

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

**ANNUAL FINANCIAL REPORT**

*Years ended June 30, 2022 and 2021*



**CLAYTON COUNTY, GEORGIA  
PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**ANNUAL FINANCIAL REPORT  
YEARS ENDED JUNE 30, 2022 AND 2021**

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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, 2022**

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**PENSION BOARD MEMBERS**

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

**CLAYTON COUNTY BOARD OF COMMISSIONERS**

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

**Actuary**

Buck Global, LLC

**Investment Custodian**

US Bank

**Independent Auditor**

Mauldin & Jenkins, LLC



# Clayton County Pension Board

112 Smith Street  
Jonesboro, Georgia 30236  
Phone: 770-477-3222

Terry Hicks, Chairman  
Jim Crissey, Vice Chairman  
Stacey Merritt, Interim Secretary  
Debbie Decker, Member  
Pamela Ambles, Member

June 28, 2023

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 Financial Report of the Public Employee Retirement System (PERS) of Clayton County, Georgia for the fiscal year ended June 30, 2022, 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 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 and future economic condition and outlook.

The Financial Section includes the independent auditor's 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, Buck Global LLC (Buck), 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, 2022.

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

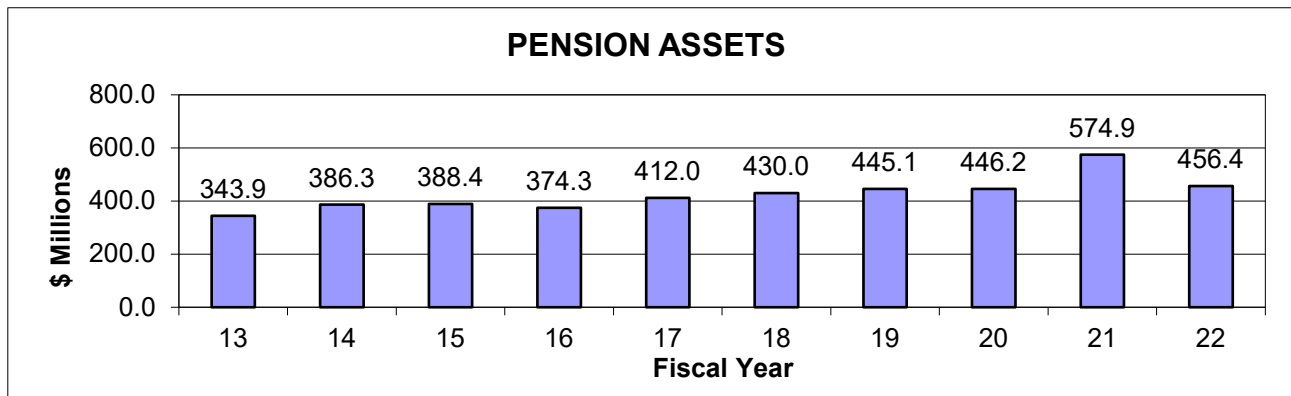
The Compliance Section includes the Auditor's report on internal controls and other matters.

## ECONOMIC CONDITION AND OUTLOOK

### 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 \$456,378,110 at June 30, 2022.

The growth of Plan assets is illustrated in the accompanying graph. Plan assets increased from \$343.9 million at June 30, 2013 to \$456.4 million as of June 30, 2022. This demonstrates the strongest performance of the capital markets in the last decade.



Annual growth returns increased by 4.63% 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 2022 decreased by 53.45%, coming in under the County's Custom benchmark of negative 14.15%. Over a trailing three-year period, the Plan produced an annually compounded total return of 4.31%, coming in below the benchmark return of 5.21%. For the past five years, the Plan generated a return of 5.60% slightly underperforming its benchmark of 6.08%. Since inception, the Plan has generated a return of 8.20%, 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, and projected salary increases are estimated at 4.75% for fiscal year 2023 and thereafter.

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 2022 are Clearbridge, Eagle Capital, Channing Capital, Garcia Hamilton and Deprince, Race & Zollo Inc.

The total **fund return** for the pension plan did not exceed its custom benchmark for the year. The pension plan produced a negative return of 18.00% for the fiscal year ended June 30, 2022, whereas the Fund Class benchmark was negative 14.15%. The three-year annualized return did not exceed its perspective fund benchmark, short by 90 basis points (.90%), and the five-year return did not exceed its benchmark, short by 48 basis points (.48%). The custom benchmark is composed of 20% Russell 1000 Index, 20% Russell 3000, 15% Russell 2500 Index, 15% MSCI AC World ex USA, 20% Bloomberg Barclay U.S. Aggregate Index, 5% ICE BofAML Global Broad Market 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, 2022

<u>Total Pension Plan</u>	<u>Total Return</u>	<u>Benchmark Return</u>	<u>Benchmarks</u>
One Year	-18.00%	-14.15%	Russell 1000 Index (20%) Russell 3000 Index (20%) Russell 2500 Index (15%) MCSI AC World ex USA (Net) (15%) Blmbg. US Aggregate Index (20%) ICE BofAML Global Broad Market Index (5%) NCREIF Fund Index-Open End Diversified Core (EW)(5%)
Three Years	4.31	5.21	
Five Years	5.60	6.08	

### OUTLOOK

Despite the strong growth of the global economic recovery at the end of July 2019, the economy was disrupted by the 2020 Coronavirus pandemic. But, the downturn was less severe and the recovery was stronger than expected. Now the economy is faced with yet another economic downturn as monetary policies are tightened to contain high inflation. According to Global Economic Prospects, global growth will slow from 2.90% in 2022 and to 1.70% in 2023.

Gross Domestic Product (GDP), the broadest indicator of the economy, is closely monitored. It measures the value of goods and services produced in the U.S. in a given period of time. High inflation has certainly tested the GDP growth, and in response, the Federal Reserve are tightening their monetary policies within the U.S. by increasing interest rates. The first two quarters of 2022 recorded negative growth, which indicates a possible recession. However, a strong labor market helped turn the remaining two quarters of 2022 around and closed the year out with 2.10% growth.

The COVID-19 pandemic has had a substantial impact on the labor markets within the United States. In April 2020, unemployment soared to 14.80% from a 50-year low of 3.50%. This was the highest rate observed since data collection began in 1948. According to the Wall Street Journal, employers have added back 4.5 million jobs in 2022 – the second best year for job creation since 1940. The U.S. labor market has held stong through times of high inflation and increasing interest rates. In July of 2021, the unemployment rate remained high at 5.40%, and in June 2022, the unemployment rate is at 3.50%. Unemployment is considered low and the labor market is strong.

### **Appointments**

The Pension Board retained Buck Global, LLC as the Plan actuary and Bryan Cave LLP as specialized legal counsel. During the year, Buck 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. 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 the most recent 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 84<sup>th</sup> payment effective July 1, 2009.



## **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 13.90% of covered payroll, paid on a quarterly basis. For fiscal year June 30, 2023, the Employer contribution will increase temporarily to 18.04% until the effects of the 2015 Plan changes are experienced. Employees contribute 7.50% of salary to the Plan on a bi-weekly basis.

## **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.

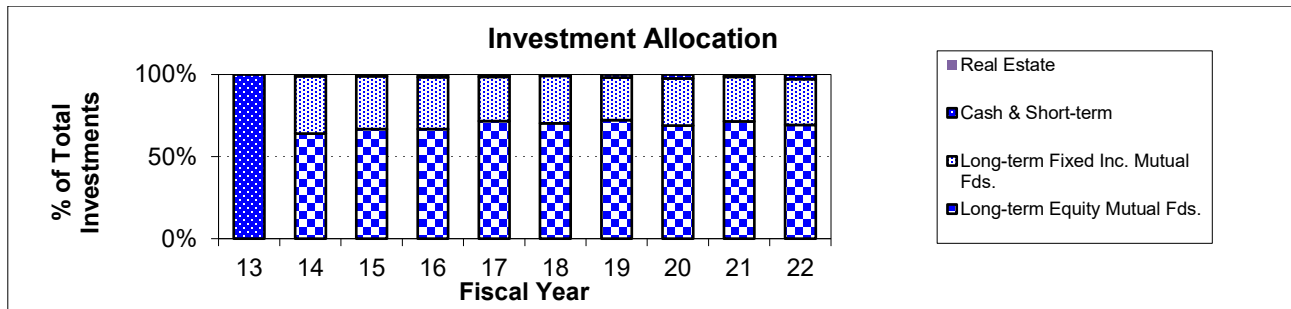
### **Plan Disclosures**

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, 37% of the Plan’s long-term investment portfolio of \$439,294,176 was held in equity based mutual funds and 18% 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. When cash and short-term investments are added to long-term investments, the mix of assets, based on market values, are 70.20% equity based mutual funds, 26.10% fixed income mutual funds and 3.76% cash and cash equivalents.

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 26.20% of the portfolio today. Equities have increased from their low of 8.10% at June 30, 1992 to 70.20% at June 30, 2022. Cash equivalents totaled 3.76% 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. During the fiscal year, the fund went through a rebalance, upon the recommendation of AndCo Consultants, and allocated 6.31% of the portfolio to Real Estate.



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 decreased 20.60% from \$574,939,398 as of June 30, 2021 to \$456,378,110 at the end of the current fiscal year, 2022. 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 \$517,248,632 on June 30, 2022, up 3.20% 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 5.50% to \$828,301,852 as of June 30, 2022 compared with \$782,922,539 last year. The unfunded actuarial accrued liability increased from \$281,791,073 (56.20% of Plan assets) at June 30, 2021 to \$311,053,220 (60.10% of Plan assets) at June 30, 2022. Over the past five years, Clayton County’s total unfunded liability has increased from \$190.8 million to \$311.0 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.

At fiscal year-end 2022, the County and Water Authority contributed additional funds in the amount of \$4,705,523 and \$1,100,127 respectively to meet the Georgia funding requirements. Effective July 1, 2015, County and Water Authority quarterly contributions increased to 13.90% in order to improve future funding with the goal to pay off the ongoing unfunded liability. This was an increase of 1% from 12.90%, which began in fiscal year 2004 to accommodate the increased expense level.

The Pension Board requested the current consultant, AndCo, conduct a study regarding the assumed rate of return. The results of this study were presented to the Board at a called meeting in 2019. The study resulted in a proposed reorganization of asset managers to maintain a return level of 7.00% to 7.75%, while managing risks. The actuarial projected investment return for the Plan is currently estimated at 7.75% per annum, substantiated by the Pension Boards decision to lower the rate after Buck Global, LLC presented various proposed assumption changes to the Board of Commission in March 2020. Projected salary increases are estimated at an average of 10.25% fiscal year 2022; 4.75% for fiscal year 2023 and thereafter.

## **OTHER INFORMATION**

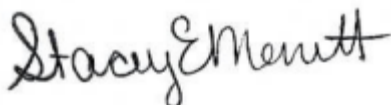
### **Independent Audit**

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, 2022 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, 2022 and 2021 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 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



## INDEPENDENT AUDITOR'S REPORT

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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, 2022 and 2021, 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, 2022 and 2021, 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.

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### ***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.

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**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 June 28, 2023, 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 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  
June 28, 2023

## 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 ended June 30, 2022. 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 3 of this report.

### Financial Highlights (2022 vs. 2021)

- Plan net position significantly decreased by \$118,561,288 during fiscal year 2022 compared to significant increase of \$128,721,277 in the previous year. This represents a sizable decrease of 20.60% for fiscal year 2022 and is primarily due to the downturn and volatility of the market that occurred in the current fiscal year.
- The money-weighted rate of return-on-investment assets for fiscal year 2022 was negative 21.08% compared to 32.37% for fiscal year ending 2021.
- The funding ratio at the end of the current fiscal year was 62.40% compared with 64.00% for fiscal year 2021. 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

	2022	2021
Cash and short-term investments	\$ 17,199,832	\$ 11,574,876
Receivables and prepaids	1,691,786	1,183,643
Investments	439,294,176	562,479,857
Total assets	<u>458,185,794</u>	<u>575,238,376</u>
Liabilities	<u>1,807,684</u>	<u>298,978</u>
Net position	<u>\$ 456,378,110</u>	<u>\$ 574,939,398</u>

- Additions from quarterly contributions by the Water Authority and the Board of Commissioners General, Fire, Landfill, and other special revenue funds totaled \$25,399,794 in fiscal year 2022. This is a decrease of 7.08% from the previous fiscal year of 2021.
- Employee contributions from the various Board of Commissioners funds and the Water Authority totaled \$10,936,227 for fiscal year 2022. This is an increase of 4.74% from the previous fiscal year. Total deductions, excluding investment expenses, were \$51,163,551 for fiscal year 2022. This is an increase of 4.61% over the previous fiscal year. Administrative expenses were \$519,987, an increase of 4.11% from the previous year. The number of retirees and beneficiaries receiving benefits increased by 43 in 2022.



## Summary of Changes in Net Position for Fiscal Years

	2022	2021
Contributions	\$ 36,336,021	\$ 37,776,590
Net Investment Income	(103,733,758)	139,852,932
Total Additions	(67,397,737)	177,629,522
Deductions	51,163,551	48,908,245
Net increase	(118,561,288)	128,721,277
Net position, beginning	574,939,398	446,218,121
Net position, ending	\$ 456,378,110	\$ 574,939,398

## 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, 2022 and 2021 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, 2022, and 2021 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 20-34 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 35-38 of this report.
- Actuarial Section - A complete copy of the actuarial valuation as performed by Buck has been included in this report and can be found on pages 39.
- 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 40-42.
- Compliance Section - This section (found on pages 43-45) contains the Auditor's report on Internal Control over Financial Reporting and other matters.

## Economic Factors

The U.S. economy remains the world's largest economy and is the key driving force of other Western economies. By most methods, measuring the strength of the U.S. economy is found in the following: GDP, employment, income, wealth and markets. Following the pandemic, the economy experienced reductions in supply and demand, which caused a deep decline in the U.S. economic activity and employment. Policymakers responded by issuing monetary stimulus in an effort for rapid economic recovery. Sadly, the recovery was incomplete and uneven. The demand for labor and goods/services recovered more quickly than the supply of labor and goods/services did. With an imbalanced market, where demand is higher than supply, the resolution can only be resolved by raising prices. As such, inflation has risen in 2022 to a level last seen in the 1980's.

Gross domestic product, or GDP, is the most common measure for growth of the economy. It represents the value of all final goods and services. The downturn in the economic activity has been deeper and broader as expected, with inflation to a level not seen in decades. Consumers have purchased fewer goods, but they continue to spend on health care. This improves the reading on GDP in the U.S. economy. It is expected by economists and analysts to see GDP growth to slow down in 2023, as consumers are conserving cash in the face of unrelenting inflation and increased interest rates. By 2023, a recession is expected by many economists, and as a result, the year 2023 will be met with the utmost uncertainty by consumers. The Congressional Budget Office assumes a zero percent growth in the U.S. GDP for 2023.

The unemployment rate measures the percentage of people over the age of 16, who are not working, but are available and actively seeking work. At the beginning of the COVID-19 pandemic, the unemployment rate went from a 50-year low of 3.50% to 14.80% high in April 2020. While most of 2020 and 2021 felt like a recovery, the labor market has rebounded to a healthy level with an unemployment rate of 3.50% in June 2022. The labor market is strong and unemployment is low.

Trade tensions between the U.S. and China continue to be an ongoing economic conflict. While the trade war seemingly fell to the shadows at the height of the pandemic, the trade war has negatively impacted the economy for the United States and China. By June of 2021, the S&P 500 and the Dow Jones closed on record highs. The S&P rose to 4,297 and the Dow Jones reached 34,502. However, one year later, S&P 500 closes on its worst half in more than 50 years. The S&P 500 slid down to 3,785 and the Dow Jones closed at 30,824 in June 2022.

The Federal Reserve uses interest rates as a lever to grow the economy or to slow it down. Its goal is to promote maximum employment, stable pricing, and long-term interest rates. Beaten by the COVID-19 pandemic, the Federal Reserve lowered the interest rates to almost 0% in March 2020. Since then, the Federal Reserve has maintained its target at a range of 1.50% to 1.75%. In the upcoming year, economic projections indicate a bumpy ride, as inflation has risen higher than previously projected. Jerome Powell, Chairman of Federal Reserve, states the disinflationary process has begun, but the process takes time. The Federal Reserve continues to increase interest rates to help curtail the high inflation rates. As we proceed deeper into 2022, inflation is expected to run at 6.5% this upcoming year.

## **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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Assets</b>		
Cash and short-term investments	\$ 17,199,832	\$ 11,574,876
Receivables		
Employer contributions	1,248,243	843,677
Interest and dividends	426,694	323,832
Investments, at fair value		
Stocks		
Domestic common stocks	99,714,184	127,607,582
Foreign stocks	7,769,616	10,371,657
Bonds		
U.S. Government Bonds	31,316,903	36,472,310
Corporate Bonds	10,750,053	9,397,932
Mutual funds		
Equity funds	163,458,634	241,989,625
Fixed income bond funds	76,881,782	108,935,405
Collective investment trust	21,403,004	27,705,346
Pooled investment account	28,000,000	-
Prepaid items	16,849	16,134
<b>Total Assets</b>	<b><u>458,185,794</u></b>	<b><u>575,238,376</u></b>
<b>Liabilities</b>		
Accounts payable	1,807,684	298,978
<b>Total Liabilities</b>	<b><u>1,807,684</u></b>	<b><u>298,978</u></b>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<b><u>\$ 456,378,110</u></b>	<b><u>\$ 574,939,398</u></b>

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, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
<b>Additions</b>		
Contributions:		
Employer		
Clayton County	\$ 22,109,190	\$ 23,043,638
Clayton County Water Authority	3,290,604	4,291,760
Plan members		
Clayton County	9,096,206	8,786,353
Clayton County Water Authority	1,840,021	1,654,839
<b>Total contributions</b>	<u>36,336,021</u>	<u>37,776,590</u>
Investment income		
Net appreciation (depreciation) in the fair value of investments	(109,889,192)	134,491,538
Interest	1,204,539	1,240,157
Dividends	6,006,733	5,241,372
	<u>(102,677,920)</u>	<u>140,973,067</u>
Less investment expense	(1,055,838)	(1,120,135)
Net investment income (loss)	<u>(103,733,758)</u>	<u>139,852,932</u>
<b>Total Additions</b>	<u>(67,397,737)</u>	<u>177,629,522</u>
<b>Deductions</b>		
Benefit payments	50,643,564	48,408,800
Administrative expenses	519,987	499,445
<b>Total Deductions</b>	<u>51,163,551</u>	<u>48,908,245</u>
<b>Net increase (decrease) in net position</b>	<u>(118,561,288)</u>	<u>128,721,277</u>
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>		
<b>Beginning of year</b>	<u>574,939,398</u>	<u>446,218,121</u>
<b>End of Year</b>	<u>\$ 456,378,110</u>	<u>\$ 574,939,398</u>

The accompanying notes are an integral part of these statements

**CLAYTON COUNTY, GEORGIA  
PUBLIC EMPLOYEE RETIREMENT SYSTEM**

**NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED JUNE 30, 2022 AND 2021**

**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,

	<b>2022</b>	<b>2021</b>
Retirees and beneficiaries receiving benefits	<b>1,574</b>	1,531
Terminated plan members entitled to but not receiving benefits	<b>358</b>	333
Active plan members	<b>2,404</b>	2,584
Total	<b>4,336</b>	4,448

**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, 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.

## NOTES TO FINANCIAL STATEMENTS

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### **NOTE B. SUMMARY OF PLAN PROVISIONS (CONTINUED)**

Employees Covered (Continued)	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.
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 or age 60 with 25 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 completed whole or partial 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 final 60 months of service.
Cost of Living Adjustments	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 ad-hoc basis.

## NOTES TO FINANCIAL STATEMENTS

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### 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 ½% 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.



## NOTES TO FINANCIAL STATEMENTS

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### NOTE B. SUMMARY OF PLAN PROVISIONS (CONTINUED)

#### Other Than Line-of-Duty

##### Eligibility

Seven years of service or ten years of service if hired on or after January 1, 2016.

##### 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, 2015, 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, compounded annually each June 30.

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. On the basis of the present valuation, a normal contribution rate of 11.88% of active participants' compensation is payable leaving a balance of 4.38% to be paid by the employers. In the previous valuation, the normal contribution rate was 11.84% of active participants' compensation, leaving a balance of 4.34% to be paid by employers.

The employers also make a contribution toward the liquidation of the unfunded accrued liability. The 13.66% additional contribution made by the employers will liquidate the unfunded accrued liability within 30 years. This assumes the funds to liquidate the unfunded liability increase 2.75% each year.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE B. SUMMARY OF PLAN PROVISIONS (CONTINUED)

Contributions (Continued) During the fiscal year ended June 30, 2022, the County made additional annual special contributions of \$6,253,009 towards reducing the unfunded liability. During the fiscal year ended June 30, 2021, the County and Water Authority made additional annual special contributions of \$6,543,939 and \$1,059,271, respectively, towards reducing the unfunded liability.

### 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 non-investment 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, 2022 and 2021.
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.
4. *Reclassifications.* Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE D. DEPOSITS AND INVESTMENTS

At June 30, 2022, the carrying amount of deposits for the Plan was \$17,199,832 compared to \$11,574,876 at June 30, 2021.

A portion of the deposits at June 30, 2022, \$2,440,655, is part of a pooled cash account with Clayton County government's bank balance versus \$1,502,979 in 2021. 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, 2022, was \$454,053,352 of which \$14,759,176 was classified as cash equivalents due to the short-term nature of the investments. The fair value of Plan investments at June 30, 2021, was \$572,875,589 of which \$10,071,897 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.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2022 and 2021, were held by US Bank or with one of five separately managed funds – Eagle Capital, DRZ, Channing Capital, ClearBridge, and Garcia Hamilton.

## NOTES TO FINANCIAL STATEMENTS

### NOTE D. DEPOSITS AND INVESTMENTS (CONTINUED)

Investments at June 30, 2022, are as follows:

	Fair Value	%
Stocks		
Domestic common stock	\$ 99,714,184	23%
Foreign stock	7,769,616	2%
Bonds		
U.S Government issues	31,316,903	7%
Corporate issues	10,750,053	2%
Mutual Funds		
Equity funds	163,458,634	37%
Fixed income funds	76,881,782	18%
Collective investment trust	21,403,004	5%
Pooled investment account	28,000,000	6%
Total	\$ 439,294,176	100%

Investments at June 30, 2021, were as follows:

	Fair Value	%
Stocks		
Domestic common stock	\$ 127,607,582	23%
Foreign stock	10,371,657	2%
Bonds		
U.S Government issues	36,472,310	6%
Corporate issues	9,397,932	2%
Mutual Funds		
Equity funds	241,989,625	43%
Fixed income funds	108,935,405	19%
Collective investment trust	27,705,346	5%
Total	\$ 562,479,857	100%

#### Rate of Return

For the year ended June 30, 2022, the estimated annual money-weighted rate of return on the Plan's investments, net of pension plan investment expense, was (21.08%). 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 mid-year cash flows.

## NOTES TO FINANCIAL STATEMENTS

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### 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 regards 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, 2022, \$516,609,616 of 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, 2021, \$397,227,220 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, 2022 and 2021, the Plan's investments were managed by US Bank, or one of five separate investment managers. The Pension Board on a quarterly basis reviews manager performances. At June 30, 2022 and 2021, 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.

## NOTES TO FINANCIAL STATEMENTS

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### 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, 2022 and 2021, 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, 2022, \$60,116,012 or 13.12% of the Plan's total fund assets were invested in mutual funds and a collective investment trust with primarily international equity holdings, compared to \$82,726,365 or 14.38% of the Plan's investment assets at June 30, 2021.

#### 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 prices.

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, 2022. 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.

## NOTES TO FINANCIAL STATEMENTS

### 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, 2022:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
<b>Investments by Fair Value Level</b>			
Stocks			
Domestic common stock	\$ 99,714,184	\$ -	\$ 99,714,184
Foreign stock	7,769,616	-	7,769,616
Bonds			
U.S Government issues	24,078,984	7,237,919	31,316,903
Corporate issues	10,750,053	-	10,750,053
Mutual Funds			
Equity funds	124,745,626	-	124,745,626
Fixed income funds	76,881,782	-	76,881,782
Total investments by fair value level	<u>\$ 343,940,245</u>	<u>\$ 7,237,919</u>	351,178,164
<b>Investments Measured at Net Asset Value (NAV)</b>			
Collective investment trust			21,403,004
Pooled investment account			28,000,000
Emerging markets opportunities funds			38,713,008
Total investments measured at NAV			<u>88,116,012</u>
Total investments at fair value			<u>\$ 439,294,176</u>

The Plan has the following recurring fair value measurements, broken into the fair value hierarchy, as of June 30, 2021:

<u>Investment</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Fair Value</u>
<b>Investments by Fair Value Level</b>			
Stocks			
Domestic common stock	\$ 127,607,582	\$ -	\$ 127,607,582
Foreign stock	10,371,657	-	10,371,657
Bonds			
U.S Government issues	21,425,127	15,047,183	36,472,310
Corporate issues	9,397,932	-	9,397,932
Mutual Funds			
Equity funds	186,968,608	-	186,968,608
Fixed income funds	108,935,405	-	108,935,405
Total investments by fair value level	<u>\$ 464,706,311</u>	<u>\$ 15,047,183</u>	479,753,494
<b>Investments Measured at Net Asset Value (NAV)</b>			
Collective investment trust			27,705,346
Emerging markets opportunities funds			55,021,017
Total investments measured at NAV			<u>82,726,363</u>
Total investments at fair value			<u>\$ 562,479,857</u>



## NOTES TO FINANCIAL STATEMENTS

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### 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, 2022, were as follows:

Total pension liability	\$ 1,005,822,943
Plan fiduciary net position	(456,378,110)
Fund's net pension liability	<u>\$ 549,444,833</u>
Plan fiduciary net position as a percentage of the total pension liability	45.37%

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 6.37%. 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 where the plan's fiduciary net position at the beginning of the year is projected to be sufficient to cover the benefit payments in that year and the 20-year municipal bond yield rate of 4.09% was used and applied to the remaining projected benefit payments. The resulting blended discount rate was 6.37%.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE F. NET PENSION LIABILITY (CONTINUED)

#### Actuarial Assumptions Used to Calculate the Net Pension Liability

The total pension liability as of June 30, 2022, was determined based on June 30, 2022 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 7/1/2022	7.25%, 9.25%, or 14.25%
Valuation Years beginning 7/1/2023 and thereafter	4.75%

*Water Authority 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%

**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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

## NOTES TO FINANCIAL STATEMENTS

### 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

<b>Mortality</b>	The Mortality Improvement Scale was updated from MP-2020 to MP-2021.
<b>Discount rate</b>	The discount rate used to measure the total pension liability was updated from 7.75% to 6.37%. The 20-year municipal bond yield was updated from 2.18% to 4.09%.

## NOTES TO FINANCIAL STATEMENTS

---

### 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 6.37%, 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 (5.37%) or 1-percentage-point higher (7.37%) than the current rate.

	1% Decrease (5.37%)	Current Discount Rate (6.37%)	1% Increase (5.37%)
Net Pension Liability	\$ 687,601,133	\$ 549,444,833	\$ 436,313,213

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, 2022, 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  
SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY  
AND RELATED RATIOS**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total Pension Liability</b>					
Service cost	\$ 16,086,096	\$ 15,621,072	\$ 12,049,813	\$ 11,315,099	\$ 11,299,766
Interest on total pension liability	61,712,403	60,187,704	55,465,959	51,833,302	49,366,978
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	10,003,275	1,805,820	9,223,967	25,179,656	8,048,416
Changes of assumptions	163,139,978	(8,879,902)	49,738,245	(1,612,379)	-
Benefit payments	<u>(50,643,564)</u>	<u>(48,408,800)</u>	<u>(45,107,590)</u>	<u>(38,976,780)</u>	<u>(36,826,110)</u>
Net change in total pension liability	200,298,188	20,325,894	81,370,394	47,738,898	31,889,050
Total pension liability - beginning	<u>805,524,755</u>	<u>785,198,861</u>	<u>703,828,467</u>	<u>656,089,569</u>	<u>624,200,519</u>
Total pension liability - ending (a)	<u>\$ 1,005,822,943</u>	<u>\$ 805,524,755</u>	<u>\$ 785,198,861</u>	<u>\$ 703,828,467</u>	<u>\$ 656,089,569</u>
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 25,399,794	\$ 27,335,398	\$ 19,041,027	\$ 19,272,269	\$ 17,461,806
Contributions - member	10,936,227	10,441,192	9,782,040	9,328,671	8,994,074
Net investment income	(103,733,758)	139,852,932	18,424,611	28,111,505	31,271,526
Benefit payments, including refunds of employee contributions	(50,643,564)	(48,408,800)	(45,107,590)	(42,242,767)	(39,759,200)
Administrative expenses	(519,987)	(499,445)	(558,408)	(453,981)	(486,251)
Other	-	-	-	-	-
Net change in plan fiduciary net position	\$ (118,561,288)	\$ 128,721,277	\$ 1,581,680	\$ 14,015,697	\$ 17,481,955
Plan net position - beginning	\$ 574,939,398	\$ 446,218,121	\$ 444,636,441	\$ 430,620,744	\$ 413,138,789
Plan net position - ending (b)	\$ 456,378,110	\$ 574,939,398	\$ 446,218,121	\$ 444,636,441	\$ 430,620,744
Fund's net pension liability- ending (a) - (b)	\$ 549,444,833	\$ 230,585,357	\$ 338,980,740	\$ 259,192,026	\$ 225,468,825
Plan net position as a percentage of the total pension liability	45.37%	71.37%	56.83%	63.17%	65.63%
Covered payroll	\$ 145,816,360	\$ 139,215,893	\$ 127,090,117	\$ 130,023,221	\$ 120,490,059
Net pension liability as a percentage of covered payroll	376.81%	165.63%	266.72%	199.34%	187.13%

Continued

# CLAYTON COUNTY, GEORGIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service cost	\$ 11,614,800	\$ 13,839,836	\$ 13,875,847	\$ 12,641,750
Interest on total pension liability	47,951,731	44,691,850	42,916,497	38,446,983
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	4,414,331	10,407,206	3,314,582	12,248,172
Changes of assumptions	(10,344,601)	(88,695,154)	18,401,577	80,992,984
Benefit payments	(34,435,158)	(31,501,495)	(32,497,705)	(29,341,610)
Net change in total pension liability	19,201,103	(51,257,757)	46,010,798	114,988,279
Total pension liability - beginning	604,999,416	656,257,173	610,246,375	495,258,096
Total pension liability - ending (a)	<u>\$ 624,200,519</u>	<u>\$ 604,999,416</u>	<u>\$ 656,257,173</u>	<u>\$ 610,246,375</u>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 17,412,738	\$ 16,723,493	\$ 16,505,748	\$ 14,677,561
Contributions - member	6,508,621	6,198,563	6,255,252	4,063,519
Net investment income	49,779,065	(4,474,061)	12,175,272	53,084,005
Benefit payments, including refunds of employee contributions	(34,435,158)	(31,501,495)	(32,497,705)	(29,341,610)
Administrative expenses	(423,271)	(410,938)	(422,012)	(402,882)
Other	-	-	-	252,020
Net change in plan fiduciary net position	\$ 38,841,995	\$ (13,464,438)	\$ 2,016,555	\$ 42,332,613
Plan net position - beginning	\$ 374,296,794	\$ 387,761,232	\$ 385,744,677	\$ 343,412,064
Plan net position - ending (b)	\$ 413,138,789	\$ 374,296,794	\$ 387,761,232	\$ 385,744,677
Fund's net pension liability- ending (a) - (b)	\$ 211,061,730	\$ 230,702,622	\$ 268,495,941	\$ 224,501,698
Plan net position as a percentage of the total pension liability	66.19%	61.87%	59.09%	63.21%
Covered payroll	\$ 115,215,822	\$ 115,329,415	\$ 119,600,775	\$ 108,583,036
Net pension liability as a percentage of covered payroll	183.19%	200.04%	224.49%	206.76%

**Note to the Schedule:**

The schedule will present 10 years of information once it is accumulated.

# CLAYTON COUNTY, GEORGIA PUBLIC EMPLOYEES RETIREMENT SYSTEM

## SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

### SCHEDULE OF CONTRIBUTIONS

	2022	2021	2020	2019	2018
Actuarially determined contribution	\$ 25,094,996	\$ 26,771,216	\$ 19,041,027	\$ 19,272,269	\$ 17,461,280
Contributions related to the actuarially determined contribution	<b>25,399,794</b>	27,335,398	19,041,027	19,272,269	17,461,280
Contribution deficiency (excess)	<b>\$ (304,798)</b>	\$ (564,182)	\$ -	\$ -	\$ -
	2017	2016	2015	2014	2013
Actuarially determined contribution		\$ 17,114,280	\$ 16,723,493	\$ 16,505,748	\$ 14,677,561
Contributions related to the actuarially determined contribution		17,114,280	16,723,493	16,505,748	14,677,561
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, 2022 is based on the July 1, 2021 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, 2021 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	<i>County employees:</i> Valuation Years beginning 7/1/2022 7.25%, 9.25%, or 14.25% Valuation Year beginning 7/1/2023 and thereafter 4.75% <i>Water Authority employees:</i> Valuation Years beginning 7/1/2020 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, 2021 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-Annuity: 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-Annuity: 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, 2021 Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System.

C. Changes of assumptions used to determine the actuarially determined contribution:

Mortality: The Mortality Improvement Scale was updated from MP-2020 to MP-2021.



**CLAYTON COUNTY, GEORGIA  
PUBLIC EMPLOYEES RETIREMENT SYSTEM**

**SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION**

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<u>SCHEDULE OF INVESTMENT RETURNS</u>					
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return, net of investment expenses	-21.08%	32.37%	4.36%	7.18%	7.99%
		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses		13.83%	-1.33%	3.30%	15.78%



### **III. ACTUARIAL SECTION (Unaudited)**



# **Clayton County, Georgia Public Employee Retirement System**

Information Required Under  
Governmental Accounting Standards Board  
Statement No. 67 and 68 as of June 30, 2022

February 2023



100 Galleria Parkway, SE  
Suite 1060  
Atlanta, GA 30339

February 10, 2023

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

Members of the Board:

This report provides information concerning the Clayton County, Georgia Public Employee Retirement System (the System) in accordance with Governmental Accounting Standards Board Statement No. 67 (GASB 67) and No. 68 (GASB 68) as of June 30, 2022. This report has been updated from our original report dated December 19, 2022 to reflect audited financial asset information.

The Board, Clayton County staff and Clayton County employers may use this report for the review of the operation of the System. The report may also be used in preparation of audited financial statements of the System and Clayton County employers. 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 inapplicability of the report for that purpose. Because of the risk of misinterpretation of actuarial results, you should ask Buck Global, LLC (Buck) to review any statement you wish to make on the results contained in this report. Buck will not accept any liability for any such statement made without prior review.

In preparing results shown in this report, we have relied upon information provided for the System's July 1, 2022 actuarial valuation by Clayton County's administrative staff regarding plan provisions, plan participants, and plan assets. Although we did not audit the data, we reviewed the data for reasonableness and consistency with the prior year's information. The accuracy of the results presented herein is dependent on the accuracy of the data.

We certify that the information contained in this report has been prepared in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information fairly presents the actuarial position of the System in accordance with the requirements of GASB 67 and GASB 68 as of June 30, 2022.

Future actuarial measurements may differ significantly from current measurements due to plan 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 plan provisions or applicable law. An analysis of the potential range of such future differences is beyond the scope of this report.

Where presented, the “net pension liability” and “plan fiduciary net position as a percentage of the total pension liability” are measured on a market value of assets basis. These items presented make no assessment regarding the cost to settle (i.e., purchase annuities to cover) any portion of the Fund’s liabilities.

The information in this report was prepared using a measurement date of June 30, 2022 and the actuarial assumptions and methods used in the July 1, 2022 actuarial valuation of the System, except as noted herein.

The Appendices show GASB 68 information for each employer’s allocated expense.

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. Buck provides advice on reasonable assumptions when performing periodic experience studies. The Board selects the assumptions used and annually the signing actuary reviews the assumptions through discussions with the Board, plan sponsor and other staff as applicable and analyzing actuarial gain/loss experience. The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. In the case of the Board’s selection of the investment return assumption, the signing actuary has used economic information and tools provided by Buck’s Financial Risk Management (“FRM”) practice. A spreadsheet tool created by the FRM team converts averages, standard deviations, and correlations from Buck’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 actuary’s 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 actuary believes the assumptions, in the actuary’s professional judgment, are reasonable for the purpose of the measurement and are reasonably related to the experience of the Fund and to reasonable long-term expectations.

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. Buck uses the following:

- spreadsheet tool created by the FRM team as previously described
- third-party software in the performance of annual actuarial valuations and projections to calculate the liabilities associated with the provisions of the plan using data and assumptions as of the measurement date under the accounting rules specified in this report.
- an internally developed model that applies applicable accounting rules to the liabilities derived from the output of the third-party software and other inputs, such as plan assets and contributions, to generate many of the exhibits found in this report

Buck 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. Buck also reviews the third-party model when significant changes are made to the software or model. The review is performed by experts within the company who are familiar with applicable accounting rules 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.

This report was prepared under the supervision of Kevin Spanier. Kevin is an Associate of the Society of Actuaries as well as a member of the American Academy of Actuaries and has met the Academy's Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. This report has been prepared in accordance with all applicable Actuarial Standards of Practice.

I am available to answer questions about the report.

A handwritten signature in blue ink, appearing to read "K. Spanier". The signature is fluid and cursive, with the first name "K." and the last name "Spanier" clearly distinguishable.

Kevin Spanier, ASA, EA, MAAA, FCA  
Principal

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# Section I – GASB 67 Information

## Notes to the Financial Statements for the Year Ending June 30, 2022

### Summary of Significant Accounting Policies

#### Methods used to value investments

Investments are reported at fair value.

#### Plan Description

##### Plan administration

This is a cost-sharing multiple employer defined benefit pension plan administered by a public employee retirement system funded by participants and the plan sponsors (Clayton County and the Clayton County Water Authority). Clayton County has a June 30 fiscal year end. Clayton County Water Authority has an April 30 fiscal year end.

##### Plan membership

At June 30, 2022, pension plan membership consisted of the following:

Membership Status	Count
Inactive plan members or beneficiaries currently receiving benefits	1,574
Inactive plan members entitled to but not yet receiving benefits	358
Active plan members	<u>2,404</u>
Total	4,336

##### Benefits provided

Please see Section V for a summary of plan provisions.

##### Contributions

The actuarially determined contribution is the estimated 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 over a 30-year period. The System is funded by participant and plan sponsor contributions. For the year ended June 30, 2022, contributions totaled \$36,336,021, which includes \$10,936,227 of member contributions.

##### Investments

###### Rate of return

For the year ended June 30, 2022, the estimated annual money-weighted rate of return on the System's investments, net of pension plan investment expense, was -21.08%.

##### Receivables

None.



# Section I – GASB 67 Information (continued)

## Notes to the Financial Statements for the Year Ending June 30, 2022 (continued)

### Net Pension Liability

The components of the net pension liability at June 30, 2022, were as follows:

<b>Components of Net Pension Liability</b>	
Total pension liability	\$ 1,005,822,943 <sup>1</sup>
Plan fiduciary net position	<u>(456,378,110)</u>
Net pension liability	\$ 549,444,833
Plan fiduciary net position as a percentage of the total pension liability	45.37%

### Actuarial Assumptions and Other Inputs

The actuarial assumptions used in the July 1, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019. The total pension liability as of June 30, 2022 was determined based on June 30, 2022 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 7/1/2022: 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%

#### Mortality Rates

##### Non-Safety Retirees

Pub-2010 Amount Weighted General Employees 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

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<sup>1</sup> Unpaid Pending Refunds amount of \$1,473,055 was added to the July 1, 2022 Total Pension liability.

# Section I – GASB 67 Information (continued)

## Notes to the Financial Statements for the Year Ending June 30, 2022 (continued)

### Actuarial Assumptions and Other Inputs (continued)

#### 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

### Rates of Retirement and Withdrawal

See Section IV

### Other

See Section IV

### Discount rate

The discount rate used to measure the total pension liability was 6.37%. The projection of cash flows used to determine the discount rate is based on a projection of Clayton County's current membership based on actuarial assumptions as specified in Section IV. Contributions are assumed to be made in accordance with Clayton County ordinance with additional contributions being made, if necessary, to meet the minimum funding statutes under Georgia state law. Contributions expected to be made in relation to 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 those assumptions, the plan's fiduciary net position is projected to be insufficient to cover future benefit payments for current members. Therefore, the long-term expected rate of return of 7.75% on plan investments was applied to all projected benefit payments where the plan's fiduciary net position at the beginning of the year is projected to be sufficient to cover the benefit payments in that year and the 20-year municipal bond yield rate of 4.09% was used applied to the remaining projected benefit payments. The resulting blended discount rate was 6.37%.

The Retirement System administrator, in consultation with the Retirement System's investment manager believes 7.75% to be a reasonable assumption for the long-term rate of return on plan assets based on the Retirement System's investment policy and current asset allocation. Under GASB 67, the audited financial statements of the Retirement System will require documentation supporting the long-term rate of return, which is not contained in this report.

# Section I – GASB 67 Information (continued)

## Notes to the Financial Statements for the Year Ending June 30, 2022 (continued)

### Changes of assumptions and other inputs used to determine the net pension liability

#### 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%
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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%

#### Mortality

The Mortality Improvement Scale was updated from MP-2020 to MP-2021.

#### Discount Rate

The discount rate used to measure the total pension liability was updated from 7.75% to 6.37%. The 20-year municipal bond yield rate was updated from 2.18% to 4.09%.

#### 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 6.37%, as well as what the System’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.37%) or 1-percentage-point higher (7.37%) than the current rate:

	1% Decrease (5.37%)	Current Discount Rate (6.37%)	1% Increase (7.37%)
Net Pension Liability	\$ 687,601,133	\$ 549,444,833	\$ 436,313,213

# Section I – GASB 67 Information (continued)

## Schedules of Required Supplementary Information

### Schedule of Changes in Net Pension Liability and Related Ratios

	FYE June 30, 2022	FYE June 30, 2021
Total pension liability		
Service cost	\$ 16,086,096	\$ 15,621,072
Interest	61,712,403	60,187,704
Difference between expected and actual experience	10,003,275	1,805,820
Changes in benefit terms	0	0
Changes in assumptions or other inputs	163,139,978	(8,879,902)
Benefit payments	<u>(50,643,564)</u>	<u>(48,408,800)</u>
Net change in total pension liability	\$ 200,298,188	\$ 20,325,894
Total pension liability-beginning	805,524,755	785,198,861
Total pension liability-ending (a)	\$ 1,005,822,943	\$ 805,524,755
Plan fiduciary net position		
Contributions-employer	\$ 25,399,794	\$ 27,335,398
Contributions-member	10,936,227	10,441,192
Net investment income	(103,733,758)	139,853,648
Benefit payments, including refunds of employee contributions	(50,643,564)	(48,408,800)
Administrative expense	(519,987)	(500,135)
Other	<u>0</u>	<u>0</u>
Net change in plan fiduciary net position	\$ (118,561,288)	\$ 128,721,303
Plan fiduciary net position-beginning	574,939,398	446,218,095
Plan fiduciary net position-ending (b)	456,378,110	574,939,398
Plan's net pension liability-ending (a)-(b)	\$ 549,444,833	\$ 230,585,357
Plan fiduciary net position as a % of the total pension liability	45.37%	71.37%
Covered payroll <sup>1</sup>	\$ 145,816,360	\$ 139,215,893
Net pension liability as a percentage of covered payroll	376.81%	165.63%

<sup>1</sup> Covered payroll for FYE June 30, 2022 has been set equal to the amount implied by the employee contributions. According to GASB Statement Nos. 67 and 68, as amended by GASB Statement No. 82, this should be payroll on which contributions are based for the measurement period. Therefore, this number may need to be updated for inclusion in financial statements.

# Section I – GASB 67 Information (continued)

## Schedules of Required Supplementary Information (continued)

### Schedule of Contributions

	FYE June 30, 2021	FYE June 30, 2020
Actuarially determined contribution (ADC)	\$ 25,094,996	\$ 26,771,216
Contributions related to the actuarially determined contribution	<u>(25,399,794)</u>	<u>(27,335,398)</u>
Contribution deficiency (excess)	\$ (304,798)	\$ (564,182)

#### Notes to Schedule:

##### 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 ending June 30, 2022 is based on the July 1, 2021 Actuarial Valuation.

#### Changes of assumptions used to determine the actuarially determined contribution

##### Salary Increases

Prior Year:	<b>County Employees</b>	
	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%
	<b>Water Employees</b>	
	Valuation Years beginning 7/1/2020 and thereafter:	4.00%
Current Year:	<b>County Employees</b>	
	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%
	<b>Water Employees</b>	
	Valuation Years beginning 7/1/2020 and thereafter:	4.00%

##### Mortality

The Mortality Improvement Scale was updated from MP-2019 to MP-2020.

# Section I – GASB 67 Information (continued)

## Schedules of Required Supplementary Information (continued)

### 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, 2021 Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System

#### Administrative Expenses

0.350% of Payroll

#### Inflation (used for amortization of Unfunded Liability)

2.75% per annum

#### Salary increases

##### *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%
--	-------

#### Investment rate of return

7.75%, net of investment expenses

#### Retirement and Termination Rates

As specified in the July 1, 2021 Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System

# Section I – GASB 67 Information (continued)

## Schedules of Required Supplementary Information (continued)

### Methods and assumptions used to determine the actuarially determined contribution

#### 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-2020

##### Non-Safety Non-annuitants

Pub-2010 Amount Weighted General Employees Below-Median table, projected with Mortality Improvement Scale MP-2020

##### Non-Safety Disabled Participants

Pub-2010 Amount Weighted Non-Safety Disabled Retiree table, projected with Mortality Improvement Scale MP-2020

##### Safety Retirees

Pub-2010 Amount Weighted Public Safety Retiree Below-Median table, projected with Mortality Improvement Scale MP-2020

##### Safety Non-Annuitants

Pub-2010 Amount Weighted Public Safety Employee Below-Median table, projected with Mortality Improvement Scale MP-2020

##### Safety Disabled Participants

Pub-2010 Amount Weighted Public Safety Disabled Retiree table, projected with Mortality Improvement Scale MP-2020

##### Survivor Beneficiaries

Pub-2010 Amount Weighted Contingent Survivor Below-Median table, projected with Mortality Improvement Scale MP-2020

#### Other

Please see the July 1, 2021 Actuarial Valuation Report for Clayton County, Georgia Public Employee Retirement System

### Schedule of Investment Returns

	Annual money-weighted rate of return, net of investment expenses
FYE June 30, 2022	-21.08%
FYE June 30, 2021	32.37%
FYE June 30, 2020	4.36%

## Section II – GASB 68 Information

(See Section I for information common to GASB 67 and 68)

### Pension Expense

The components of pension expense to be reported for the fiscal year ended June 30, 2022, based on a measurement date of June 30, 2022 is as follows:

	<b>FYE June 30, 2022</b>
Service cost	\$ 16,086,096
Interest cost	61,172,403
Expected return on assets	(43,983,237)
Current period effect of benefit changes	-
Current period difference between expected and actual experience	2,000,655
Current period effect of changes in assumptions or other inputs	32,627,996
Current period difference between projected and actual investment earnings	29,543,399
Member contributions	(10,936,227)
Administrative expenses	519,987
Current period recognition of prior years' deferred outflow of resources	21,083,171
Current period recognition of prior years' deferred inflow of resources	<u>(24,909,436)</u>
Total pension expense	\$ 83,744,807

The employers' allocation of pension expense to be reported for the fiscal year ended June 30, 2022 is shown in Schedule B in the Appendix.

The pension expense reported for the fiscal year end is based on the July 1, 2021 and July 1, 2022 actuarial valuations.

The effect of differences between expected and actual experience, changes in assumptions and the change in employers' proportion are recognized over the average expected remaining service lives of active and inactive members as of June 30, 2021 (5 years).

The difference between projected and actual investment earnings is recognized over 5 years.

### Determination of Average Remaining Expected Service Lives

<b>Remaining Service Lives as of June 30, 2021</b>			
<b>Group</b>	<b>Number</b>	<b>Service</b>	<b>Average</b>
Active Members	2,584	20,708.73	
Inactive Members	1,864	0	
<b>Total</b>	<b>4,448</b>	<b>20,708.73</b>	<b>5</b>

### Allocation of Net Pension Liability

The allocation of net pension liability between the County and the Water Authority as of June 30, 2021 and June 30, 2022 is shown in Schedule A of the Appendix.



## **Section II – GASB 68 Information (continued)**

### **Allocation of Deferred Outflows/Inflows of Resources**

The allocation of deferred outflows/inflows of resources is shown in Schedule B in the Appendix. Schedule B also includes the FYE June 30, 2022 recognition of the change in proportion of the June 30, 2021 amounts in accordance with paragraph 54 and differences in actual versus proportionate share employer contributions in accordance with paragraph 55 of GASB 68.

### **Allocation of Future Years' Recognition of Deferred Outflows/Inflows**

The employers' allocation of June 30, 2022 deferred outflows/inflows recognition for each of the next five fiscal years and thereafter is shown in Schedule C in the Appendix.

### **10-Year Contribution History**

The 10-year history of employer contributions is shown in Schedule D in the Appendix. Amounts are only shown for 2015 - 2022.

### **Allocation Methodology**

The allocation schedules in the Appendix show the proportionate share allocations for each employer. The allocations are based on a five-year average of actual contributions made by the County and Water Authority as of the end of the fiscal year.

## Section III – Plan Member Data

June 30, 2022

### Active members

Number	2,404
Average age	41.93 years
Average service	7.57

### Terminated vested members

Number	358
Average age	52.06 years
Average annual retirement benefits	\$ 15,079

### Retired members

Number	1,332
Average age	68.67 years
Average annual retirement benefits	\$ 33,307

### Disabled members

Number	56
Average age	64.23 years
Average annual retirement benefits	\$ 21,813

### Survivors and beneficiaries of members

Number	186
Average age	70.71 years
Average annual retirement benefits	\$ 18,653

### Total Number of Members

4,336

# Section IV – Actuarial Methods & Assumptions

## Methods used to determine the Net Pension Liability

### Valuation Date

June 30, 2022

### Asset Valuation Method

Market Value

### Valuation Funding Method

Entry Age Normal Level Percentage of Pay Actuarial Cost Method

## Assumptions and other inputs used to determine the Net Pension Liability

### Discount Rate

The discount rate used to measure the total pension liability was 6.37% per annum net of investment expenses. The projection of cash flows used to determine the discount rate is based on a projection of Clayton County's current membership based on actuarial assumptions as specified in Section IV. Contributions are assumed to be made in accordance with Clayton County ordinance with additional contributions being made, if necessary, to meet the minimum funding statutes under Georgia state law. Contributions expected to be made in relation to 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 those assumptions, the plan's fiduciary net position is projected to be insufficient to cover future benefit payments for current members. Therefore, the long-term expected rate of return of 7.75% on plan investments was applied to all projected benefit payments where the plan's fiduciary net position at the beginning of the year is projected to be sufficient to cover the benefit payments in that year and the 20-year municipal bond yield rate of 4.09% was used applied to the remaining projected benefit payments. The resulting blended discount rate was 6.37%.

### Inflation

2.75% per annum (not explicitly used except in projections of Net Fiduciary Position).

# Section IV – Actuarial Methods & Assumptions (continued)

## Assumptions and other inputs used to determine the Net Pension Liability (continued)

### Separations before Retirement – Hired Before 1/1/2016

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

#### County

Age	Annual Rate of:				Disability
	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

Age	Annual Rate of:				Disability
	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

## Section IV – Actuarial Methods & Assumptions (continued)

### Assumptions and other inputs used to determine the Net Pension Liability (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

Age	Years 0-1	Annual Rate of:			Disability
		Withdrawal 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

Age	Years 0-1	Annual Rate of:			Disability
		Withdrawal 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

## Section IV – Actuarial Methods & Assumptions (continued)

### Assumptions and other inputs used to determine the Net Pension Liability (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.

## Section IV – Actuarial Methods & Assumptions (continued)

### Assumptions and other inputs used to determine the Net Pension Liability (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.

## Section IV – Actuarial Methods & Assumptions (continued)

### Assumptions and other inputs used to determine the Net Pension Liability (continued)

#### Salary Increases

##### *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%

#### 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 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

#### Future Administrative Expenses

Expenses assumed to be 0.350% of payroll.



## **Section IV – Actuarial Methods & Assumptions (continued)**

### **Assumptions and other inputs used to determine the Net Pension Liability (continued)**

#### **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.

#### **Contingent Assets & Liabilities**

There were none as of July 1, 2022.

# Section V – Summary of Plan Provisions

## Effective Date

July 1, 1971.

## Plan Year and Fiscal Year

Each 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

## Basic Monthly Benefit

2.5% of average monthly salary multiplied by years of credited service up to 32.

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 last 60 months of service.

## Section V – Summary of Plan Provisions (continued)

### 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.

Benefit

30% of participants' monthly rate of compensation as of the date of disability.

### 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 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.

# Section V – Summary of Plan Provisions (continued)

## 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

## 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).

# Section V – Summary of Plan Provisions (continued)

## Historical Provision Changes

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.

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.

## Section V – Summary of Plan Provisions (continued)

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.

## Appendix A – Net Pension Liability Allocations by Employer

	County	Water Authority	Plan Total
<b>FYE Ending June 30, 2022:</b>			
Total Pension Liability	\$850,825,627	\$154,997,316	\$1,005,822,943
Plan Fiduciary Net Position	\$386,050,243	\$70,327,867	\$456,378,110
Net Pension Liability	\$464,775,384	\$84,669,449	\$548,444,833
Portion of Net Pension Liability	84.59%	15.41%	100.00%
Plan Fiduciary Net Position as % of Total Pension Liability	45.37%	45.37%	45.37%
Covered Payroll <sup>1</sup>	\$126,925,500	\$18,890,860	\$145,816,360
Net Pension Liability as % of Covered Payroll	365.18%	448.20%	376.81%
Employer Contributions	\$22,109,190	\$3,290,604	\$25,399,794
<b>FYE Ending June 30, 2021:</b>			
Total Pension Liability	\$673,982,563	\$131,542,192	\$805,524,755
Plan Fiduciary Net Position	\$481,051,794	\$93,887,604	\$574,939,398
Net Pension Liability	\$192,930,768	\$37,654,589	\$230,585,357
Portion of Net Pension Liability	83.67%	16.33%	100.00%
Plan Fiduciary Net Position as % of Total Pension Liability	71.37%	71.37%	71.37%
Covered Payroll	\$117,358,476	\$21,857,417	\$139,215,893
Net Pension Liability as % of Covered Payroll	164.39%	172.27%	165.63%
Employer Contributions	\$23,043,638	\$4,291,760	\$27,335,398

<sup>1</sup> Covered payroll for FYE June 30, 2022 has been set equal to the amount implied by the employee. According to GASB Statement Nos. 67 and 68, as amended by GASB Statement No. 82, this should be payroll on which contributions are based for the measurement period. Therefore, this number may need to be updated for inclusion in financial statements.

## Appendix B – Pension Amounts Allocated by Employer

	County	Water Authority	Plan Total
<b>Net Pension Liability as of June 30, 2022:</b>	\$464,775,384	\$84,669,449	\$549,444,833
<b>Deferred Outflows of Resources:</b>			
Difference between expected and actual experience	\$19,821,734	\$3,610,982	\$23,432,716
Changes in assumptions	\$131,436,875	\$23,944,228	\$155,381,103
Difference between projected and actual investment earnings	\$52,831,334	\$9,624,434	\$62,455,768
Change in proportion and differences between employer contributions	\$3,154,595	\$260,623	\$3,415,0218
Contributions made subsequent to the measurement date <sup>1</sup>	TBD	TBD	TBD
<b>Deferred Inflows of Resources:</b>			
Difference between expected and actual experience	\$0	\$0	\$0
Changes in assumptions	(\$4,961,543)	(\$903,858)	(\$5,865,401)
Difference between projected and actual investment earnings	\$0	\$0	\$0
Change in proportion and differences between employer contributions	(\$260,623)	(\$3,154,595)	(\$3,415,218)
<b>Pension Expense Recognized:</b>			
Proportionate share of current year's expense	\$70,839,732	\$12,905,075	\$83,744,807
Change in proportion and differences between employer contributions	\$450,748	(\$450,748)	\$0
Total	\$71,290,480	\$12,454,327	\$83,744,807

<sup>1</sup> Contributions made subsequent to the measurement of June 30, 2022 to the end of the fiscal year of April 30, 2023 for Clayton County Water Authority will be reported as deferred outflows.



## Appendix C – Employers’ Share of June 30, 2022 Deferred Outflows/(Inflows)

	County	Water Authority	Plan Total
<b>FY2023<sup>1</sup></b>	\$52,358,839	\$8,766,112	\$61,124,951
<b>FY2024</b>	\$50,429,354	\$8,234,193	\$58,663,547
<b>FY2025</b>	\$44,355,864	\$7,087,776	\$51,443,640
<b>FY2026</b>	\$54,878,315	\$9,293,733	\$64,172,048
<b>FY2027</b>	\$0	\$0	\$0
<b>Thereafter</b>	\$0	\$0	\$0

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<sup>1</sup> Contributions made subsequent to the measurement of June 30, 2022 to the end of the fiscal year of April 30, 2023 for Clayton County Water Authority will be reported as deferred outflows.

## Appendix D – Contribution History

	<b>County</b>	<b>Water Authority</b>	<b>Plan Total</b>
<b>FY2022</b>	\$22,109,190	\$3,290,604	\$25,399,794
<b>FY2021</b>	\$23,043,638	\$4,291,760	\$27,335,398
<b>FY2020</b>	\$15,915,688	\$3,084,284	\$18,999,972
<b>FY2019</b>	\$16,056,255	\$3,048,425	\$19,104,680
<b>FY2018</b>	\$14,343,787	\$2,943,069	\$17,286,856
<b>FY2017</b>	\$14,173,625	\$2,940,655	\$17,114,280
<b>FY2016</b>	\$13,966,694	\$2,756,799	\$16,723,493
<b>FY2015</b>	\$13,805,519	\$2,700,229	\$16,505,748

# Appendix E – Deferred Outflows/(Inflows)

## Amortization of Difference between Expected and Actual Liability Experience

Measurement Date 6/30	2015	2016	2017	2018	2019	2020	2021	2022
Amount Established	\$ 3,314,582	\$ 10,407,206	\$ 4,414,331	\$ 8,048,416	\$ 25,179,656	\$ 9,223,967	\$ 1,805,820	\$ 10,003,275
Recognition Period	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Amount Recognized in FY:								
2015	\$ 552,430	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	552,430	1,734,534	-	-	-	-	-	-
2017	552,430	1,734,534	735,722	-	-	-	-	-
2018	552,430	1,734,534	735,722	1,341,403	-	-	-	-
2019	552,430	1,734,534	735,722	1,341,403	4,196,609	-	-	-
2020	552,432	1,734,534	735,722	1,341,403	4,196,609	1,537,328	-	-
2021	-	1,734,536	735,722	1,341,403	4,196,609	1,537,328	361,164	-
2022	-	-	735,721	1,341,403	4,196,609	1,537,328	361,164	2,000,655
2023	-	-	-	1,341,401	4,196,609	1,537,328	361,164	2,000,655
2024	-	-	-	-	4,196,611	1,537,328	361,164	2,000,655
2025	-	-	-	-	-	1,537,327	361,164	2,000,655
2026	-	-	-	-	-	-	-	2,000,655
2027	-	-	-	-	-	-	-	-
Deferred Balance at 6/30:								
2015	\$ 2,762,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	2,209,722	8,672,672	-	-	-	-	-	-
2017	1,657,292	6,938,138	3,678,609	-	-	-	-	-
2018	1,104,862	5,203,604	2,942,887	6,707,013	-	-	-	-
2019	552,432	3,469,070	2,207,165	5,365,610	20,983,047	-	-	-
2020	-	1,734,536	1,471,443	4,024,207	16,786,438	7,686,639	-	-
2021	-	-	735,721	2,682,804	12,589,829	6,149,311	1,444,656	-
2022	-	-	-	1,341,401	8,393,220	4,611,983	1,083,492	8,002,620
2023	-	-	-	-	4,196,611	3,074,655	722,328	6,001,965
2024	-	-	-	-	-	1,537,327	361,164	4,001,310
2025	-	-	-	-	-	-	-	2,000,655
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-

Measurement Date 6/30	Outflows	Inflows	Total
Amount Recognized in FY:			
2015	\$ 552,430	\$ -	\$ 552,430
2016	2,286,964	-	2,286,964
2017	3,022,686	-	3,022,686
2018	4,364,089	-	4,364,089
2019	8,560,698	-	8,560,698
2020	10,098,028	-	10,098,028
2021	9,906,762	-	9,906,762
2022	10,172,880	-	10,172,880
2023	9,437,157	-	9,437,157
2024	8,095,758	-	8,095,758
2025	3,899,146	-	3,899,146
2026	2,000,655	-	2,000,655
2027	-	-	-
Deferred Balance at 6/30:			
2015	\$ 2,762,152	\$ -	\$ 2,762,152
2016	10,882,394	-	10,882,394
2017	12,274,039	-	12,274,039
2018	15,958,366	-	15,958,366
2019	32,577,324	-	32,577,324
2020	31,703,263	-	31,703,263
2021	23,602,321	-	23,602,321
2022	23,432,716	-	23,432,716
2023	13,995,559	-	13,995,559
2024	5,899,801	-	5,899,801
2025	2,000,655	-	2,000,655
2026	-	-	-
2027	-	-	-

## Appendix E – Deferred Outflows/(Inflows) (continued)

### Amortization of Difference between Expected and Actual Asset Experience

Measurement Date 6/30	2015	2016	2017	2018	2019	2020	2021	2022
Amount Established	\$ 18,277,953	\$ 35,135,350	\$ (20,583,195)	\$ 1,046,046	\$ 5,600,028	\$ 16,460,108	\$ (105,703,124)	\$ 147,716,995
Recognition Period	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Amount Recognized in FY:								
2015	\$ 3,655,591	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	3,655,591	7,027,070	-	-	-	-	-	-
2017	3,655,591	7,027,070	(4,116,639)	-	-	-	-	-
2018	3,655,591	7,027,070	(4,116,639)	209,209	-	-	-	-
2019	3,655,589	7,027,070	(4,116,639)	209,209	1,120,006	-	-	-
2020	-	7,027,070	(4,116,639)	209,209	1,120,006	3,292,022	-	-
2021	-	-	(4,116,639)	209,209	1,120,006	3,292,022	(21,140,625)	-
2022	-	-	-	209,210	1,120,006	3,292,022	(21,140,625)	29,543,399
2023	-	-	-	-	1,120,004	3,292,022	(21,140,625)	29,543,399
2024	-	-	-	-	-	3,292,020	(21,140,624)	29,543,399
2025	-	-	-	-	-	-	(21,140,624)	29,543,399
2026	-	-	-	-	-	-	-	29,543,399
2027	-	-	-	-	-	-	-	-
Deferred Balance at 6/30:								
2015	\$ 14,622,362	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	10,966,771	28,108,280	-	-	-	-	-	-
2017	7,311,180	21,081,210	(16,466,556)	-	-	-	-	-
2018	3,655,589	14,054,140	(12,349,917)	836,837	-	-	-	-
2019	-	7,027,070	(8,233,278)	627,628	4,480,022	-	-	-
2020	-	-	(4,116,639)	418,419	3,360,016	13,168,086	-	-
2021	-	-	-	209,210	2,240,010	9,876,064	(84,562,499)	-
2022	-	-	-	-	1,120,004	6,584,042	(63,421,874)	118,173,596
2023	-	-	-	-	-	3,292,020	(42,281,249)	88,630,197
2024	-	-	-	-	-	-	(21,140,624)	59,086,798
2025	-	-	-	-	-	-	-	29,543,399
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-

Measurement Date 6/30	Outflows	Inflows	Total
Amount Recognized in FY:			
2015	\$ 3,655,591	\$ -	\$ 3,655,591
2016	10,682,661	-	10,682,661
2017	10,682,661	(4,116,639)	6,566,022
2018	10,891,870	(4,116,639)	6,775,231
2019	12,011,874	(4,116,639)	7,895,235
2020	11,648,307	(4,116,639)	7,531,668
2021	4,621,237	(25,257,264)	(20,636,027)
2022	34,164,637	(21,140,625)	13,024,012
2023	33,955,425	(21,140,625)	12,814,800
2024	32,835,419	(21,140,625)	11,694,794
2025	29,543,399	(21,140,624)	8,402,775
2026	29,543,399	-	29,543,399
2027	-	-	-
Deferred Balance at 6/30:			
2015	\$ 14,622,362	\$ -	\$ 14,622,362
2016	39,075,051	-	39,075,051
2017	28,392,390	(16,466,556)	11,925,834
2018	18,546,566	(12,349,917)	6,196,649
2019	12,134,720	(8,233,278)	3,901,442
2020	16,946,521	(4,116,639)	12,829,882
2021	12,325,284	(84,562,499)	(72,237,215)
2022	125,877,642	(63,421,874)	62,455,768
2023	91,922,217	(42,281,249)	49,640,968
2024	59,086,798	(21,140,624)	37,946,174
2025	29,543,399	-	29,543,399
2026	-	-	-
2027	-	-	-

## Appendix E – Deferred Outflows/(Inflows) (continued)

### Amortization of Difference between Expected and Actual Assumption Experience

Measurement Date 6/30	2015	2016	2017	2018	2019	2020	2021	2022
Amount Established	\$ 18,401,577	\$ (88,695,154)	\$ (10,344,601)	\$ -	\$ (1,612,379)	\$ 49,738,245	\$ (8,879,902)	\$ 163,139,978
Recognition Period	6.00	6.00	6.00	0.00	6.00	5.00	5.00	5.00
Amount Recognized in FY:								
2015	\$ 3,066,930	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	3,066,930	(14,782,526)	-	-	-	-	-	-
2017	3,066,930	(14,782,526)	(1,724,100)	-	-	-	-	-
2018	3,066,930	(14,782,526)	(1,724,100)	-	-	-	-	-
2019	3,066,930	(14,782,526)	(1,724,100)	-	(268,730)	-	-	-
2020	3,066,927	(14,782,526)	(1,724,100)	-	(268,730)	8,289,708	-	-
2021	-	(14,782,524)	(1,724,100)	-	(268,730)	8,289,708	(1,775,980)	-
2022	-	-	(1,724,101)	-	(268,730)	8,289,708	(1,775,980)	32,627,996
2023	-	-	-	-	(268,730)	8,289,708	(1,775,980)	32,627,996
2024	-	-	-	-	(268,729)	8,289,708	(1,775,980)	32,627,996
2025	-	-	-	-	-	8,289,705	(1,775,982)	32,627,996
2026	-	-	-	-	-	-	-	32,627,994
2027	-	-	-	-	-	-	-	-
Deferred Balance at 6/30:								
2015	\$ 15,334,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	12,267,717	(73,912,628)	-	-	-	-	-	-
2017	9,200,787	(59,130,102)	(8,620,501)	-	-	-	-	-
2018	6,133,857	(44,347,576)	(6,896,401)	-	-	-	-	-
2019	3,066,927	(29,565,050)	(5,172,301)	-	(1,343,649)	-	-	-
2020	-	(14,782,524)	(3,448,201)	-	(1,074,919)	41,448,537	-	-
2021	-	-	(1,724,101)	-	(806,189)	33,158,829	(7,103,922)	-
2022	-	-	-	-	(537,459)	24,869,121	(5,327,942)	130,511,982
2023	-	-	-	-	(268,729)	16,579,413	(3,551,962)	97,883,986
2024	-	-	-	-	-	8,289,705	(1,775,982)	65,255,990
2025	-	-	-	-	-	-	-	32,627,994
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-

Measurement Date 6/30	Outflows	Inflows	Total
Amount Recognized in FY:			
2015	\$ 3,066,930	\$ -	\$ 3,066,930
2016	3,066,930	(14,782,526)	(11,715,596)
2017	3,066,930	(16,506,626)	(13,439,696)
2018	3,066,930	(16,506,626)	(13,439,696)
2019	3,066,930	(16,775,356)	(13,708,426)
2020	11,356,635	(16,775,356)	(5,418,721)
2021	8,289,708	(18,551,334)	(10,261,626)
2022	40,917,704	(3,768,811)	37,148,893
2023	40,917,704	(2,044,710)	38,872,994
2024	40,917,704	(2,044,709)	38,872,995
2025	40,917,701	(1,775,982)	39,141,719
2026	32,627,994	-	32,627,994
2027	-	-	-
Deferred Balance at 6/30:			
2015	\$ 15,334,647	\$ -	\$ 15,334,647
2016	12,267,717	(73,912,628)	(61,644,911)
2017	9,200,787	(67,750,603)	(58,549,816)
2018	6,133,857	(51,243,977)	(45,110,120)
2019	3,066,927	(36,081,000)	(33,014,073)
2020	41,448,537	(19,305,644)	22,142,893
2021	33,158,829	(9,634,212)	23,524,617
2022	155,381,103	(5,865,401)	149,515,702
2023	114,463,399	(3,820,691)	110,642,708
2024	73,545,695	(1,775,982)	71,769,713
2025	32,627,994	-	32,627,994
2026	-	-	-
2027	-	-	-

# Appendix E – Deferred Outflows/(Inflows) (continued)

## Amortization of Change in Proportion for County

Measurement Date 6/30	2015	2016	2017	2018	2019	2020	2021	2022
Amount Established	\$ (628,605)	\$ (783,159)	\$ (1,007,469)	\$ (812,874)	\$ (324,022)	\$ 78,797	\$ 933,011	\$ 2,352,400
Recognition Period	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Amount Recognized in FY:								
2015	\$ (104,767)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	(104,767)	(130,527)	-	-	-	-	-	-
2017	(104,767)	(130,527)	(167,912)	-	-	-	-	-
2018	(104,767)	(130,527)	(167,912)	(135,479)	-	-	-	-
2019	(104,767)	(130,527)	(167,912)	(135,479)	(54,004)	-	-	-
2020	(104,770)	(130,527)	(167,912)	(135,479)	(54,004)	13,133	-	-
2021	-	(130,524)	(167,912)	(135,479)	(54,004)	13,133	186,602	-
2022	-	-	(167,909)	(135,479)	(54,004)	13,133	186,602	470,480
2023	-	-	-	(135,479)	(54,004)	13,133	186,602	470,480
2024	-	-	-	-	(54,002)	13,133	186,602	470,480
2025	-	-	-	-	-	13,132	186,603	470,480
2026	-	-	-	-	-	-	-	470,480
2027	-	-	-	-	-	-	-	-
Deferred Balance at 6/30:								
2015	\$ (523,838)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	(419,071)	(652,632)	-	-	-	-	-	-
2017	(314,304)	(522,105)	(839,557)	-	-	-	-	-
2018	(209,537)	(391,578)	(671,645)	(677,395)	-	-	-	-
2019	(104,770)	(261,051)	(503,733)	(541,916)	(270,018)	-	-	-
2020	-	(130,524)	(335,821)	(406,437)	(216,014)	65,664	-	-
2021	-	-	(167,909)	(270,958)	(162,010)	52,531	746,409	-
2022	-	-	-	(135,479)	(108,006)	39,398	559,807	1,881,920
2023	-	-	-	-	(54,002)	26,265	373,205	1,411,440
2024	-	-	-	-	-	13,132	186,603	940,960
2025	-	-	-	-	-	-	-	470,480
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-

Measurement Date 6/30	Outflows	Inflows	Total
Amount Recognized in FY:			
2015	\$ -	\$ (104,767)	\$ (104,767)
2016	-	(235,294)	(235,294)
2017	-	(403,206)	(403,206)
2018	-	(538,685)	(538,685)
2019	-	(592,689)	(592,689)
2020	13,133	(592,692)	(579,559)
2021	199,735	(487,919)	(288,184)
2022	670,215	(357,392)	312,823
2023	670,215	(189,483)	480,732
2024	670,215	(54,002)	616,213
2025	670,215	-	670,215
2026	470,480	-	470,480
2027	-	-	-
Deferred Balance at 6/30:			
2015	\$ -	\$ (523,838)	\$ (523,838)
2016	-	(1,071,703)	(1,071,703)
2017	-	(1,675,966)	(1,675,966)
2018	-	(1,950,155)	(1,950,155)
2019	-	(1,681,488)	(1,681,488)
2020	65,664	(1,088,796)	(1,023,132)
2021	798,940	(600,877)	198,063
2022	2,481,125	(243,485)	2,237,640
2023	1,810,910	(54,002)	1,756,908
2024	1,140,695	-	1,140,695
2025	470,480	-	470,480
2026	-	-	-
2027	-	-	-

Note that the corresponding table for the Water Authority would show the same amounts, but with the outflows and inflows reversed.

## Appendix E – Deferred Outflows/(Inflows) (continued)

### Amortization of Differences between Employer Contributions for County

Measurement Date 6/30	2015	2016	2017	2018	2019	2020	2021	2022
Amount Established	\$ (183,102)	\$ (162,985)	\$ (207,504)	\$ (102,838)	\$ 121,042	\$ 62,111	\$ 172,110	\$ 623,504
Recognition Period	6.00	6.00	6.00	6.00	6.00	6.00	5.00	5.00
Amount Recognized in FY:								
2015	\$ (30,517)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	(30,517)	(27,164)	-	-	-	-	-	-
2017	(30,517)	(27,164)	(34,584)	-	-	-	-	-
2018	(30,517)	(27,164)	(34,584)	(17,140)	-	-	-	-
2019	(30,517)	(27,164)	(34,584)	(17,140)	20,174	-	-	-
2020	(30,517)	(27,164)	(34,584)	(17,140)	20,174	10,352	-	-
2021	-	(27,165)	(34,584)	(17,140)	20,174	10,352	34,422	-
2022	-	-	(34,584)	(17,140)	20,174	10,352	34,422	124,701
2023	-	-	-	(17,138)	20,174	10,352	34,422	124,701
2024	-	-	-	-	20,172	10,352	34,422	124,701
2025	-	-	-	-	-	10,351	34,422	124,701
2026	-	-	-	-	-	-	-	124,700
2027	-	-	-	-	-	-	-	-
Deferred Balance at 6/30:								
2015	\$ (152,585)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2016	(122,068)	(135,821)	-	-	-	-	-	-
2017	(91,551)	(108,657)	(172,920)	-	-	-	-	-
2018	(61,034)	(81,493)	(138,336)	(85,698)	-	-	-	-
2019	(30,517)	(54,329)	(103,752)	(68,558)	100,868	-	-	-
2020	-	(27,165)	(69,168)	(51,418)	80,694	51,759	-	-
2021	-	-	(34,584)	(34,278)	60,520	41,407	137,688	-
2022	-	-	-	(17,138)	40,346	31,055	103,266	498,803
2023	-	-	-	-	20,172	20,703	68,844	374,102
2024	-	-	-	-	-	10,351	34,422	249,401
2025	-	-	-	-	-	-	-	124,700
2026	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-

Measurement Date 6/30	Outflows	Inflows	Total
Amount Recognized in FY:			
2015	\$ -	\$ (30,517)	\$ (30,517)
2016	-	(57,681)	(57,681)
2017	-	(92,265)	(92,265)
2018	-	(109,405)	(109,405)
2019	20,174	(109,405)	(89,231)
2020	30,526	(109,405)	(78,879)
2021	64,948	(78,889)	(13,941)
2022	189,649	(51,724)	137,925
2023	189,649	(17,138)	172,511
2024	189,647	-	189,647
2025	169,474	-	169,474
2026	124,700	-	124,700
2027	-	-	-
Deferred Balance at 6/30:			
2015	\$ -	\$ (152,585)	\$ (152,585)
2016	-	(257,889)	(257,889)
2017	-	(373,128)	(373,128)
2018	-	(366,561)	(366,561)
2019	100,868	(257,156)	(156,288)
2020	132,453	(147,751)	(15,298)
2021	239,615	(68,862)	170,753
2022	673,470	(17,138)	656,332
2023	483,821	-	483,821
2024	294,174	-	294,174
2025	124,700	-	124,700
2026	-	-	-
2027	-	-	-

Note that the corresponding table for the Water Authority would show the same amounts, but with the outflows and inflows reversed.

# Appendix F – Projections - County & Water Combined

**Table 1 - Projection of Fiduciary Net position (000's omitted)**

Fiscal Year Ending 6/30	Beginning Fiduciary Net Position	Total Contributions	Benefit Payments	Administrative Expenses	Investment Earnings	Ending Fiduciary Net Position
2023	\$456,378	\$37,011	\$52,563	\$510	\$34,747	\$475,062
2024	475,062	37,625	54,941	475	36,128	493,398
2025	493,398	37,969	57,636	445	37,459	510,746
2026	510,746	38,111	60,358	417	38,705	526,787
2027	526,787	39,538	63,071	391	39,899	542,761
2028	542,761	39,230	65,616	366	41,027	557,037
2029	557,037	38,959	67,727	343	42,042	569,969
2030	569,969	38,676	69,749	321	42,956	581,531
2031	581,531	38,306	71,892	301	43,756	591,400
2032	591,400	37,970	73,864	281	44,432	599,658
2033	599,658	37,645	75,643	262	44,991	606,389
2034	606,389	37,314	78,120	245	45,404	610,742
2035	610,742	37,042	80,351	228	45,645	612,850
2036	612,850	36,725	82,676	213	45,707	612,393
2037	612,393	36,456	84,631	198	45,586	609,607
2038	609,607	36,153	86,631	184	45,281	604,227
2039	604,227	35,887	88,425	170	44,785	596,304
2040	596,304	35,586	90,282	157	44,088	585,540
2041	585,540	35,295	91,895	144	43,181	571,976
2042	571,976	34,963	93,513	131	42,054	555,350
2043	555,350	34,670	94,910	119	40,701	535,693
2044	535,693	34,442	95,985	106	39,127	513,171
2045	513,171	34,256	96,843	95	37,342	487,831
2046	487,831	34,087	97,503	84	35,346	459,678
2047	459,678	34,435	98,057	73	33,157	429,140
2048	429,140	34,806	98,447	62	30,790	396,226
2049	396,226	35,252	98,593	50	28,251	361,086
2050	361,086	35,796	98,462	41	25,554	323,933
2051	323,933	36,423	97,887	33	22,722	285,159
2052	285,159	37,124	97,016	26	19,778	245,019
2053	245,019	37,898	95,910	20	16,740	203,727
2054	203,727	38,744	94,538	16	13,626	161,542
2055	161,542	39,461	92,949	12	10,446	118,488
2056	118,488	40,208	91,106	9	7,210	74,792
2057	74,792	40,983	89,105	7	3,931	30,594
2058	30,594	41,790	86,904	5	623	(13,903)
2059	(13,903)	42,625	84,519	3	(2,701)	(58,501)
2060	(58,501)	43,489	81,992	2	(6,026)	(103,032)
2061	(103,032)	44,379	79,386	2	(9,342)	(147,382)
2062	(147,382)	45,292	76,671	1	(12,638)	(191,401)
2063	(191,401)	46,228	73,922	1	(15,907)	(235,003)
2064	(235,003)	47,187	71,121	0	(19,140)	(278,079)
2065	(278,079)	48,167	68,253	0	(22,329)	(320,494)
2066	(320,494)	49,171	65,374	0	(25,466)	(362,163)
2067	(362,163)	50,196	62,493	0	(28,544)	(403,005)
2068	(403,005)	51,243	59,620	0	(31,557)	(442,939)
2069	(442,939)	52,312	56,758	0	(34,500)	(481,885)
2070	(481,885)	53,404	53,910	0	(37,366)	(519,756)



## Appendix F – Projections - County & Water Combined (continued)

**Table 1 - Projection of Fiduciary Net position (000's omitted)**

2071	\$ (519,756)	\$ 54,519	\$ 51,077	\$ 0	\$ (40,148)	\$ (556,463)
2072	(556,463)	55,657	48,263	0	(42,839)	(591,908)
2073	(591,908)	56,819	45,467	0	(45,433)	(625,989)
2074	(625,989)	58,004	42,695	0	(47,921)	(658,601)
2075	(658,601)	59,215	39,950	0	(50,295)	(689,631)
2076	(689,631)	60,450	37,239	0	(52,547)	(718,967)
2077	(718,967)	61,711	34,565	0	(54,668)	(746,489)
2078	(746,489)	62,999	31,938	0	(56,649)	(772,077)
2079	(772,077)	64,313	29,365	0	(58,482)	(795,612)
2080	(795,612)	65,654	26,856	0	(60,157)	(816,971)
2081	(816,971)	67,023	24,422	0	(61,664)	(836,035)
2082	(836,035)	68,420	22,072	0	(62,997)	(852,683)
2083	(852,683)	69,846	19,819	0	(64,144)	(866,801)
2084	(866,801)	71,302	17,674	0	(65,099)	(878,271)
2085	(878,271)	72,788	15,645	0	(65,852)	(886,979)
2086	(886,979)	74,305	13,743	0	(66,394)	(892,811)
2087	(892,811)	75,853	11,974	0	(66,718)	(895,650)
2088	(895,650)	77,433	10,344	0	(66,813)	(895,373)
2089	(895,373)	79,046	8,855	0	(66,672)	(891,853)
2090	(891,853)	80,693	7,510	0	(66,283)	(884,954)
2091	(884,954)	82,373	6,308	0	(65,636)	(874,525)
2092	(874,525)	84,088	5,244	0	(64,720)	(860,401)
2093	(860,401)	85,839	4,313	0	(63,522)	(842,397)
2094	(842,397)	87,626	3,509	0	(62,026)	(820,306)
2095	(820,306)	89,450	2,822	0	(60,217)	(793,896)
2096	(793,896)	91,311	2,243	0	(58,076)	(762,903)
2097	(762,903)	93,211	1,760	0	(55,581)	(727,033)
2098	(727,033)	95,150	1,364	0	(52,711)	(685,957)
2099	(685,957)	97,130	1,042	0	(49,438)	(639,308)
2100	(639,308)	99,150	786	0	(45,735)	(586,679)
2101	(586,679)	101,212	584	0	(41,568)	(527,619)
2102	(527,619)	103,316	427	0	(36,903)	(461,633)
2103	(461,633)	105,464	307	0	(31,702)	(388,177)
2104	(388,177)	107,657	218	0	(25,920)	(306,659)
2105	(306,659)	109,895	151	0	(19,513)	(216,429)
2106	(216,429)	112,178	103	0	(12,430)	(116,784)
2107	(116,784)	114,509	69	0	(4,616)	(6,961)
2108	(6,961)	116,888	46	0	3,988	113,871
2109	113,871	119,317	29	0	13,447	246,605
2110	246,605	121,795	18	0	23,831	392,212
2111	392,212	124,324	11	0	35,214	551,739
2112	551,739	126,906	7	0	47,677	726,315
2113	726,315	129,541	4	0	61,309	917,161
2114	917,161	132,230	2	0	76,204	1,125,592
2115	1,125,592	134,974	1	0	92,464	1,353,029
2116	1,353,029	137,775	1	0	110,198	1,601,002
2117	1,601,002	140,634	0	0	129,527	1,871,163

# Appendix F – Projections - County & Water Combined (continued)

## Table 2 – Actuarial Present Value of Projected Benefits (000's omitted)

Fiscal Year Ending 6/30	Beginning Fiduciary Net Position	Benefit Payments			Present Value of Benefit Payments		
		Benefit Payments	Funded Portion	Unfunded Portion	Funded Portion at 7.75%	Unfunded Portion at 4.09%	Using a Single Discount Rate of 6.37%
2023	\$456,378	\$52,563	\$52,563	\$0	\$50,638	\$0	\$50,964
2024	475,062	54,941	54,941	0	49,122	0	50,077
2025	493,398	57,636	57,636	0	47,824	0	49,385
2026	510,746	60,358	60,358	0	46,481	0	48,618
2027	526,787	63,071	63,071	0	45,077	0	47,759
2028	542,761	65,616	65,616	0	43,522	0	46,708
2029	557,037	67,727	67,727	0	41,691	0	45,322
2030	569,969	69,749	69,749	0	39,848	0	43,878
2031	581,531	71,892	71,892	0	38,118	0	42,516
2032	591,400	73,864	73,864	0	36,347	0	41,064
2033	599,658	75,643	75,643	0	34,545	0	39,534
2034	606,389	78,120	78,120	0	33,110	0	38,381
2035	610,742	80,351	80,351	0	31,606	0	37,112
2036	612,850	82,676	82,676	0	30,182	0	35,897
2037	612,393	84,631	84,631	0	28,673	0	34,544
2038	609,607	86,631	86,631	0	27,240	0	33,241
2039	604,227	88,425	88,425	0	25,804	0	31,896
2040	596,304	90,282	90,282	0	24,451	0	30,615
2041	585,540	91,895	91,895	0	23,098	0	29,294
2042	571,976	93,513	93,513	0	21,814	0	28,023
2043	555,350	94,910	94,910	0	20,547	0	26,738
2044	535,693	95,985	95,985	0	19,286	0	25,420
2045	513,171	96,843	96,843	0	18,058	0	24,110
2046	487,831	97,503	97,503	0	16,874	0	22,820
2047	459,678	98,057	98,057	0	15,749	0	21,574
2048	429,140	98,447	98,447	0	14,674	0	20,362
2049	396,226	98,593	98,593	0	13,639	0	19,170
2050	361,086	98,462	98,462	0	12,641	0	17,997
2051	323,933	97,887	97,887	0	11,664	0	16,820
2052	285,159	97,016	97,016	0	10,728	0	15,671
2053	245,019	95,910	95,910	0	9,843	0	14,564
2054	203,727	94,538	94,538	0	9,005	0	13,496
2055	161,542	92,949	92,949	0	8,216	0	12,474
2056	118,488	91,106	91,106	0	7,474	0	11,494
2057	74,792	89,105	0	89,105	0	22,351	10,568
2058	30,594	86,904	0	86,904	0	20,942	9,689
2059	(13,903)	84,519	0	84,519	0	19,567	8,858
2060	(58,501)	81,992	0	81,992	0	18,236	8,078
2061	(103,032)	79,386	0	79,386	0	16,963	7,353
2062	(147,382)	76,671	0	76,671	0	15,739	6,676
2063	(191,401)	73,922	0	73,922	0	14,578	6,051
2064	(235,003)	71,121	0	71,121	0	13,475	5,473
2065	(278,079)	68,253	0	68,253	0	12,423	4,937
2066	(320,494)	65,374	0	65,374	0	11,432	4,446
2067	(362,163)	62,493	0	62,493	0	10,499	3,995
2068	(403,005)	59,620	0	59,620	0	9,622	3,583
2069	(442,939)	56,758	0	56,758	0	8,800	3,207
2070	(481,885)	53,910	0	53,910	0	8,030	2,863

# Appendix F – Projections - County & Water Combined (continued)

## Table 2 – Actuarial Present Value of Projected Benefits (000's omitted)

2071	\$ (519,756)	\$ 51,077	\$ -	\$ 51,077	\$ -	\$ 7,310	\$ 2,550
2072	(556,463)	48,263	0	48,263	0	6,635	2,265
2073	(591,908)	45,467	0	45,467	0	6,005	2,006
2074	(625,989)	42,695	0	42,695	0	5,418	1,771
2075	(658,601)	39,950	0	39,950	0	4,870	1,558
2076	(689,631)	37,239	0	37,239	0	4,361	1,365
2077	(718,967)	34,565	0	34,565	0	3,889	1,191
2078	(746,489)	31,938	0	31,938	0	3,452	1,035
2079	(772,077)	29,365	0	29,365	0	3,049	894
2080	(795,612)	26,856	0	26,856	0	2,679	769
2081	(816,971)	24,422	0	24,422	0	2,341	657
2082	(836,035)	22,072	0	22,072	0	2,032	558
2083	(852,683)	19,819	0	19,819	0	1,753	471
2084	(866,801)	17,674	0	17,674	0	1,502	395
2085	(878,271)	15,645	0	15,645	0	1,277	329
2086	(886,979)	13,743	0	13,743	0	1,078	272
2087	(892,811)	11,974	0	11,974	0	902	222
2088	(895,650)	10,344	0	10,344	0	749	181
2089	(895,373)	8,855	0	8,855	0	616	145
2090	(891,853)	7,510	0	7,510	0	502	116
2091	(884,954)	6,308	0	6,308	0	405	92
2092	(874,525)	5,244	0	5,244	0	323	72
2093	(860,401)	4,313	0	4,313	0	256	55
2094	(842,397)	3,509	0	3,509	0	200	42
2095	(820,306)	2,822	0	2,822	0	154	32
2096	(793,896)	2,243	0	2,243	0	118	24
2097	(762,903)	1,760	0	1,760	0	89	18
2098	(727,033)	1,364	0	1,364	0	66	13
2099	(685,957)	1,042	0	1,042	0	49	9
2100	(639,308)	786	0	786	0	35	7
2101	(586,679)	584	0	584	0	25	5
2102	(527,619)	427	0	427	0	18	3
2103	(461,633)	307	0	307	0	12	2
2104	(388,177)	218	0	218	0	8	1
2105	(306,659)	151	0	151	0	6	1
2106	(216,429)	103	0	103	0	4	1
2107	(116,784)	69	0	69	0	2	0
2108	(6,961)	46	-	46	0	1	0
2109	113,871	29	29	0	0	0	0
2110	246,605	18	18	0	0	0	0
2111	392,212	11	11	0	0	0	0
2112	551,739	7	7	0	0	0	0
2113	726,315	4	4	0	0	0	0
2114	917,161	2	2	0	0	0	0
2115	1,125,592	1	1	0	0	0	0
2116	1,353,029	1	1	0	0	0	0
2117	1,601,002	0	0	0	0	0	0



## **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**

Fiscal Year	Employer Contributions	Employee Contributions	Operating Expenses				Non-Operating Revenues (Expenses)		Net Increase (Decrease) in Plan Net Position
			Retirement Benefits	Investment Expense	Administrative Expenses	Total Expenses	Net Appreciation (Depreciation) in Fair Value of Investments	Interest & Dividends	
2013	\$ 14,816,262	\$ 4,642,790	\$ 27,155,733	\$ 189,619	\$ 169,986	\$ 27,515,338	\$ 41,169,104	\$ 3,811	\$ 33,116,629
2014	14,929,581	4,063,520	29,230,610	514,510	402,882	30,148,002	46,726,620	6,871,896	42,443,615
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)

**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)
2013	\$ 41,172,915	\$ 327,323,561	12.58%
2014	53,598,516	365,103,683	14.68%
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%

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*

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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, 2022 and 2021, and the related notes to the financial statements, and have issued our report thereon dated June 28, 2023.

### 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.

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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  
June 28, 2023



**CLAYTON COUNTY, GEORGIA  
PUBLIC EMPLOYEE RETIREMENT SYSTEM  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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**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.