provisions, and assumptions as summarized below:

Investment rate of return
7.75%, net of investment expenses

Salary increases

County employees:	
Valuation Year beginning 7/1/2024	4.00%
Valuation Years beginning 7/1/2025 and thereafter	4.75%
Water Authority employees	
Valuation Year beginning 7/1/2024	6.50%
Valuation Years beginning 7/1/2025 and thereafter	4.00%

Mortality rates
Non-Safety Retirees: Pub-2010 Amount Weighted General Retiree Below-Median Table with a load of 2.85%, projected with Mortality Improvement Scale MP-2021

Non-Safety Non-Annuitants: Pub-2010 Amount Weighted General Employee Below-Median Table, projected with Mortality Improvement Scale MP-2021

Non-Safety Disabled Participants: Pub-2010 Amount Weighted Non-Safety Disabled Retiree Table, projected with Mortality Improvement Scale MP-2021

Safety Retirees: Pub-2010 Amount Weighted Public Safety Retiree Below-Median Table, projected with Mortality Improvement Scale MP-2021

Safety Non-Annuitants: Pub-2010 Amount Weighted Public Safety Employee Below-Median Table, projected with Mortality Improvement Scale MP-2021

Safety Disabled Participants: Pub-2010 Amount Weighted Public Safety Disabled Retiree Table, projected with Mortality Improvement Scale MP-2021

Survivor Beneficiaries: Pub-2010 Amount Weighted Contingent Survivor Below-Median Table, projected with Mortality Improvement Scale MP-2021

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

NOTE F. NET PENSION LIABILITY (CONTINUED)

Actuarial Assumptions Used to Calculate the Net Pension Liability (Continued)

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return 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 rates of return by the target asset allocation percentages. Estimates for the expected rates of return for each asset class have been derived through a combination of measuring historical average rates of return and applying capital market assumptions for future expected rates of return for each asset class as provided by our investment consultants.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	55.00%	7.50%
International Equities	15.00%	8.50%
Domestic Bonds	25.00%	2.50%
International Bonds	5.00%	3.50%
Total	100.00%	

Changes of Assumptions Used to Determine the Net Pension Liability

For the year ended June 30, 2024, the only changes of assumptions used to determine the net pension liability relate to salary increases as follows:

Prior Year:	
County employees:	
Valuation Year beginning 7/1/2023	6.75%, 11.25%, or 13.75%
Valuation Year beginning 7/1/2024	6.75%
Valuation Years beginning 7/1/2025 and thereafter	4.75%
Water Authority employees	
Valuation Year beginning 7/1/2023	10.00%
Valuation Year beginning 7/1/2024	5.50%
Valuation Years beginning 7/1/2025 and thereafter	4.00%
Current Year:	
County employees:	
Valuation Year beginning 7/1/2024	4.00%
Valuation Years beginning 7/1/2025 and thereafter	4.75%
Water Authority employees	
Valuation Year beginning 7/1/2024	6.50%
Valuation Years beginning 7/1/2025 and thereafter	4.00%

NOTE F. NET PENSION LIABILITY (CONTINUED)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.75%, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.75%) or 1-percentage-point higher (8.75%) than the current rate.

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
Net Pension Liability	$ 494,469,969	$ 382,105,678	$ 288,700,022

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of June 30, 2024, and on the current sharing pattern of costs between employer and plan members to that point.

REQUIRED SUPPLEMENTARY INFORMATION

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF CHANGE IN THE NET PENSION LIABILITY AND RELATED RATIOS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2024	2023	2022	2021	2020
Total Pension Liability					
Service cost	**$ 17,466,292**	$ 22,256,037	$ 16,086,096	$ 15,621,072	$ 12,049,813
Interest on total pension liability	**68,278,275**	63,779,022	61,712,403	60,187,704	55,465,959
Difference between expected and actual experience	**9,788,132**	(3,009,901)	10,003,275	1,805,820	9,223,967
Changes of assumptions	**(4,076,422)**	(144,030,429)	163,139,978	(8,879,902)	49,738,245
Benefit payments	**(55,194,110)**	(53,676,903)	(50,643,564)	(48,408,800)	(45,107,590)
Net change in total pension liability	**36,262,167**	(114,682,174)	200,298,188	20,325,894	81,370,394
Total pension liability - beginning	**891,140,769**	1,005,822,943	805,524,755	785,198,861	703,828,467
Total pension liability - ending (a)	**$ 927,402,936**	$ 891,140,769	$ 1,005,822,943	$ 805,524,755	$ 785,198,861
Plan fiduciary net position					
Contributions - employer	**$ 37,351,005**	$ 27,776,271	$ 25,399,794	$ 27,335,398	$ 19,041,027
Contributions - member	**13,127,729**	11,156,082	10,936,227	10,441,192	9,782,040
Net investment income (loss)	**59,917,718**	49,682,542	(103,733,758)	139,852,932	18,424,611
Benefit payments, including refunds of employee contributions	**(55,194,110)**	(53,676,903)	(50,643,564)	(48,408,800)	(45,107,590)
Administrative expenses	**(595,332)**	(625,854)	(519,987)	(499,445)	(558,408)
Other	**-**	-	-	-	-
Net change in plan fiduciary net position	**$ 54,607,010**	$ 34,312,138	$ (118,561,288)	$ 128,721,277	$ 1,581,680
Plan net position - beginning	**$ 490,690,248**	$ 456,378,110	$ 574,939,398	$ 446,218,121	$ 444,636,441
Plan net position - ending (b)	**$ 545,297,258**	$ 490,690,248	$ 456,378,110	$ 574,939,398	$ 446,218,121
Fund's net pension liability - ending (a) - (b)	**$ 382,105,678**	$ 400,450,521	$ 549,444,833	$ 230,585,357	$ 338,980,740
Plan net position as a percentage of the total pension liability	**58.80%**	55.06%	45.37%	71.37%	56.83%
Covered payroll	**$ 175,036,387**	$ 148,747,760	$ 145,816,360	$ 139,215,893	$ 127,090,117
Net pension liability as a percentage of covered payroll	**218.30%**	269.21%	376.81%	165.63%	266.72%

Continued

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF CHANGE IN THE NET PENSION LIABILITY AND RELATED RATIOS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	$ 11,315,099	$ 11,299,766	$ 11,614,800	$ 13,839,836	$ 13,875,847
Interest on total pension liability	51,833,302	49,366,978	47,951,731	44,691,850	42,916,497
Difference between expected and actual experience	25,179,656	8,048,416	4,414,331	10,407,206	3,314,582
Changes of assumptions	(1,612,379)	-	(10,344,601)	(88,695,154)	18,401,577
Benefit payments	(38,976,780)	(36,826,110)	(34,435,158)	(31,501,495)	(32,497,705)
Net change in total pension liability	47,738,898	31,889,050	19,201,103	(51,257,757)	46,010,798
Total pension liability - beginning	656,089,569	624,200,519	604,999,416	656,257,173	610,246,375
Total pension liability - ending (a)	$ 703,828,467	$ 656,089,569	$ 624,200,519	$ 604,999,416	$ 656,257,173
Plan fiduciary net position					
Contributions - employer	$ 19,272,269	$ 17,461,806	$ 17,412,738	$ 16,723,493	$ 16,505,748
Contributions - member	9,328,671	8,994,074	6,508,621	6,198,563	6,255,252
Net investment income	28,111,505	31,271,526	49,779,065	(4,474,061)	12,175,272
Benefit payments, including refunds of employee contributions	(42,242,767)	(39,759,200)	(34,435,158)	(31,501,495)	(32,497,705)
Administrative expenses	(453,981)	(486,251)	(423,271)	(410,938)	(422,012)
Other	-	-	-	-	-
Net change in plan fiduciary net position	$ 14,015,697	$ 17481955	$ 38,841,995	$ (13,464,438)	$ 2,016,555
Plan net position - beginning	$ 430,620,744	$ 413138789	$ 374,296,794	$ 387,761,232	$ 385,744,677
Plan net position - ending (b)	$ 444,636,441	$ 430620744	$ 413,138,789	$ 374,296,794	$ 387,761,232
Fund's net pension liability - ending (a) - (b)	$ 259,192,026	$ 225468825	$ 211,061,730	$ 230,702,622	$ 268,495,941
Plan net position as a percentage of the total pension liability	63.17%	0.656344445	66.19%	61.87%	59.09%
Covered payroll	$ 130,023,221	$ 120,490,059	$ 115,215,822	$ 115,329,415	$ 119,600,775
Net pension liability as a percentage of covered payroll	199.34%	187.13%	183.19%	200.04%	224.49%

SCHEDULE OF CONTRIBUTIONS

	2024	2023	2022	2021	2020
Actuarially determined contribution	**$ 37,632,823**	$ 26,834,096	$ 25,094,996	$ 26,771,216	$ 19,041,027
Contributions related to the actuarially determined contribution	**37,632,823**	27,776,271	25,399,794	27,335,398	19,041,027
Contribution deficiency (excess)	**$ -**	$ (942,175)	$ (304,798)	$ (564,182)	$ -

	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 19,272,269	$ 17,461,280	$ 17,114,280	$ 16,723,493	$ 16,505,748
Contributions related to the actuarially determined contribution	19,272,269	17,461,280	17,114,280	16,723,493	16,505,748
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -

Notes to the Schedule of Contributions:

A. Valuation Date: Actuarially determined contributions are calculated as of the beginning of the fiscal year in which contributions are made. The actuarially determined contribution for the fiscal year ended June 30, 2024 is based on the July 1, 2023 Actuarial Valuation.

B. Methods and assumptions used to determine the actuarially determined contribution:

Actuarial cost method	Projected Unit Credit Cost Method	
Amortization method	Level percentage of payroll, open	
Amortization period	30 years	
Asset valuation method	Actuarial value as specified in the July 1, 2023 Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System.	
Administrative expenses	0.350% of payroll	
Inflation (used for the amortization of Unfunded Liability)	2.75% per annum	
Salary increases	*County employees:*	
	Valuation Year beginning 7/1/2023	6.75%, 11.25% or 13.75%
	Valuation Year beginning 7/1/2024	6.75%
	Valuation Years beginning 7/1/2025 and thereafter	4.75%
	Water Authority employees:	
	Valuation Year beginning 7/1/2023	10.00%
	Valuation Year beginning 7/1/2024	6.50%
	Valuation Years beginning 7/1/2025 and thereafter	4.00%
Investment rate of return	7.75%, net of pension plan investment expenses	
Retirement and termination rate	As specified in the July 1, 2023 Actuarial Report for Clayton County, Georgia Public Employee Retirement System.	
Mortality	Non-Safety Retirees: Pub-2010 Amount Weighted General Retiree Below-Median Table with a load of 2.85%, projected with Mortality Improvement Scale MP-2021	
	Non-Safety Non-Annuitants: Pub-2010 Amount Weighted General Employee Below-Median Table, projected with Mortality Improvement Scale MP-2021	
	Non-Safety Disabled Participants: Pub-2010 Amount Weighted Non-Safety Disabled Retiree Table, projected with Mortality Improvement Scale MP-2021	
	Safety Retirees: Pub-2010 Amount Weighted Public Safety Retiree Below-Median Table, projected with Mortality Improvement Scale MP-2021	
	Safety Non-Annuitants: Pub-2010 Amount Weighted Public Safety Employee Below-Median Table, projected with Mortality Improvement Scale MP-2021	
	Safety Disabled Participants: Pub-2010 Amount Weighted Public Safety Disabled Retiree Table, projected with Mortality Improvement Scale MP-2021	
	Survivor Beneficiaries: Pub-2010 Amount Weighted Contingent Survivor Below-Median Table, projected with Mortality Improvement Scale MP-2021	
Other	Please see the July 1, 2023 Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System.	

C. Contribution Rate: Effective July 1, 2023, the County and Water Authority contribution rate was increased to 21.5% from 13.9%.

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEES RETIREMENT SYSTEM
SCHEDULE OF INVESTMENT RETURNS
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

	2024	2023	2022	2021	2020
Annual money-weighted rate of return, net of investment expenses	**12.28%**	11.07%	(21.08%)	32.37%	4.36%

	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expenses	7.18%	7.99%	13.83%	(1.33%)	3.30%

III. ACTUARIAL SECTION
(Unaudited)

Clayton County, Georgia Public Employee Retirement System

Actuarial Valuation Report as of July 1, 2024

December 2024

Gallagher
1050 Crown Pointe Parkway
Suite 600
Atlanta, GA 30338

December 6, 2024

Pension Board
Clayton County, Georgia
Public Employee Retirement System
112 Smith Street
Jonesboro, GA 30236

Members of the Board:

Gallagher is pleased to submit the results of the July 1, 2024 actuarial valuation of the Clayton County, Georgia Public Employee Retirement System (the System). The purpose of this report is to provide a summary of the funded status of the System as of July 1, 2024, and to verify that scheduled contributions will be sufficient to meet the minimum funding requirement for the fiscal year ending June 30, 2025.

Use of this report for any other purpose may not be appropriate and may result in mistaken conclusions due to failure to understand applicable assumptions, methodologies, or the inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, Gallagher recommends requesting its advance review of any statement, document, or filing based on information contained in this report. Gallagher will accept no liability for any such statement, document or filing made without its prior review. Please contact me if you wish me to review any statement, document, or filing to be based on information contained in this report.

Summary of Valuation Results

The System is funded based on a fixed 29.00% of pay (21.50% from the County and Water Authority and 7.50% from Participants) plus any special budgeted percentage of pay needed to meet the minimum contribution under Georgia statute. It is expected the fixed 29.00% of pay contribution will continue to be greater than the minimum contribution under Georgia statute. Under the System's funding policy and no assumed gains or losses, contributions are expected to remain level at the fixed contribution percentage of pay and the funded status is expected to increase.

As of July 1, 2024, the actuarial accrued liability was $896,918,943. This compares to the market value of assets of $542,019,767 (after an adjustment of $3,277,491 for pending refunds) and the actuarial value of assets of $553,047,188. The funded ratio as measured by the actuarial value of assets was 61.7% (vs. 61.0% one year ago).

Where presented, references to “funded ratio” and “unfunded accrued liability” typically are measured on an actuarial value of assets basis. It should be noted that the same measurements using market value of assets would result in different funded ratios and unfunded accrued liabilities. Moreover, the funded ratio presented is appropriate for evaluating the need and level of future contributions but makes no assessment regarding the funded status of the System if the System were to settle (i.e. purchase annuities) for a portion or all of its liabilities.

ASOPs 27 and 35 ask the actuary to disclose the information and analysis used to support the actuary’s determination that the assumptions selected by a party other than the actuary do not significantly conflict with what, in the actuary’s professional judgment, are reasonable for the purpose of the measurement. Gallagher provides advice on reasonable assumptions when performing periodic experience studies. The Board selects the assumptions used and the signing actuary reviews the assumptions annually through discussions with the Board, plan sponsor and other staff as applicable, and analyzing the actuarial gain/loss experience. In the case of the Board’s selection of the investment return assumption, the signing actuaries have used economic information and tools provided by Gallagher’s Financial Risk Management (“FRM”) practice. A spreadsheet tool created by the FRM team converts averages, standard deviations, and correlations from Gallagher’s Capital Markets Assumptions (“CMA”) that are used for stochastic forecasting into approximate percentile ranges for the arithmetic and geometric average returns. It is intended to suggest possible reasonable ranges for the investment return assumption without attempting to predict or select a specific best estimate rate of return. It takes into account the duration (horizon) of investment and the target allocation of assets in the portfolio to various asset classes. Based on the actuaries’ analysis, including consistency with other assumptions used in the valuation, the percentiles generated by the spreadsheet described above and review of actuarial gain/loss experience, the actuaries believe the assumptions, in the actuaries’ professional judgment, are reasonable for the purpose of the measurement. In addition, in our professional judgment, the combined effect of the assumptions is expected to have no significant bias.

Future actuarial measurements may differ significantly from current measurements due to System experience differing from that anticipated by the economic and demographic assumptions, increases or decreases expected as part of the natural operation of the methodology used for these measurements, and changes in System provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this valuation.

Summary of System Experience

The experience for the plan year ending June 30, 2024 produced an overall loss of $19,314,136. Below is a summary of the main sources of (gains) and losses during the year.

Investment performance	$	7,690,123
Retirement experience		3,859,269
New entrants		1,121,132
Mortality experience		(348,608)
Salary increases		3,144,210
Other		3,848,010

Census and Financial Data

This valuation was performed using June 30, 2024 employee and financial data supplied by Clayton County. Gallagher did not audit this data, although it was reviewed for reasonableness and consistency with the prior year's information. The results of the valuation are dependent on the accuracy of the data.

Assessment of Risks

Actuarial Standard of Practice No. 51 ("ASOP 51") applies to funding calculations such as those presented in this report and requires certain disclosures of potential risks. Schedule I contains an assessment of the key risks applicable to the System.

Measuring Pension Obligations and Determining Plan Contributions

Actuarial Standard of Practice No. 4 ("ASOP 4") requires certain disclosures be provided when an actuary determines or recommends contribution amounts for a pension plan. Given the plan's contribution is based on a fixed rate, Section I of this report provides a reasonable actuarially determined contribution based on a 25-year layered amortization of unfunded liabilities increasing with assumed inflation and Schedule E provides the 25-year layered amortization schedule. The balance among benefit security, intergenerational equity, and stability or predictability of actuarially determined contributions, the timing and duration of expected benefit payments, the nature and frequency of plan amendments, and relevant input from the principal were taken into account when determining the actuarial cost method, smoothing period for the actuarial value of assets and the amortization period and method for any unfunded actuarial accrued liability.

In addition, ASOP 4 requires an estimate of how long before the funding policy contribution is expected to exceed the normal cost plus interest on the unfunded actuarial accrued liability. The current fixed rate exceeds this threshold.

ASOP 4 also requires that a report on a funding valuation disclose a Low-Default-Risk Obligation Measure ("LDROM") of plan liabilities. The LDROM is to be based on "discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future." To fulfill this requirement, Schedule I of this report provides a measure of liability based on a discount rate developed by discounting the System's benefit obligation cashflows using the June 28, 2024 Buck Above Median Yield curve.

Use of Models

Actuarial Standard of Practice No. 56 ("ASOP 56") provides guidance to actuaries when performing actuarial services with respect to designing, developing, selecting, modifying, using, reviewing, or evaluating models. In addition to the investment model previously described, Gallagher uses third-party software in the performance of annual actuarial valuations and projections. The model is intended to calculate the liabilities associated with the provisions of the System using data and assumptions as of the measurement date under the funding methods specified in this report. The output from the third-party vendor software is used as input to an internally developed model that applies applicable funding methods and policies to the liabilities derived and other inputs, such as System assets and contributions, to generate many of the exhibits found in this report. Gallagher has an extensive review process whereby the results of the liability calculations are checked using detailed sample output, changes from year to year are summarized by source, and significant deviations from expectations are investigated. Other outputs and the internal model are similarly reviewed in detail and at a high level for accuracy, reasonability and consistency with prior results. Gallagher also reviews the third-party model when significant changes are made to the software. The review is performed by experts within the company who are familiar with applicable funding methods as well as the manner in which the model generates its output. If significant changes are made to the internal model, extra checking and review are completed. Significant changes to the internal model that are applicable to multiple clients are generally developed, checked and reviewed by multiple experts within the company who are familiar with the details of the required changes.

Changes in Actuarial Assumptions, Methods and Plan Provisions

The expected salary increases for Valuation Year beginning on July 1, 2024 were decreased from 6.75% to 4.0% for County participants and increased from 5.50% to an average of 6.50% for Water Authority participants. Otherwise, there were no changes in assumptions, methods, or plan provisions from the prior year.

Certification

The actuarial certification is included in Section VI of the report. We are available to answer any questions regarding the contents of this report.

Respectfully submitted,

Gallagher Benefit Services, Inc. (hereinafter "Gallagher")

Kevin Spanier, ASA, EA, MAAA, FCA
Principal, Public Sector Retirement Operations Leader

Lisa Bjornson, EA, MAAA, FCA, RPA
Senior Consultant

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Section I - Summary of Principal Results

For convenience of reference, the principal results of the valuation and a comparison with the results of the preceding valuation are summarized below:

Valuation Date	7/1/2024	7/1/2023
Number of active participants	2,745	2,557
Annual compensation for year beginning on valuation date	$ 177,526,371	$ 161,697,960
Number of retired participants and beneficiaries	1,650	1,616
Annual retirement benefits	$ 53,423,015	$ 51,348,613
Number of former participants with deferred benefits	343	357
Present value of accrued benefits	$ 856,597,279	$ 820,211,078
Actuarial accrued liability	$ 896,918,943	$ 862,383,870
Assets:		
Market value	$ 542,019,767	$ 488,933,736
Actuarial value	$ 553,047,188	$ 526,413,749
Unfunded actuarial accrued liability	$ 343,871,755	$ 335,970,121
Amortization period for unfunded actuarial accrued liability	16 years	18 years
Contribution rates:		
Participants	7.50%	7.50%
County/Water Authority (regular)	21.50%	21.50%
County/Water Authority (special budgeted)	0.00%	0.00%
Total	29.00%	29.00%
County/Water Authority contribution rate:		
Normal cost	3.57%	4.06%
Amortization of unfunded actuarial accrued liability	17.93%	17.44%
Special budgeted contribution	0.00%	0.00%
Total	21.50%	21.50%
Reasonable Actuarially Determined Contribution		
Normal cost	3.57%	4.06%
Amortization of unfunded actuarial accrued liability	13.68%	14.36%
Total	17.25%	18.42%

Section II - Participant Data

All full-time employees and elected officials of Clayton County and the Clayton County Water Authority are covered under the System. The valuation included 2,745 active participants as of July 1, 2024 with annual compensation on July 1, 2024 totaling $177,526,371.

The following table shows the number of retired participants and beneficiaries of deceased participants and their annual retirement benefits as of July 1, 2024.

Group	Number	Benefits
Normal and Early Retirements	1,388	$ 48,012,333
Beneficiaries of Deceased Participants	209	4,164,821
Disability Retirements	53	1,245,861
Total	1,650	$ 53,423,015

In addition, there are 343 former participants entitled to deferred annual benefits totaling $5,679,519.

Section III - Assets

- The amount of assets taken into account in this valuation is based on the unaudited financial statements provided by Clayton County.
- The market value of assets as of July 1, 2024 was $542,019,767. The market return for the plan year ending June 30, 2024 was approximately 12.34%. The actuarial value of assets as of July 1, 2024 was $553,047,188. The return on actuarial assets for the plan year ending June 30, 2024 was approximately 6.40%.
- Schedule B shows the development of the actuarial value of assets as of July 1, 2024.
- Schedule C shows the reconciliation of the market value of asset balances from July 1, 2023 to July 1, 2024.

Section IV - Comments on Valuation

- Schedule A outlines the results of the valuation. The System has total actuarial accrued liabilities of $896,918,943. Of this amount, $632,101,855 is for benefits payable to retired participants, beneficiaries and former participants entitled to deferred vested benefits, and $264,817,088 is for active members' benefits expected to be paid based on service as of the valuation date. The System has an actuarial value of assets of $553,047,188 as of July 1, 2024. The difference of $343,871,755 is the unfunded actuarial accrued liability as of July 1, 2024.
- The regular contributions to the System consist of normal cost contributions and unfunded accrued liability amortization contributions. The normal cost contribution covers the cost of benefits accruing and System administrative expenses expected to be paid during the upcoming year. The normal cost contribution rate for the County and Water Authority participants combined is 11.07% of compensation (3.57% County/Water Authority and 7.50% participants) of payroll. This compares to 11.56% of payroll last year.
- Another measure of the funding is the present value of the benefits accrued as of the valuation date. This value does not include any allowance for future salary increases affecting the benefits earned to date. This amount is $856,597,279. When compared to the market value of assets of $542,019,767, the System has insufficient assets to cover the present value of its accrued benefits.
- For the year ending June 30, 2024, the System experienced an overall actuarial loss of $19,314,136. This loss is due to the net effect of a loss on the actuarial value of assets of $7,690,123 plus a liability loss of $11,624,013. Schedule D shows the development of this loss.

Section V - Contributions Payable under the Retirement System

The following table summarizes the contribution rates based on the July 1, 2024 valuation

Contribution	Percentage of Compensation
Payable by:	
Participants	7.50
County and Water Authority (regular)	21.50
County and Water Authority (special budgeted)	0.00
Total	29.00
Rate Applied To:	
Normal Cost	11.07
Amortization of Unfunded Actuarial Accrued Liability	17.93
Total	29.00

Section VI – Enrolled Actuary's Statement

The actuarial assumptions used to value the System for funding purposes were selected by the Pension Board in consultation with us based on an experience study for the period July 1, 2014 to June 30, 2019. All assumptions represent our best estimate of anticipated experience under the System. Based on the foregoing, the cost results and actuarial exhibits for funding presented in this report were determined on a consistent and objective basis in accordance with applicable Actuarial Standards of Practice and generally accepted actuarial procedures.

To the best of my knowledge, the information in this report is complete and accurate and meets the requirements and intent of Georgia Public Retirement System Law, Code Title 47, Chapter 20. The Clayton County, Georgia Public Employees Retirement System is in compliance with the Minimum Funding Standards specified in Code Section 47-20-10, and meets the funding policy of the System's Board, which is to maintain the System's compliance with such standards.

The report was prepared under the supervision of Kevin Spanier, the plan's Enrolled Actuary. Kevin is an Associate of the Society of Actuaries and a member of the American Academy of Actuaries and has met the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Gallagher Benefit Services, Inc. (hereinafter "Gallagher")

Kevin Spanier, ASA, EA, MAAA, FCA
Principal
Enrolled Actuary Number 23-08105

Schedule A - Results of the Valuation Prepared as of July 1, 2024

1.	Actuarial Accrued Liabilities		
	Present Value of Prospective Benefits Payable in Respect of:		
	(a) Active participants	$	264,817,088
	(b) Retired participants, beneficiaries, and former participants entitled to deferred vested benefits		632,101,855
	(c) Total	$	896,918,943
2.	Actuarial Value of Assets		553,047,188
3.	Unfunded Actuarial Accrued Liability [1(c) - 2]	$	343,871,755

Schedule B - Development of July 1, 2024 Actuarial Value of Assets

(1)	Market Value of Assets on July 1, 2023 including Contributions Receivable	$ 488,933,736
(2)	Net Cash Flow	
	a. Contributions from Employer and Participants plus increase/(decrease) in Contributions Receivable	50,478,734
	b. Benefits and Administrative Expenses[1]	57,310,421
	c. Net Cash Flow (2)a - (2)b	$ (6,831,687)
(3)	Expected Investment Return, Net of Investment Expenses [(1) x .0775] + [(2)c x .03875]	$ 37,627,637
(4)	Expected Market Value of Assets on July 1, 2024 including Contributions Receivable (1) + (2)c + (3)	$ 519,729,686
(5)	Market Value of Assets on July 1, 2024, including Contributions Receivable	$ 542,019,767
(6)	Gain/(Loss) on Market Value of Assets (5) - (4)	$ 22,290,081
(7)	Deferred Gains/(Losses) as of July 1, 2024	

	Total Gain/(Loss)	Amount Deferred
Plan Year Ending June 30, 2024	$ 22,290,081	$ 17,832,065
Plan Year Ending June 30, 2023	15,033,987	9,020,392
Plan Year Ending June 30, 2022	(147,607,249)	(59,042,899)
Plan Year Ending June 30, 2021	105,815,103	21,163,021
		$ (11,027,421)

(8)	Preliminary Actuarial Value of Assets on July 1, 2024 (5) - (7)	$ 553,047,188
(9)	80% of Market Value .80 x (5)	$ 433,615,814
(10)	120% of Market Value 1.20 x (5)	$ 650,423,720
(11)	Actuarial Value of Assets on July 1, 2024 Lesser of (10) and maximum of (8) and (9)	$ 553,047,188

[1] Unpaid Pending Refunds amount of $1,756,512 was subtracted from the July 1, 2023 Market Value of Assets, and $3,277,491 was subtracted from the July 1, 2024 Market Value of Assets. The difference of $1,520,979 was added to the annual disbursements during the year.

Schedule C - Assets of the Retirement System

Reconciliation of Market Value of Assets

Receipts		
Employer and Participant Contributions		$ 50,478,734
Investment Income		
Interest and Dividends	$ 10,303,904	
Net Appreciation (Depreciation) in Fair Value of Investments	49,613,814	
Total Investment Income		59,917,718
Total Receipts		$ 110,396,452
Disbursements		
Benefits Paid		$ 55,194,110
Change in Pending Refunds[1]		1,520,979
Administrative Expenses		595,332
Total Disbursements		$ 57,310,421
Excess of Receipts Over Disbursements		$ 53,086,031
Reconciliation of Asset Balances		
Market Value at July 1, 2023, including contributions receivable		$ 488,933,736
Excess of Receipts Over Disbursements		53,086,031
Market Value at July 1, 2024, including contributions receivable		$ 542,019,767

[1] Unpaid Pending Refunds amount of $1,756,512 was subtracted from the July 1, 2023 Market Value of Assets, and $3,277,491 was subtracted from the July 1, 2024 Market Value of Assets. The difference of $1,520,979 was added to the annual disbursements during the year.

Schedule D - Development of Experience Gain/(Loss)

1.	Actual Unfunded Accrued Liability as of July 1, 2023		$ 335,970,121
2.	Expected Change in Unfunded Liability During Plan Year Ending June 30, 2024		
	a. Total Normal Cost (beginning of year)	$ 17,756,861	
	b. Assumption Changes	(4,184,916)	
	c. Plan Changes	0	
	d. Interest on Normal Cost and Unfunded Liability	27,413,841	
	e. Actual Employer and Participant Contributions with Interest	(52,398,288)	
	f. Total Expected Change	$ (11,412,502)	
3.	Expected Unfunded Accrued Liability as of July 1, 2024		$ 324,557,619
4.	Actual Unfunded Accrued Liability as of July 1, 2024		$ 343,871,755
5.	Experience Gain/(Loss)[1] (3) – (4)		$ (19,314,136)

[1] Liability related portion of experience Gain/(Loss): $ (11,624,013)
Asset related portion of experience Gain/(Loss): $ (7,690,123)

Schedule E – Reasonable Actuarially Determined Contribution (RADC) Amortization Schedule

Unfunded liability Amortization Schedule as of July 1, 2024

Plan Year	Original Balance	Original Amortization Period	Balance as of July 1, 2024	Payment for Fiscal Year 2024	Remaining Amortization Periods as of July 1, 2024
July 1, 2023	335,970,121	25	337,841,836	23,920,895	24
July 1, 2024	6,029,919	25	6,029,919	417,837	25
Total			$ 343,871,755	$ 24,338,732	

Schedule F - Outline of Actuarial Assumptions and Methods

Interest Rate

7.75% per annum, net of investment expenses.

Separations before Retirement – Hired Before 1/1/2016

Representative values of the assumed annual rates of withdrawal and disability are as follows:

County

	Annual Rate of:				
	Withdrawal				Disability[1]
Age	Years 0-1	Years 1-2	Years 2-6	Years 7+	
25	20.00%	16.00%	10.00%	9.50%	.07%
30	20.00	16.00	10.00	9.50	.08
35	20.00	16.00	10.00	8.25	.09
40	20.00	16.00	10.00	5.25	.11
45	20.00	16.00	10.00	4.50	.16
50	20.00	16.00	10.00	4.50	.24
55	20.00	16.00	10.00	3.25	.40
60	20.00	16.00	10.00	3.00	.84
64	20.00	16.00	10.00	3.00	1.49

Water

	Annual Rate of:				
	Withdrawal				Disability
Age	Years 0-1	Years 1-2	Years 2-6	Years 7+	
25	15.00%	7.00%	7.00%	6.25%	.07%
30	15.00	7.00	7.00	4.25	.08
35	15.00	7.00	7.00	4.25	.09
40	15.00	7.00	7.00	3.50	.11
45	15.00	7.00	7.00	2.50	.16
50	15.00	7.00	7.00	2.00	.24
55	15.00	7.00	7.00	2.00	.40
60	15.00	7.00	7.00	2.00	.84
64	15.00	7.00	7.00	2.00	1.49

[1] Disability is assumed to occur in-duty for Safety participants and not in-duty for all others.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Separations before Retirement – Hired on or After 1/1/2016

Representative values of the assumed annual rates of withdrawal and disability are as follows:

County

	Annual Rate of:				
	Withdrawal				Disability[1]
Age	Years 0-1	Years 1-2	Years 2-9	Years 10+	
25	20.00%	16.00%	10.00%	9.50%	.07%
30	20.00	16.00	10.00	9.50	.08
35	20.00	16.00	10.00	8.25	.09
40	20.00	16.00	10.00	5.25	.11
45	20.00	16.00	10.00	4.50	.16
50	20.00	16.00	10.00	4.50	.24
55	20.00	16.00	10.00	3.25	.40
60	20.00	16.00	10.00	3.00	.84
64	20.00	16.00	10.00	3.00	1.49

Water

	Annual Rate of:				
	Withdrawal				Disability
Age	Years 0-1	Years 1-2	Years 2-9	Years 10+	
25	15.00%	7.00%	7.00%	6.25%	.07%
30	15.00	7.00	7.00	4.25	.08
35	15.00	7.00	7.00	4.25	.09
40	15.00	7.00	7.00	3.50	.11
45	15.00	7.00	7.00	2.50	.16
50	15.00	7.00	7.00	2.00	.24
55	15.00	7.00	7.00	2.00	.40
60	15.00	7.00	7.00	2.00	.84
64	15.00	7.00	7.00	2.00	1.49

[1] Disability is assumed to occur in-duty for Safety participants and not in-duty for all others.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Rates of Retirement – Hired Before 1/1/2016

Representative values of the assumed annual rates of early and normal retirement are as follows:

	Annual Rate of Retirement					
	Safety			General		
	Years 7-14	Years 15-24	Years 25+	Years 7-14	Years 15-24	Years 25+
50			.100			.040
51			.100			.040
52			.225			.120
53			.400			.180
54			.475			.300
55		.175	.625		.950	.300
56		.175	.250		.950	.300
57		.175	.250		.950	.300
58		.175	.250		.950	.100
59		.175	.250		.950	.250
60	.400	.400	.400	.225	.275	.275
61	.400	.400	.400	.125	.175	.330
62	.400	.400	.400	.220	.275	.330
63	.600	.600	.600	.125	.275	.330
64	.600	.600	.600	.150	.275	.330
65	1.000	1.000	1.000	.500	.600	.600
66	1.000	1.000	1.000	.300	.300	.300
67	1.000	1.000	1.000	.300	.300	.300
68	1.000	1.000	1.000	.300	.300	.300
69	1.000	1.000	1.000	.300	.300	.300
70	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees who terminate with a vested benefit and greater than 15 years of service are assumed to commence at age 55 with a subsidized early retirement pension. Other deferred vested employees are assumed to commence at normal retirement age.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Rates of Retirement – Hired on or After 1/1/2016

Representative values of the assumed annual rates of early and normal retirement are as follows:

	Annual Rate of Retirement					
		Safety			General	
	Years 10-14	Years 15-24	Years 25+	Years 10-14	Years 15-24	Years 25+
50			.100			
51			.100			
52			.225			
53			.400			
54			.475			
55		.175	.625			.300
56		.175	.250			.300
57		.175	.250			.300
58		.175	.250			.100
59		.175	.250			.250
60	.400	.400	.400	.225	.275	.275
61	.400	.400	.400	.125	.175	.330
62	.400	.400	.400	.220	.275	.330
63	.600	.600	.600	.125	.275	.330
64	.600	.600	.600	.150	.275	.330
65	1.000	1.000	1.000	.500	.600	.600
66	1.000	1.000	1.000	.300	.300	.300
67	1.000	1.000	1.000	.300	.300	.300
68	1.000	1.000	1.000	.300	.300	.300
69	1.000	1.000	1.000	.300	.300	.300
70	1.000	1.000	1.000	1.000	1.000	1.000

Note: Employees who terminate with a vested benefit and greater than 15 years of service are assumed to commence at age 60 with a subsidized early retirement pension. Other deferred vested employees are assumed to commence at normal retirement age.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Salary Increases[1]

County Employees

Valuation Year beginning 7/1/2024:	4.00%
Valuation Years beginning 7/1/2025 and thereafter:	4.75%

Water Employees

Valuation Year beginning 7/1/2024:	6.50%
Valuation Years beginning 7/1/2025 and thereafter:	4.00%

Mortality[2]

Non-Safety Retirees

Pub-2010 Amount Weighted General Retiree Below-Median table with a load of 2.85%, projected with Mortality Improvement Scale MP-2021

Non-Safety Non-annuitants

Pub-2010 Amount Weighted General Employees Below-Median table, projected with Mortality Improvement Scale MP-2021

Non-Safety Disabled Participants

Pub-2010 Amount Weighted Non-Safety Disabled Retiree table, projected with Mortality Improvement Scale MP-2021

Safety Retirees

Pub-2010 Amount Weighted Public Safety Retiree Below-Median table, projected with Mortality Improvement Scale MP-2021

Safety Non-Annuitants

Pub-2010 Amount Weighted Public Safety Employee Below-Median table, projected with Mortality Improvement Scale MP-2021

Safety Disabled Participants

Pub-2010 Amount Weighted Public Safety Disabled Retiree table, projected with Mortality Improvement Scale MP-2021

Survivor Beneficiaries

Pub-2010 Amount Weighted Contingent Survivor Below-Median table, projected with Mortality Improvement Scale MP-2021

[1] Expected salary increases for 7/1/2024 are based on census data provided. The increase is a flat 4.0% for County employees, and 6.50% is the average for Water Authority employees.

[2] Death while active is assumed to occur in-duty for Safety participants and not in-duty for all others.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Future Administrative Expenses

Administrative expenses are assumed to be 0.350% of payroll.

Frequency of optional payment forms

30% of retirees elect a 5-year certain and life form of payment.
20% of retirees elect a 10-year certain and life form of payment.
20% of retirees elect a joint & survivor 50% form of payment.
30% of retirees elect a joint & survivor 100% form of payment.

Loading or Contingency Reserves

A 2.00% load on active liabilities is applied to reflect potential use of accumulated sick leave upon retirement.

Spouses

Males are assumed to be three years older than their spouse and females are assumed to be the same age as their spouse.

It is assumed that 85% of the males are married and 65% of females are married.

Valuation Assets

Actuarial Value, as developed in Schedule B. The actuarial value of assets is based on a 5-year smoothing of market value gains and losses. The actuarial value of assets is limited to a range between 80% and 120% of market value.

Valuation Funding Method

- Projected unit credit cost method. Gains and losses are reflected in the unfunded actuarial accrued liability.

  The System is funded based on a fixed 21.5% of pay (this is in addition to the 7.5% of pay paid by Participants) plus any special budgeted percentage of pay needed to meet the minimum contribution under Georgia statute. It is expected the combined fixed 29.00% of pay contribution will continue to be greater than the minimum contribution under Georgia statute. Under the System's funding policy and no assumed gains or losses contributions are expected to remain level at the fixed contribution percentage of pay and the funded status is expected to increase.
- Projected benefits were limited by the dollar limitation required by the Internal Revenue Code Section 415 as it applies to governmental plans and compensation limited by Section 401(a)(17).

Inflation

2.75% per annum (used for the amortization of unfunded actuarial accrued liability).

Contribution Timing

Employee contributions are assumed to occur bi-weekly and County contributions quarterly.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Historical Assumption Changes

<u>Effective 7/1/2024</u>

Salary Increases

Prior Year:

County Employees

Valuation Year beginning 7/1/2023:	6.75%, 11.25%, or 13.75%
Valuation Year beginning 7/1/2024:	6.75%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Year beginning 7/1/2023:	10.00%
Valuation Year beginning 7/1/2024:	5.50%
Valuation Years beginning 7/1/2025 and thereafter:	4.00%

Current Year:

County Employees

Valuation Year beginning 7/1/2024:	4.00%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Year beginning 7/1/2024:	6.50%
Valuation Years beginning 7/1/2025 and thereafter:	4.00%

<u>Effective 7/1/2023</u>

Funding Method

Prior Year:

The System is funded based on a fixed 13.9% of pay (this is in addition to the 7.5% of pay paid by Participants) plus any special budgeted percentage of pay needed to meet the minimum contribution under Georgia statute. Since the minimum contribution used for compliance with Georgia statute is determined based upon a 30-year amortization approach that restarts every year, absent contributions in excess of the minimum contribution or future actuarial gains, the emerging unfunded liability will not be amortized.

Current Year:

The System is funded based on a fixed 21.5% of pay (this is in addition to the 7.5% of pay paid by Participants) plus any special budgeted percentage of pay needed to meet the minimum contribution under Georgia statute. It is expected the combined fixed 29.00% of pay contribution will continue to be greater than the minimum contribution under Georgia statute and excess contributions will be created and eventually eliminate the unfunded accrued liability.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Salary Increases

Prior Year:

County Employees

Valuation Year beginning 7/1/2022:	7.25%, 9.25%, or 14.25%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Year beginning 7/1/2022:	9.05%
Valuation Year beginning 7/1/2023:	8.70%
Valuation Years beginning 7/1/2024 and thereafter:	4.00%

Current Year:

County Employees

Valuation Year beginning 7/1/2023:	6.75%, 11.25%, or 13.75%
Valuation Year beginning 7/1/2024:	6.75%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Year beginning 7/1/2023:	10.00%
Valuation Year beginning 7/1/2024:	5.50%
Valuation Years beginning 7/1/2025 and thereafter:	4.00%

Effective 7/1/2022

Salary Increases

Prior Year:

County Employees

Valuation Year beginning 7/1/2021:	3.00%
Valuation Year beginning 7/1/2022:	5.75%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Years beginning 7/1/2020 and thereafter:	4.00%

Current Year:

County Employees

Valuation Year beginning 7/1/2022:	7.25%, 9.25%, or 14.25%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Year beginning 7/1/2022:	9.05%
Valuation Year beginning 7/1/2023:	8.70%
Valuation Years beginning 7/1/2024 and thereafter:	4.00%

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Mortality Improvement Scale

Prior Year:	Scale MP-2020
Current Year:	Scale MP-2021

<u>Effective 7/1/2021</u>

Salary Increases

Prior Year:

County Employees

Valuation Years beginning 7/1/2020 & 7/1/2021:	6.75%
Valuation Year beginning 7/1/2022:	5.75%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Years beginning 7/1/2020 and thereafter:	4.00%

Current Year:

County Employees

Valuation Year beginning 7/1/2021:	3.00%
Valuation Year beginning 7/1/2022:	5.75%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Years beginning 7/1/2020 and thereafter:	4.00%

Mortality Improvement Scale

Prior Year:	Scale MP-2019
Current Year:	Scale MP-2020

<u>Effective 7/1/2020[1]</u>

Interest Rate

Prior Year:	8.00% per annum, net of investment expenses.
Current Year:	7.75% per annum, net of investment expenses.

Retirement & Withdrawal Rates

Rates of retirement and withdrawal have been updated as a result of the experience study.

[1] Based on an experience study for the period July 1, 2014 to June 30, 2019.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Salary Increases

Prior Year: 3% per annum through 6/30/2023, and 4% per annum thereafter.

Current Year:

County Employees

Valuation Years beginning 7/1/2020 & 7/1/2021:	6.75%
Valuation Year beginning 7/1/2022:	5.75%
Valuation Years beginning 7/1/2023 and thereafter:	4.75%

Water Employees

Valuation Years beginning 7/1/2020 and thereafter:	4.00%

Mortality for Healthy Annuitants

Prior Year: RP2014 Blue Collar mortality table rolled back to 2010, with a load of 7.75%, and projected with fully generational mortality improvements based on the Buck Modified MP2018 projection scale.

Current Year: Non-Safety Retirees:
Pub-2010 Amount Weighted General Retiree Below-Median table with a load of 2.85%, projected with Mortality Improvement Scale MP-2019

Safety Retirees:
Pub-2010 Amount Weighted Public Safety Retiree Below-Median table, projected with Mortality Improvement Scale MP-2019

Mortality for Healthy Non-annuitants

Prior Year: RP2014 Blue Collar mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2018 projection scale.

Current Year: Non-Safety:
Pub-2010 Amount Weighted General Employees Below-Median table, projected with Mortality Improvement Scale MP-2019

Safety:
Pub-2010 Amount Weighted Public Safety Employee Below-Median table, projected with Mortality Improvement Scale MP-2019

Mortality for Disabled Participants

Prior Year: RP2014 Disabled mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2018 projection scale.

Current Year: Non-Safety:
Pub-2010 Amount Weighted Non-Safety Disabled Retiree table, projected with Mortality Improvement Scale MP-2019

Safety:
Pub-2010 Amount Weighted Public Safety Disabled Retiree table, projected with Mortality Improvement Scale MP-2019

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Mortality for Contingent Beneficiaries

Prior Year:	The applicable participant mortality was applied to any contingent beneficiaries.
Current Year:	Pub-2010 Amount Weighted Contingent Survivor Below-Median table, projected with Mortality Improvement Scale MP-2019

Future administrative expenses

Prior Year:	Expenses assumed to be 0.325% of payroll.
Current Year:	Expenses assumed to be 0.350% of payroll.

Loading or Contingency Reserves

Prior Year:	A 0.10% load on active liabilities is applied to reflect potential use of accumulated sick leave upon retirement.
Current Year:	A 2.00% load on active liabilities is applied to reflect potential use of accumulated sick leave upon retirement.

Spouses

Prior Year:	The male is assumed to be three years older than the female, and it is assumed that 85% of the participants are married.
Current Year:	Males are assumed to be three years older than their spouse and females are assumed to be the same age as their spouse. It is assumed that 85% of the males are married and 65% of females are married.

Frequency of optional payment forms

Prior Year:	100% of retirees elect the normal form of payment (5-year certain and life).
Current Year:	30% of retirees elect a 5-year certain and life form of payment. 20% of retirees elect a 10-year certain and life form of payment. 20% of retirees elect a joint & survivor 50% form of payment. 30% of retirees elect a joint & survivor 100% form of payment.

Inflation

Prior Year:	3.00% per annum (used for the amortization of unfunded actuarial liability).
Current Year:	2.75% per annum (used for the amortization of unfunded actuarial liability).

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Effective 7/1/2019

Mortality for Healthy Annuitants

Prior Year: RP2014 Blue Collar mortality table rolled back to 2010, with a load of 7.75%, and projected with fully generational mortality improvements based on the Buck Modified MP2017 projection scale.

Current Year: RP2014 Blue Collar mortality table rolled back to 2010, with a load of 7.75%, and projected with fully generational mortality improvements based on the Buck Modified MP2018 projection scale.

Mortality for Healthy Non-annuitants

Prior Year: RP2014 Blue Collar mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2017 projection scale.

Current Year: RP2014 Blue Collar mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2018 projection scale.

Mortality for Disabled Participants

Prior Year: RP2014 Disabled mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2017 projection scale.

Current Year: RP2014 Disabled mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2018 projection scale.

Effective 7/1/2018

None

Effective 7/1/2017

Mortality for Healthy Annuitants

Prior Year: RP2014 blue collar base rates with a load of 7.75% with fully generational mortality improvements based on the Modified Buck MP2014 projection scale.

Current Year: RP2014 Blue Collar mortality table rolled back to 2010, with a load of 7.75%, and projected with fully generational mortality improvements based on the Buck Modified MP2017 projection scale.

Mortality for Healthy Non-annuitants

Prior Year: RP2014 blue collar base rates with fully generation mortality improvements based on the Modified Buck MP2014 projection scale.

Current Year: RP2014 Blue Collar mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2017 projection scale.

Mortality for Disabled Participants

Prior Year: RP2014 disabled base rates with Modified Buck MP 2014 projection scale.

Current Year: RP2014 Disabled mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2017 projection scale.

Mortality for Disabled Participants

Prior Year: RP2014 disabled base rates with Modified Buck MP 2014 projection scale.

Current Year: RP2014 Disabled mortality table rolled back to 2010 and projected with fully generational mortality improvements based on the Buck Modified MP2017 projection scale.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

Effective 7/1/2016

For new members hired after January 1, 2016, assumed rates of retirement and termination were implemented to correspond with the new vesting and retirement eligibility requirements.

Effective 7/1/2015

The mortality table for healthy participants was changed to the RP2014 blue collar base rates with a load of 7.75% with fully generational mortality improvements based on the Modified Buck MP 2014 projection scale. For non-annuitants, the mortality table was changed to RP2014 blue collar base rates with fully generation mortality improvements based on the Modified Buck MP 2014 projection scale. The mortality table for disabled participants was changed RP2014 disabled base rates with Modified Buck MP 2014 projection scale. The assumption for Future Administration expenses was changed to 0.325% of payroll.

Effective 7/1/2014

The assumed rates of salary increase were adjusted to 2.00% for 4 years, 3.00% for the next 5 years, and 4.00% thereafter. The mortality table for healthy participants was changed to the RP-2000 blue collar base rates increased by 7.5% to reflect actual plan experience, generationally projected using Scale BB for annuitants and the RP-2000 blue collar base rates, generationally projected using Scale BB for non-annuitants. The mortality table for disabled participants was changed to the RP-2000 disabled mortality table. The assumed rates of retirement and termination were changed to better reflect anticipated experience. The asset valuation method was changed to reflect a 5-year smoothing of market value gains and losses beginning with gains and losses for the period July 1, 2013 – June 30, 2014. The Actuarial Value of Assets is limited to an 80% - 120% market value corridor.

Effective 7/1/2013

The assumed rates of salary increase were adjusted from 3% for the next 9 years and 4% thereafter to 0% for the upcoming year for County employees, 2% for the upcoming year for Water Authority employees, 3% for the next 9 years for all employees and 4% thereafter for all employees. The mortality table was changed to the RP 2000 Mortality Table with a 10% load projected to the year 2019 with Blue Collar adjustment.

Effective 7/1/2012

The assumed rates of salary increase were adjusted from 3% for the next 10 years and 4% for the following 20 years to 0% for the upcoming year for County employees, 1% for the upcoming year for Water Authority employees, 3% for the next 9 years for all employees and 4% thereafter for all employees. The mortality table was changed to the RP 2000 Mortality Table with a 10% load projected to the year 2018 with Blue Collar adjustment.

Effective 7/1/2011

The mortality table was changed from the RP 2000 Mortality Table with Blue Collar adjustments to the RP 2000 Mortality Table with a 10% load projected to the year 2017 with Blue Collar adjustment; the assumed rates of salary increase was adjusted from a flat 4% to 0% for the upcoming year, 3% for the next 10 years and 4% thereafter; and the assumed rate of inflation used as an amortization adjustment was changed from a flat 4% to 3% for the next 11 years and 4% thereafter.

Effective 7/1/2009

The salary scale assumption decreased from 5.3% annually to 4.0% annually.

Schedule F - Outline of Actuarial Assumptions and Methods (continued)

<u>Effective 7/1/2008</u>

The mortality table for employees (both before and after retirement) changed from the 1983 Group Annuity Mortality Table to the RP-2000 Mortality Table with Blue Collar Adjustment.

<u>Effective 7/1/2004</u>

The expense assumption has been lowered to .20% of payroll to reflect true level of administrative expense. The retirement table has been changed to produce expected results that more closely match recent experience. The salary scale has increased from 5.0% to 5.3%.

<u>Effective 7/1/2003</u>

The mortality table for employees (both before and after retirement) changed from the 1971 Group Annuity Mortality Table set back 1 year to the 1983 Group Annuity Mortality Table. The withdrawal table for employees changed to a 3-year select-and-ultimate table to reflect recent plan experience.

<u>Effective 7/1/2001</u>

The mortality table has been set back one year.

Schedule G - Summary of the Main Benefit and Contribution Provisions

Effective Date

July 1, 1971.

Plan Year and Fiscal Year

July 1 to June 30.

Type of Plan

A cost-sharing multiple-employer defined benefit pension plan administered by a public employee retirement system funded by the System sponsors (Clayton County and the Clayton County Water Authority) and Participant contributions.

Employees Covered

Full-time employees, including Commissioners, persons appointed by Commissioners, judicial secretaries, Probate Court Judge, magistrate, Court Clerks, Sheriff and Chief Deputy, Tax Commissioner and Deputy, and Water Authority employees and appointees.

Effective November 1, 2010, any employee who is enrolled or becomes an active participant or member in the Employees Retirement System of Georgia or the Georgia State Employees' Pension and Savings Plan (or any successor plan) will not be covered under this System. This amendment was not reflected in the July 1, 2010 valuation.

Effective July 1, 2012, State Court Law Clerks are now eligible to participate in the System.

Credited Service

Service from employment. Effective January 1, 1999, each Participant's sick leave in excess of the allowable amount, as of the last pay period of each calendar year, shall be placed in reserve status to be used in determining Credited Service at the Participant's termination of employment. Certain employees' service with The City of Forest Park Water and Sewer Department is included as Credited Service.

Normal Retirement Benefit

Eligibility – Hired Before 1/1/2016

The earlier of age 60 and 7 years of participation (5 years of participation for sworn safety personnel hired prior to June 1, 2001), or age 55 and 25 years of credited service. Effective January 1, 1999, a Participant may elect to apply sick leave reserve as an age credit in determining the attainment of Normal Retirement Age.

Eligibility – Hired on or After 1/1/2016

General Members

- Normal retirement at age 62 with 10 years of service

Public Safety Members

- Normal retirement at age 60 with 10 years of service or 55 with 25 years of service

Schedule G - Summary of the Main Benefit and Contribution Provisions (continued)

Basic Monthly Benefit

For members hired before January 1, 2016, average monthly compensation is based on the 36 highest consecutive months of service during the last 60 months of service. The basic monthly benefit is then determined as 2.5% of average monthly compensation multiplied by years of credited service up to 32.

For members hired on or after January 1, 2016, average monthly compensation is based on the last 60 months of service. The basic monthly benefit is then determined as 2.0% of average monthly compensation multiplied by years of credited service up to 32.

Cost of Living Adjustments

Annual 2.0% cost of living increase effective beginning July 1, 2009 for those who have received their 84th monthly benefit payment prior to July 1.

For new employees hired after 1/1/2016, COLA is discretionary and provided on an ad-hoc basis.

Early Retirement Benefit

Eligibility – Hired Before 1/1/2016

The earlier of age 50 and 25 years of credited service or age 55 and 15 years of credited service.

Eligibility – Hired on or After 1/1/2016

General Members

- Early retirement at age 60 with 15 years of service or age 55 with 25 years of service

Public Safety Members

- Early retirement at age 55 with 15 years of service or age 50 with 25 years of service

Benefit

If the participant has 25 years of credited service, the benefit is reduced 1/2% for each month age is less than 55. If the participant has less than 25 years of credited service, the benefit is reduced 1/2% for each month age is less than 60.

Disability Retirement

Eligibility

3 years of credited service for in line-of-duty; 7 years of credited service for other than in line-of-duty if hired prior to 1/1/2016; 10 years of credited service for other than in line-of-duty if hired on or after 1/1/2016.

Benefit

The greater of 30% of participants' monthly rate of compensation as of the date of disability and participants' accrued benefit as of disability retirement date, unreduced for early commencement.

Late Retirement Benefit

Eligibility

Retirement after eligibility for normal retirement.

Benefit

Normal retirement benefit based on average monthly salary and service at actual date of retirement.

Schedule G - Summary of the Main Benefit and Contribution Provisions (continued)

Deferred Vested Benefit

Eligibility – Hired Before 1/1/2016

7 years of credited service.

Eligibility – Hired on or After 1/1/2016

10 years of credited service.

Benefit

100% of accrued benefit commencing at normal retirement age. If the member has 15 years of credited service, he/she may receive a reduced benefit commencing at early retirement age.

Pre-Retirement Death Benefit

In Line-of-Duty

Eligibility

Participation in the System.

Benefit

Survivor portion of the 50% Joint and Survivor benefit payable immediately (unreduced for early commencement) if married. If not married, payments are unreduced and paid for 60 months.

Other than Line-of-Duty

Eligibility

7 years of service.

Benefit

Same as in line-of-duty benefit if greater than age 50. If under age 50, 50% of the deferred vested benefit reduced for early retirement payable at early retirement date if married. If not married, the benefit reduced for early retirement is paid for 60 months starting at early retirement age.

Excess Benefits for Water Authority

Participants Only

Benefits in excess of the Internal Revenue Code 415 (m) limits are funded by the Water Authority as the benefits become payable but are not included in the valuation.

Normal Form of Payment

5 years certain and life annuity.

Optional Forms of Payment

- 100%, 75%, or 50% joint and survivor annuity
- Life annuity with 120 months certain

Schedule G - Summary of the Main Benefit and Contribution Provisions (continued)

Participant Contributions

Each participant contributes 7.5% of compensation beginning July 1, 2015. Contribution rate from July 1, 2006 through June 30, 2014 was 5.5% of compensation. Contribution rate from August 8, 1998 through June 30, 2006 was 3.5% of compensation and for July 1, 1995 through August 7, 1998 was 2.0% of compensation. If a participant terminates employment before meeting the requirements for any of the above benefits, he/she is entitled to receive a return of his/her contributions with 5% interest.

Any participant or beneficiary may elect to receive a refund of contributions with interest in lieu of any other benefit payable under the System.

Participant contributions are "picked-up" by the County (i.e., taken out of pre-tax income).

Historical Provision Changes

Effective 7/1/2023

The County and Water Authority contribution rate was increased to 21.5% from 13.9%.

Effective 7/1/2016

For new members hired after January 1, 2016:

- 10-year vesting
- Final average compensation based on final 5 years of service
- Discretionary, ad-hoc COLA
- Change in normal and early retirement eligibility:

  General Members
    - Early retirement at age 60 with 15 years of service or age 55 with 25 years of service
    - Normal retirement at age 62 with 10 years of service

  Public Safety Members
  - Early retirement at age 55 with 15 years of service or age 50 with 25 years of service
  - Normal retirement at age 60 with 10 years of service or 55 with 25 years of service

Effective 7/1/2015

The County and Water Authority contribution rate was increased to 13.9% from 12.9%.

The participant contribution rate was increased from 5.5% to 7.5%.

For employees hired on or after January 1, 2016 a new tier of benefits will apply.

Effective 7/1/2012

State Court Law Clerks are now eligible to participate in the System.

Effective 7/1/2008

Eliminated the 60-month certain and 114-month certain optional forms of payment for annuity starting dates after December 31, 2008.

Effective 7/1/2007

Adjusted accrued benefits of three people as of their normal retirement age.

Schedule G - Summary of the Main Benefit and Contribution Provisions (continued)

Effective 7/1/2006

Added an annual 2.0% cost of living increase effective beginning July 1, 2009 for those who have received their 84th monthly benefit payment prior to July 1.

Increased participant contributions from 3.5% to 5.5%.

Granted a one-time 4.0% benefit increase to current participants, spouses and beneficiaries who were receiving benefits as of January 1, 2001.

Added a minimum monthly allowance of $300 (after the above benefit increases) to any participant, spouse or beneficiary receiving benefits as of July 1, 2006.

Added an Excess Benefit Arrangement providing benefits in excess of IRS Code Sec. 415 for Water Authority employees funded entirely and separately by the Water Authority.

Effective 7/1/2005

Added the 60-month certain and 114-month certain optional forms of payment.

Effective 7/1/2003

The County and Water Authority contribution rate was increased to 12.9% from 12.4% and it is now applied to compensation under the System rather than total compensation.

The definition of compensation excludes certain forms of premium pay.

The compensation limit has been increased to $200,000.

The mortality table used to convert benefits to optional forms of payment has been changed to the table prescribed under Revenue Ruling 2001-62.

The Social Security Leveling Option has been removed as an optional form of payment.

The normal form of payment for persons receiving disability payments has been changed from a life annuity to a life annuity with 60 months guaranteed. Upon death, payments to beneficiaries will continue according to the election chosen for the disability payments.

The method for computing final average earnings was clarified.

The basis for actuarial equivalence for maximum benefit limit purposes has been changed.

Effective 7/1/2001

Normal Retirement Age for non-Safety Personnel was amended from age 65 with 5 years of credited service to age 60 with 7 years of credited service.

For Safety Personnel hired after 6/1/2001, 7 years of credited service is required for Normal Retirement.

Funding rate increased from 12.15% to 12.40%.

The pre-Retirement Death Benefit was changed from 50% of the Normal Fund Payment as if employment continued to normal retirement to the survivor portion of the 50% Joint and Survivor benefit (unreduced for early commencement). If the participant is single, the Normal Fund Payment is paid as a 5-year certain only benefit.

Schedule H - Member Statistics

		June 30, 2024
Active members		
Number		2,745
Average age		41.45
Average service		6.79
Terminated vested members		
Number		343
Average age		51.67
Average annual retirement benefits	$	16,558
Retired members		
Number		1,388
Average age		69.44
Average annual retirement benefits	$	34,591
Disabled members		
Number		53
Average age		64.61
Average annual retirement benefits	$	23,507
Survivors and beneficiaries of members		
Number		209
Average age		71.95
Average annual retirement benefits	$	19,927
Total Number of Members		4,738

Schedule H - Member Statistics (continued)

Age Service Table (all Active Participants) *

Attained Age	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	Total
	Completed Years of Service										
Under 25	133	102	2	0	0	0	0	0	0	0	237
Avg. Pay	46,324	51,808	*								48,886
25 to 29	105	175	60	3	0	0	0	0	0	0	343
Avg. Pay	50,519	55,958	66,380	*							56,372
30 to 34	108	174	109	24	0	0	0	0	0	0	415
Avg. Pay	50,741	55,681	70,059	75,154							59,298
35 to 39	68	139	74	48	41	1	0	0	0	0	371
Avg. Pay	48,355	59,373	64,905	79,365	90,782	*					64,600
40 to 44	47	79	68	49	44	26	0	0	0	0	313
Avg. Pay	50,066	58,083	71,273	76,900	85,881	87,523					69,044
45 to 49	37	74	43	37	42	34	12	0	0	0	279
Avg. Pay	53,208	65,412	79,118	80,688	79,021	93,887	*				74,870
50 to 54	34	74	43	41	50	35	44	7	0	0	328
Avg. Pay	53,422	51,860	67,972	80,338	85,489	89,254	113,874	*			76,014
55 to 59	30	60	48	40	35	13	15	5	1	0	247
Avg. Pay	51,259	56,558	70,153	64,851	76,567	*	*	*	*		68,271
60 to 64	15	39	27	31	23	13	2	2	0	0	152
Avg. Pay	*	52,485	55,938	71,863	70,166	*	*	*			64,195
65 to 69	7	8	9	9	3	1	1	0	0	0	38
Avg. Pay	*	*	*	*	*	*	*				65,128
70 & up	2	4	10	1	4	1	0	0	0	0	22
Avg. Pay	*	*	*	*	*	*					68,313
Total	586	928	493	283	242	124	74	14	1	0	2,745
Avg. Pay	49,679	56,611	68,739	76,257	82,118	88,204	107,438	*	*		64,673

* Pay information for cells with less than 20 employees have not been disclosed.

Schedule I – Risk Information

Funding future retirement benefits prior to when those benefits become due involves assumptions regarding future economic and demographic experience. These assumptions are applied to calculate actuarial liabilities, current contribution requirements and the funded status of the System. However, to the extent future experience deviates from the assumptions used, variations will occur in these calculated values. These variations create risk to the System.

Understanding the risks to the funding of the System is important. Actuarial Standard of Practice No. 51 ("ASOP 51") requires certain disclosures of potential risks to the System and provides useful information for intended users of actuarial reports that determine System contributions or evaluate the adequacy of specified contribution levels to support benefit provisions.

Under ASOP 51, risk is defined as the potential of actual future measurements deviating from expected future measurements resulting from actual future experience deviating from actuarially assumed experience.

It is important to note that not all risk is negative, but all risk should be understood and accepted based on knowledge, judgement and educated decisions. Future measurements may deviate in ways that produce positive or negative financial impacts to the System.

In the actuary's professional judgment, the following risks may reasonably be anticipated to significantly affect the System's future financial condition.

- Investment risk – potential that the investment return will be different than the 7.75% expected in the actuarial valuation
- Long-term return on investment risk – potential that changes in long-term capital market assumptions or the System's asset allocation will create the need to update the long-term return on investment assumption
- Contribution risk – the risk that the actual contribution made will be different than the actuarially determined contribution
- Payroll growth risk – the risk that actual growth in payroll will be different than expected
- Longevity and other demographic risk – the risk that mortality or other demographic experience will be different than expected

The following information is provided to comply with ASOP 51 and furnish beneficial information on potential risks to the System. This list is not all-inclusive; it is an attempt to identify the most significant risks and how those risks might affect the results shown in this report.

Note that ASOP 51 does not require the actuary to evaluate the ability or willingness of the System sponsor to make contributions to the System when due, or to assess the likelihood or consequences of potential future changes in law. In addition, this valuation report is not intended to provide investment advice or to provide guidance on the management or reduction of risk. Gallagher welcomes the opportunity to assist in such matters as part of a separate project or projects utilizing the appropriate staff and resources for those objectives.

Assessment of risks

Investment risk

Risk that asset returns don't keep pace with liability growth:

- If System investments do not achieve the assumed 7.75% return over the long term, contributions will continue to increase in order to cover the deficiency.

Schedule I – Risk Information (continued)

The System invests in a diversified portfolio with the objective of maximizing investment returns at a reasonable level of risk. However, Actuarial Standard of Practice No. 4 (“ASOP 4”) requires the actuary to disclose a Low-Default-Risk Obligation Measure (“LDROM”) of plan liabilities and provide commentary to help intended users of this report understand the significance of the measure with respect to funded status, contributions, and participant benefit security.

The LDROM is to be based on “discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.” The LDROM shown here represents what the System’s liability would be if the System invested its assets solely in a portfolio of high-quality bonds whose cash flows approximately match future benefit payments. Consequently, the difference between the LDROM and the Actuarial Accrued Liability can be thought of as representing the expected taxpayer savings / (cost) from investing in the plan’s diversified portfolio compared to investing only in high-quality bonds. It may also be thought of as the cost of reducing investment risk.

As of July 1, 2024 the LDROM is $1,158,964,172 and is based on a 5.65% interest rate. The interest rate used for the LDROM was determined by calculating a single equivalent discount rate using projected benefit payments and the Buck Above Median Yield Curve as of June 28, 2024. Note the interest rate used for the LDROM is based on bond yields applicable at the time of the measurement and will therefore vary for different measurement dates. All other assumptions are the same as those used for funding as shown in this report.

Actuaries play a role in helping determine funding methods and policies that can achieve affordable and appropriate contributions and risk management. The funded status based on Actuarial Accrued Liability and the Actuarially Determined Contributions are determined using the expected return on assets which reflects the actual investment portfolio. Since the assets are not invested in an all-bond portfolio, the LDROM does not indicate the System’s funded status or progress, nor does it provide information on necessary plan contributions.

With respect to security of participant benefits, if this plan were to be funded on an LDROM basis, participant benefits currently accrued as of the measurement date may be considered more secure as investment risk may be significantly reduced. However, the assets being invested in a diversified portfolio does not mean the participant benefits are not secure. Security of participant benefits relies on a combination of the assets in the plan, the investment returns generated on those assets, and the promise of future contributions from the plan sponsors. Reducing investment risk by investing solely in bonds may significantly increase Actuarially Determined Contributions and therefore increase contribution risk by decreasing the ability of the plan sponsor to make necessary contributions to fund the benefits. Unnecessarily high contribution requirements in the near term may not be affordable and could imperil plan sustainability and benefit security. Participant benefits will remain secure if reasonable and appropriate contributions with managed risk are calculated and paid.

Market shocks or regime changes

Invested assets are subject to significant disruptions from market shocks, such as the financial crisis of 2008/2009, or as a result of systemic regime changes that persist for years, such as historically low interest rates over the recent decade. These shocks or changes will increase the risk that investments will underperform the expected return. They may also lead to a need to lower the long-term return on assets assumption.

Schedule I – Risk Information (continued)

Long-term return on investment risk

Inherent in the long-term return on investment assumption is the expectation that the current rate will be used until the last benefit payment of the System is made. There is a risk that sustained changes in economic conditions, changes in long-term future capital market assumptions or changes to the System's asset allocations will necessitate an update to the long-term return on investment assumption used.

- Under a lower long-term return on investment assumption, less investment return is available to pay System benefits. This may lead to an increased need for employer contributions.
- The liabilities will be higher at a lower rate of return because future benefits will have a lower discount rate applied when calculating the present value.
- A 1% decrease in the long-term return on investment assumption will increase accrued liabilities by approximately 12%.

Contribution risk

There is a risk associated when the actual contribution amount and actuarially determined contribution (ADC) amount differ.

- The System is funded based on a fixed 21.5% of pay (this is in addition to the 7.5% of pay paid by Participants) plus any special budgeted percentage of pay needed to meet the minimum contribution under Georgia statute. It is expected the combined fixed 29.00% of pay contribution will continue to be greater than the minimum contribution under Georgia statute. Under the System's funding policy and no assumed gains or losses, contributions are expected to remain level at the fixed contribution percentage of pay and the funded status is expected to increase.

ASOP 4 stipulates that for a reasonable actuarially determined contribution (RADC) the actuary should select a method for each base that fully amortizes the base within a reasonable time period or reduces the outstanding balance a reasonable amount each year. Using a 25-year layered amortization method for the unfunded accrued liability, with the first base established as of June, 30, 2023, meets these conditions for the System. Under this approach, the RADC for the employer contribution is 17.25% of payroll.

Payroll growth risk

Risk that future payroll will grow at a rate different than the expected:

- Payroll growth impacts both the liabilities as well as the amortization calculation
- Amortization calculation is determined assuming contributions will increase as a percentage of payroll; therefore, lower payroll than expected means the actual contributions will not be sufficient to cover the current amortization payment
- If payroll does not grow at assumed rate, liabilities would be less than expected. However, the contributions as a percentage of payroll may increase

Demographic risks

The risk that actual future demographic experience will differ from what is predicted based on the actuarial assumptions:

- As the System matures and the majority of participants reach (or have reached) retirement eligibility, risks associated with retirement timing can become significant
- The System provides for subsidized early retirement benefits after meeting certain age and service conditions. These benefits can be significantly more valuable than normal retirement benefits

Schedule I – Risk Information (continued)

Historical Results and Maturity Measures

The following table shows selected historical values of key valuation measures. These items illustrate how actual volatility has impacted the System in recent years and gives additional context to the risks described above. Further information can be found in the actuarial valuation reports for each year.

Valuation Date	07/01/20	07/01/21	07/01/22	07/01/23	Current Valuation 07/01/24
Liabilities and Assets at Valuation Date					
• Actuarial Accrued Liability (AAL)	761,473,781	782,922,539	828,301,852	862,383,870	896,918,943
- Normal Cost	15,893,200	15,779,545	16,452,567	17,756,861	18,639,697
• Actuarial Value of Assets (AVA)	457,324,804	501,131,466	517,140,911	526,413,749	553,047,188
- Funded Percent (AVA)	60%	64%	62%	61%	62%
• Market Value of Assets (MVA)	444,687,441	573,580,302	454,905,055	488,933,736	542,019,767
- Funded Percent (MVA)	58%	73%	55%	57%	60%
Contributions and Disbursements for Plan Year Ended	2020	2021	2022	2023	2024
• Actuarially Calculated Contribution	28,811,081	37,776,590	36,336,021	38,932,353	50,478,734
• Actual Contribution	28,811,081	37,776,590	36,336,021	38,932,353	50,478,734
• Disbursements	45,836,545	48,737,377	51,277,510	54,586,214	57,310,421
Rates of Return for Plan Year Ended	2020	2021	2022	2023	2024
• Assumed	8.00%	7.75%	7.75%	7.75%	7.75%
• AVA	6.23%	12.12%	6.27%	4.89%	6.40%
• MVA	4.24%	31.84%	-18.32%	11.11%	12.34%
Maturity Measures at Valuation Date					
• Payroll	135,357,544	140,221,885	145,782,179	161,697,960	177,526,371
- Asset Volatility Ratio (MVA / Payroll)	3.3	4.1	3.1	3.0	3.1
- Liability Volatilty Ratio (AAL / Payroll)	5.6	5.6	5.7	5.3	5.1
• Retiree, Beneficiary, and Deferred Vested Liability	532,188,111	560,660,850	590,559,381	612,333,546	632,101,855
- Percent of Total Liability	70%	72%	71%	71%	70%
• Contributions minus Disbursements in Prior Year	(17,025,464)	(10,960,787)	(14,941,489)	(15,653,861)	(6,831,687)
- Percent Average Market Value of Assets	-3.8%	-2.2%	-2.9%	-3.3%	-1.3%

Volatility Ratios

Plans with higher asset-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to investment return. Plans with higher liability-to-payroll ratios experience more volatile employer contributions (as a percentage of payroll) due to changes in liability.

Retiree Percent of Total AAL

A higher percentage of liability concentrated in retirees indicates a mature plan. An increasing percentage may indicate a need for a less risky and / or more liquid asset allocation which may lead to a lower long-term return on asset assumption and increased costs.

Contributions Minus Benefits Paid

If net cash flow is materially negative, as a percentage of market value, assets may need to be liquidated to pay out benefits or assets may need to be invested in more liquid assets. This may lead to a higher risk of not earning the assumed return on assets (i.e. investment risk is amplified).

CLAYTON
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IV. STATISTICAL SECTION
(Unaudited)

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM

SCHEDULE OF REVENUE BY SOURCE, EXPENSES BY TYPE, AND PLAN NET POSITION
LAST TEN FISCAL YEARS

			Operating Expenses				Nonoperating Revenues (Expenses)		
Fiscal Year	Employer Contributions	Employee Contributions	Retirement Benefits	Investment Expense	Administrative Expenses	Total Expenses	Net Appreciation (Depreciation) in Fair Value of Investments	Interest and Dividends	Net Increase (Decrease) in Plan Net Position
2015	$ 16,859,316	$ 4,277,863	$ 30,502,279	$ 647,321	$ 422,012	$ 31,571,612	$ 3,713,247	$ 8,755,774	$ 2,034,588
2016	17,058,845	6,198,974	32,100,764	454,121	410,926	32,965,811	(9,998,282)	5,642,990	(14,063,284)
2017	17,412,738	6,508,621	34,435,158	673,575	423,271	35,532,004	45,155,012	5,297,628	38,841,995
2018	17,461,806	8,994,074	39,759,200	1,050,318	486,251	41,295,769	27,089,820	5,232,024	17,481,955
2019	19,272,269	9,328,671	42,242,767	1,261,953	453,981	43,958,701	22,791,390	6,582,068	14,015,697
2020	19,041,027	9,782,040	45,107,590	1,088,568	558,408	46,754,566	13,879,491	5,633,688	1,581,680
2021	27,335,398	10,441,192	48,408,800	1,120,135	499,445	50,028,380	134,491,538	6,481,529	128,721,277
2022	25,399,794	10,936,227	50,643,564	1,055,838	519,987	52,219,389	(109,889,192)	7,211,272	(118,561,288)
2023	27,776,271	11,156,082	53,676,903	793,469	625,854	55,096,226	42,544,016	7,931,995	34,312,138
2024	37,351,005	13,127,729	55,194,110	820,657	595,332	56,610,099	50,123,203	10,615,172	54,607,010

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM

SCHEDULE OF INVESTMENT RESULTS
LAST TEN FISCAL YEARS

Fiscal Year	Investment Income**(Loss)	Average Net Position Available for Benefits (1)	Effective Rate of Return (2)
2015	$ 12,469,021	$ 387,342,784	3.22%
2016	(4,355,292)	381,328,436	(1.14%)
2017	50,452,640	393,717,792	12.81%
2018	32,321,844	421,879,767	7.66%
2019	29,373,458	437,628,593	6.71%
2020	19,513,179	445,427,281	4.38%
2021	140,973,067	510,578,760	27.61%
2022	(102,677,920)	515,658,754	(19.91%)
2023	50,476,011	473,534,179	10.66%
2024	60,738,375	517,993,753	11.73%

Notes:

(1) Average based on net position available for benefits as of the beginning and end of the respective fiscal year.

(2) Computed as "investment income" divided by "average net position available for benefits."

** Investment income includes net appreciation (depreciation) in fair value of investments.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Clayton County, Georgia Public
Employee Retirement System
Jonesboro, Georgia

We have audited, in accordance with the 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, the financial statements of the Clayton County, Georgia Public Employee Retirement System (the "Plan") as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated March 20, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Plan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we do not express an opinion on the effectiveness of the Plan's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Plan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mauldin & Jenkins, LLC

Atlanta, Georgia
March 20, 2025

CLAYTON COUNTY, GEORGIA
PUBLIC EMPLOYEE RETIREMENT SYSTEM
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

SECTION I
SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	___ yes _X_ no
Significant deficiency(ies) identified?	___ yes _X_ none reported
Noncompliance material to financial statements noted?	___ yes _X_ no

Federal Awards

There was not an audit of major programs in the current year as expenditures of federal awards did not exceed the $750,000 threshold.