City of Atlanta General Employees' Pension Fund

Actuarial Valuation and Review
as of January 1, 2006

SEGAL

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November 22, 2006

Board Members
City of Atlanta General Employees' Pension Fund
Atlanta, Georgia

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of January 1, 2006. This report outlines the valuation results for the participating General Employees of the City of Atlanta. It summarizes the actuarial data used in the valuation, establishes the funding requirements, and analyzes the preceding year's experience.

The census information was provided by the City. The actuarial calculations were completed under the supervision of Leon F. Joyner, Jr., FCA, ASA, MAAA, Enrolled Actuary.

I hereby certify that the City of Atlanta General Employees' Pension Fund for the General Employees of the City has been funded in conformity with the minimum funding standards specified in Code Section 47-20-10 of the Official Code of Georgia Annotated known as the Public Retirement Systems Standards Law. This certification covers the 2006 fiscal year of the Plan.

This actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. Further, in our opinion, the assumptions as approved by the Board are reasonably related to the experience of and the expectations for the Plan.

We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

THE SEGAL COMPANY

By: ________________________

Leon F. Joyner, Jr., FCA, ASA, MAAA
Vice President and Actuary
Enrolled Actuary No. 05-4066

SECTION 1

VALUATION SUMMARY

SECTION 2

VALUATION RESULTS

SECTION 3

SUPPLEMENTAL INFORMATION

SECTION 4

REPORTING INFORMATION

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Purpose

This report has been prepared by The Segal Company to present a valuation of the City of Atlanta General Employees' Pension Fund for the General Employees of the City as of January 1, 2006. The valuation was performed to determine whether the assets and contributions are sufficient to provide the prescribed benefits. The contribution requirements presented in this report are based on:

- The benefit provisions of the Pension Plan, as administered by the Board;
- The characteristics of covered active participants, retired participants and beneficiaries as of January 1, 2006, provided by the Board;
- The assets of the Plan as of December 31, 2005, provided by the Finance Department;
- Economic assumptions regarding future salary increases and investment earnings;
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc., and
- The estimated impact of the transfer of classified employees in the City's Defined Contribution Plan.

Significant Issues in Valuation Year

The following key findings were the result of this actuarial valuation:

- Since the recommended contribution determined in this report will be used to set the City's contribution for 2007, we have included the impact of all eligible Classified Employees currently participating in the City's Defined Contribution Plan transferring to this Plan. This transfer has not yet occurred.
- This valuation reflects the following plan changes included in the City ordinances signed on September 14, 2005. The plan changes are:
  - 10 year vesting
  - 2.5% benefit multiplier (capped at 80%)
  - Unreduced retirement at 30 years of service regardless of age
  - 20-year amortization schedule from January 1, 2005.

- This valuation reflects a new retirement rate assumption (described in Section 4, Exhibit V) for retirees eligible to retire with 30 years of service.
- The recommended contribution increased from $60,801,098 in the prior valuation to $66,103,524 this year. This includes the Plan changes noted above. See Chart 14 for a reconciliation of this increase in cost.
- The actuarial valuation report as of January 1, 2006 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan. For example, a 10% change in the current year's actuarial value of assets would produce a $5,083,062 change in the recommended contribution level. Because the actuarial value of assets involves a smoothing method, a 10% change in market value would not be fully reflected immediately in the actuarial value of assets. Rather, that effect would be spread over a period of years.
- As indicated in Section 2, Subsection B of this report, the total unrecognized investment gain as of December 31, 2005 is $30,299,594. This investment gain will be recognized in the determination of the actuarial value of assets for funding purposes in the next few years, to the extent it is not offset by recognition of investment losses derived from future experience. Therefore, if the actual market return is equal to the assumed 8.00% rate and all other actuarial assumptions are met, the contribution requirements may decrease over the next few years.

Summary of Key Valuation Results

	January 1, 2006 New Plan[1]	January 1, 2006 Current Plan[2]	January 1, 2005 New Plan[1]	January 1, 2005 Current Plan
Contributions:				
1. Normal cost	$30,198,622	$23,212,020	$30,308,403	$19,427,007
2. Expected employee contributions	12,814,884	9,837,021	13,046,782	10,177,078
3. Payment to amortize unfunded liability	46,224,408	44,148,528	41,244,263	40,568,464
4. Total required city annual contributions (1-2+3)*	66,103,524	59,780,203	60,801,098	51,772,792
5. Total required city contributions as a percentage of payroll	33.6%	39.2%	30.3%	32.8%
6. Projected city contribution for the next calendar year	69,078,182	62,470,312	63,537,147	54,102,568
7a. Actuarial value of assets	715,627,146	702,177,822	691,584,483	681,144,675
b. Market value of assets	745,926,740	732,477,416	741,214,339	730,774,531
8. Actuarial accrued liability	1,379,225,002	1,335,974,342	1,305,743,102	1,143,675,808
GASB 25/27 for plan year beginning January 1:				
Annual city required contributions at beginning of year	N/A	$57,523,527	N/A	$49,818,392
Actual contributions	N/A	- -	N/A	- -
Covered payroll	N/A	152,407,546	N/A	157,664,615
Demographic data for plan year beginning January 1:				
Number of retired participants and beneficiaries	3,083	3,083	3,031	3,031
Number of participants receiving Workers' Compensation benefits	7	7	8	8
Number of active participants	4,546 (est.)	3,319	4,755 (est.)	3,528
Total payroll	$196,727,533 (est.)	$152,407,546	$200,352,122 (est.)	$157,664,615
Average payroll	43,275 (est.)	45,920	42,135 (est.)	44,690

1 *Reflects new plan provisions effective January 1, 2006, including an estimate of the impact of the transfer of classified employees from the City's Defined Contribution Plan.*

2 *Reflects new plan provisions effective January 1, 2006 but does not include the impact of the transfer of classified employees from the City's Defined Contribution Plan.*

* *Adjusted for timing*

A. PARTICIPANT DATA

The Actuarial Valuation and Review considers the number and demographic characteristics of covered participants, including active participants, vested terminated participants, retired participants and beneficiaries.

This section presents a summary of significant statistical data on these participant groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibits A, B, and C.

A historical perspective of how the participant population has changed over the past ten valuations can be seen in this chart.

CHART 1

Participant Population: 1993 – 2005

Year Ended December 31	Active Participants*	Vested Terminated Participants**	Retired Participants and Beneficiaries	Ratio of Non-Actives to Actives
1993	5,054	- -	2,937	0.58
1995	5,069	- -	2,876	0.57
1997	4,412	522	3,171	0.84
1999	4,486	62	3,169	0.72
2000	4,454	- -	3,104	0.70
2001	4,589	- -	3,194	0.70
2002	4,107	- -	3,058	0.74
2003	3,847	- -	3,049	0.79
2004	3,528	- -	3,031	0.86
2005	3,319	- -	3,083	0.93

* *Excludes participants receiving Worker's compensation benefits. Does not include projected entrants from the City's Defined Contribution Plan.*

** *Excludes terminated participants due a refund of employee contributions.*

Active Participants*

Plan costs are affected by the age, years of service and payroll of active participants. In this year's valuation, there were 3,319 active participants with an average age of 47.7, average years of service of 14.7 years and average payroll of $45,920. The 3,528 active participants in the prior valuation had an average age of 46.9, average service of 14.0 years and average payroll of $44,690.

Among the active participants, there were none with unknown age and/or service information.

Inactive Participants

In this year's valuation, there were no participants with a vested right to a deferred or immediate vested benefit.

These graphs show a distribution of active participants by age and by years of service.

CHART 2

Distribution of Active Participants by Age as of December 31, 2005

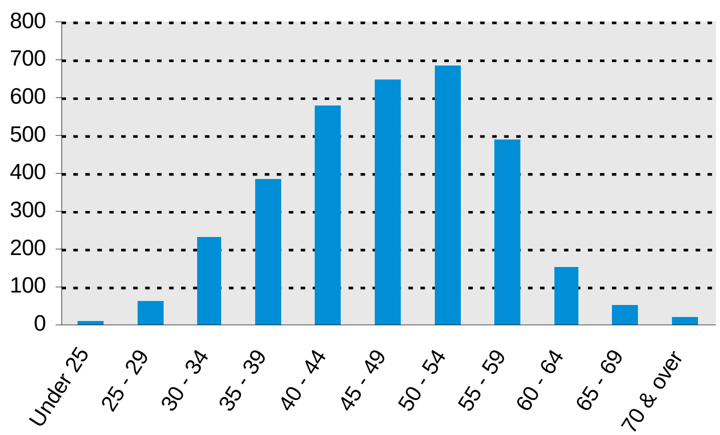
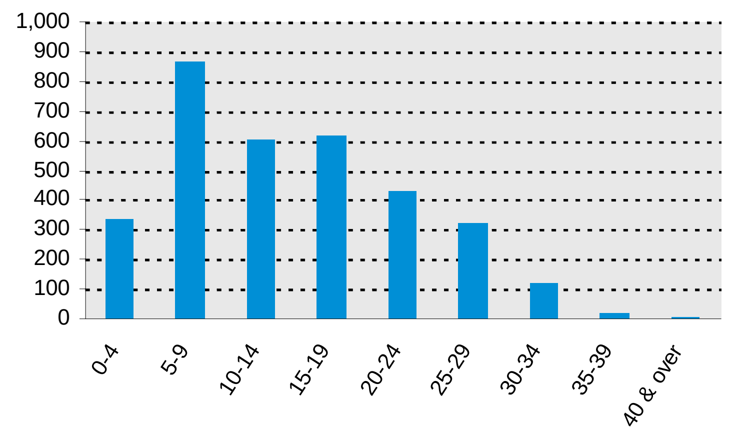


CHART 3

Distribution of Active Participants by Years of Service as of December 31, 2005



* *Does not include projected entrants from the City's Defined Contribution Plan.*

Retired Participants and Beneficiaries

As of December 31, 2005, 2,231 retired participants and 852 beneficiaries were receiving total monthly benefits of $5,036,382. For comparison, in the previous valuation, there were 2,183 retired participants and 848 beneficiaries receiving monthly benefits of $4,719,686.

These graphs show a distribution of the current retired participants and beneficiaries based on their monthly amount and age, by type of pension.

CHART 4

Distribution of Retired Participants and Beneficiaries by Type and by Monthly Amount as of December 31, 2005

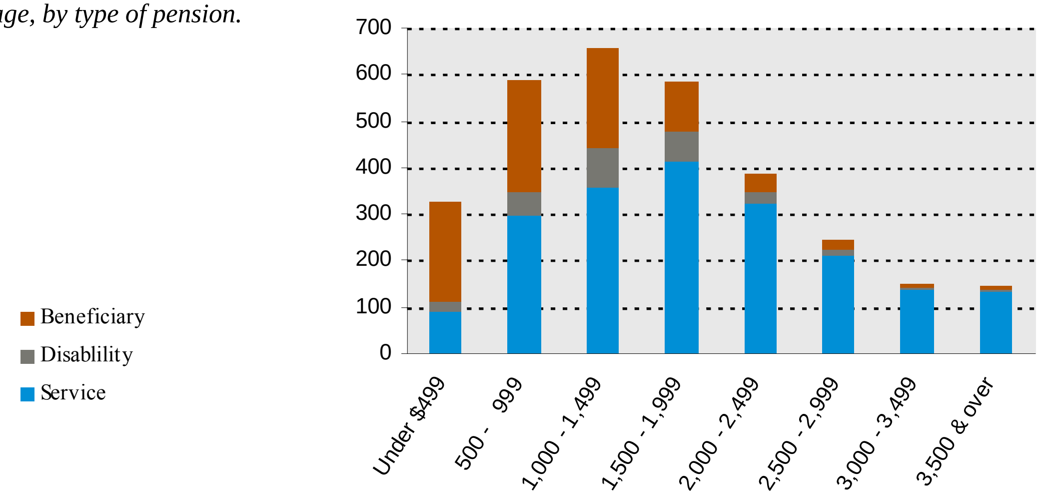
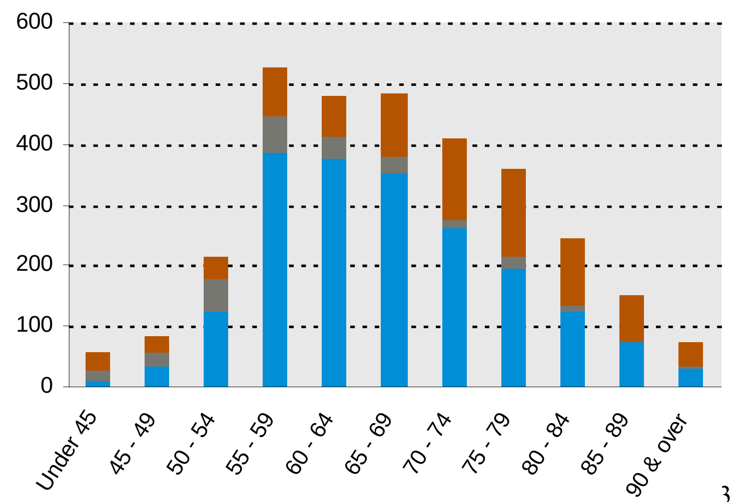


CHART 5

Distribution of Retired Participants and Beneficiaries by Type and by Age as of December 31, 2005



B. FINANCIAL INFORMATION

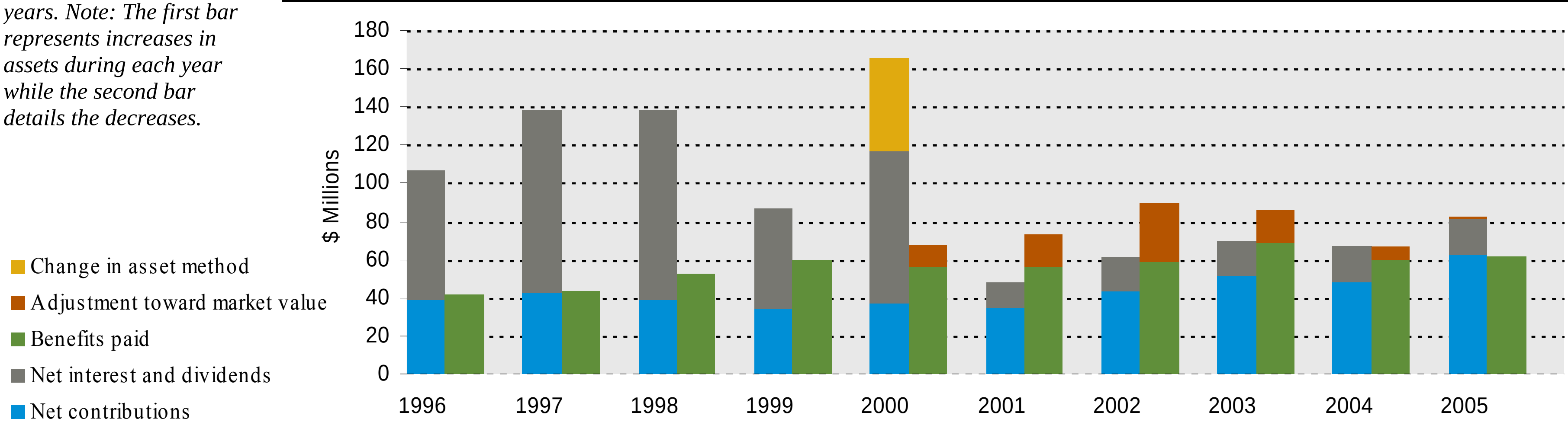
Retirement plan funding anticipates that, over the long term, both net contributions and net investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments.

Retirement plan assets change as a result of the net impact of these income and expense components. Additional financial information, including a summary of these transactions for the valuation year, is presented in Section 3, Exhibits D and E.

The chart depicts the components of changes in the actuarial value of assets over the last ten years. Note: The first bar represents increases in assets during each year while the second bar details the decreases.

CHART 6

Comparison of Increases and Decreases in the Actuarial Value of Assets for Years Ended December 31, 1996 – 2005



It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the asset value and the plan costs are more stable.

The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

The chart shows the determination of the actuarial value of assets as of the valuation date.

CHART 7

Determination of Actuarial Value of Assets for Year Ended December 31, 2005

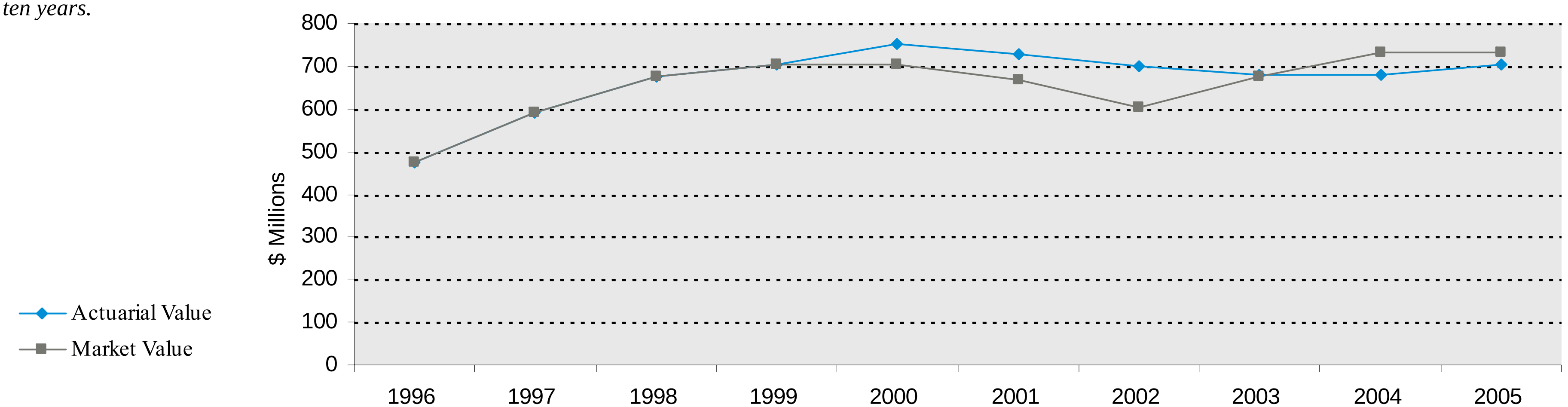
Actuarial Value as of January 1, 2005			$681,144,675
Net new money (contributions plus dividends and interest less expenses and benefit payments)			19,397,557
20% of asset appreciation/(depreciation) for the current year and the four prior years			1,635,590
Year Ended December 31:	**Asset Appreciation/ (Depreciation)**	**20% Amount**	
2005	-$17,694,672	-$3,538,934	
2004	49,348,436	9,869,687	
2003	71,522,184	14,304,437	
2002	-68,813,000	-13,762,600	
2001	-26,185,000	-5,237,000	
Total	$8,177,948	$1,635,590	
Actuarial Value of assets as of December 31, 2005			$702,177,822
Market Value of assets as of December 31, 2005			$732,477,416
Actuarial Value as percentage of Market Value			95.9%

Both the actuarial value and market value of assets are representations of the General Employees of the City of Atlanta's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The actuarial asset value is significant because the General Employees of the City of Atlanta's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

This chart shows the change in the actuarial value of assets versus the market value over the past ten years.

CHART 8

Actuarial Value of Assets vs. Market Value of Assets as of December 31, 1996 – 2005



C. ACTUARIAL EXPERIENCE

To calculate the required contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the contribution requirement will decrease from the previous year. On the other hand, the contribution requirement will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years.

The total loss is $48,773,324, comprised of a loss of $34,549,148 from investments and a loss of $14,224,176 from all other sources. The net experience variation from individual sources other than investments was 1.1% of the actuarial accrued liability. A discussion of the major components of the actuarial experience is on the following pages.

This chart provides a summary of the actuarial experience during the past year.

CHART 9

Actuarial Experience for Year Ended December 31, 2005

1.	Net loss from investments*	-$34,549,148
2.	Net loss from other experience	-14,224,176
3.	Net experience loss: (1) + (2)	-$48,773,324

** Details in Chart 10*

Investment Rate of Return

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the General Employees of the City of Atlanta's investment policy. For valuation purposes, the assumed rate of return on the actuarial value of assets is 8.00%. The actual rate of return on an actuarial basis for the 2005 plan year was 2.93%.

Since the actual return for the year was less than the assumed return, the General Employees of the City of Atlanta experienced an actuarial loss during the year ended December 31, 2005 with regard to its investments.

This chart shows the loss due to investment experience.

CHART 10

Actuarial Value Investment Experience for Year Ended December 31, 2005

1.	Actual return	$19,984,377
2.	Average value of assets	681,669,060
3.	Actual rate of return: (1) ÷ (2)	2.93%
4.	Assumed rate of return	8.00%
5.	Expected return: (2) x (4)	$54,533,525
6.	Actuarial loss: (1) – (5)	-$34,549,148

Because actuarial planning is long term, it is useful to see how the assumed investment rate of return has followed actual experience over time. The chart below shows the rate of return on an actuarial basis compared to the market value investment return for the last ten years, including five-year and ten-year averages.

We have maintained the assumed rate of return of 8.00%.

CHART 11

Investment Return – Actuarial Value vs. Market Value: 1996 - 2005

	Net Interest and Dividend Income		Recognition of Capital Appreciation		Change in Asset Method		Actuarial Value Investment Return		Market Value Investment Return	
Year Ended December 31	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
1996	$68,018,000	16.64	- -	- -	- -	- -	$68,018,000	16.64	$68,018,000	16.64
1997	95,414,000	20.09	- -	- -	- -	- -	95,414,000	20.09	95,414,000	20.09
1998	99,411,000	17.02	- -	- -	- -	- -	99,411,000	17.02	99,411,000	17.02
1999	51,690,000	7.78	- -	- -	- -	- -	51,690,000	7.78	51,690,000	7.78
2000	79,323,000	11.43	-12,239,800	-1.76	48,959,200	7.05	116,042,400	9.67	18,124,000	2.61
2001	13,298,000	1.79	-17,476,800	-2.36	- -	- -	-4,178,800	-0.56	-12,887,000	-1.86
2002	18,127,000	2.52	-31,239,400	-4.35	- -	- -	-13,112,400	-1.82	-50,686,000	-7.67
2003	18,247,735	2.65	-16,934,963	-2.46	- -	- -	1,312,772	0.19	89,769,919	15.12
2004	19,066,970	2.82	-7,065,273	-1.05	- -	- -	12,001,697	1.78	68,415,406	10.24
2005	18,348,787	2.69	1,635,590	0.24	- -	- -	19,984,377	2.93	654,115	0.09
Total	$480,944,492		-$83,320,646		$48,959,200		$446,583,046		$427,923,440	
							Five-year average return	0.46%		2.85%
							Ten-year average return	6.28%		6.93%

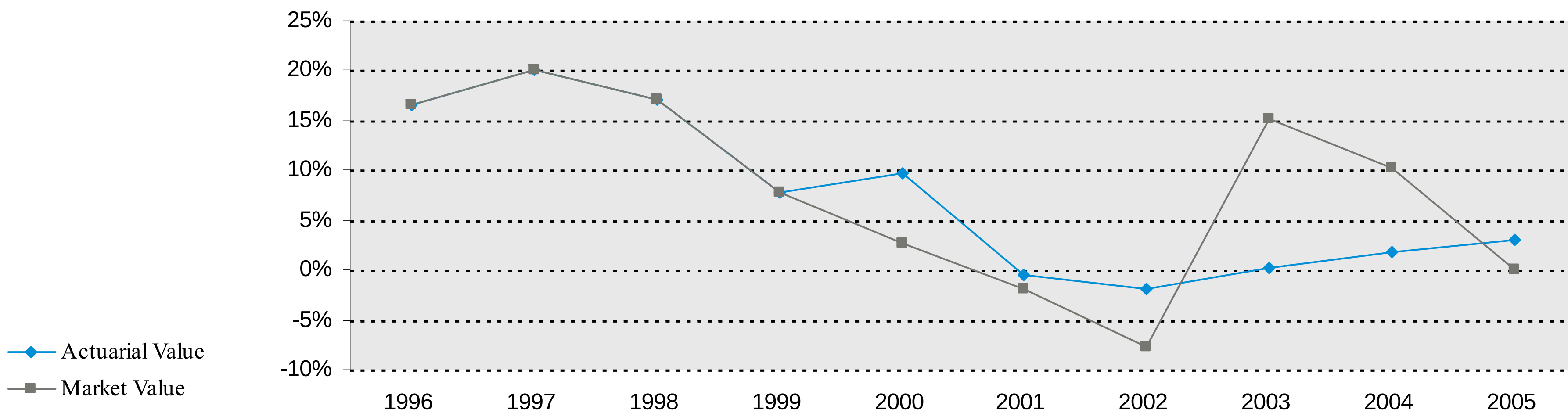
Note: Each year's yield is weighted by the average asset value in that year.

Subsection B described the actuarial asset valuation method that gradually takes into account fluctuations in the market value rate of return. The effect of this is to stabilize the actuarial rate of return, which contributes to leveling pension plan costs.

This chart illustrates how this leveling effect has actually worked over the years 1996 - 2005 .

CHART 12

Market and Actuarial Rates of Return for Years Ended December 31, 1996 - 2005



Other Experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- the extent of turnover among the participants,
- retirement experience (earlier or later than expected),
- mortality (more or fewer deaths than expected),
- the number of disability retirements, and
- salary increases different than assumed.

The net loss from this other experience for the year ended December 31, 2005 amounted to $14,224,176 which is 1.1% of the actuarial accrued liability. This loss shows that the plan's experience is reasonably related to the actuarial assumptions.

The chart compares this valuation's recommended contribution with the prior valuation.

D. RECOMMENDED CONTRIBUTION

The recommended contribution is based on a 20-year amortization of the unfunded actuarial accrued liability, as directed by the Board of Trustees in accordance with City Charter. As of January 1, 2006, there are 19 years remaining on this schedule. Prior to 2005 the recommended contribution was based on a 40-year amortization from January 1, 1979 that would have resulted in 13 years remaining on the schedule.

The contribution rates as of January 1, 2006 are based on all of the data described in the previous sections, the actuarial assumptions described in Section 4, and the Plan provisions adopted at the time of preparation of the Actuarial Valuation.

CHART 13

Recommended Contribution

	Year Beginning January 1			
	2006 New Plan*	2006 Current Plan**	2005 New Plan*	2005 Current Plan
	Amount	Amount	Amount	Amount
1. Total normal cost	$30,198,622	$23,212,020	$30,308,403	$19,427,007
2. Expected employee contributions	-12,814,884	-9,837,021	-13,046,782	-10,177,078
3. City normal cost: (1) + (2)	$17,383,738	$13,374,999	$17,261,621	$9,249,929
4. Actuarial accrued liability	1,379,225,002	1,335,974,342	1,305,743,102	1,143,675,808
5. Actuarial value of assets	715,627,146	702,177,822	691,584,483	681,144,675
6. Unfunded actuarial accrued liability: (4) - (5)	$663,597,856	$633,796,520	$614,158,619	$462,531,133
7. Payment on unfunded actuarial accrued liability***	46,224,408	44,148,528	41,244,263	40,568,464
8. Total recommended contribution: (3) + (7), adjusted for timing****	$66,103,524	$59,780,203	$60,801,098	$51,772,792
9. Projected payroll	$196,727,533	$152,407,546	$200,352,122	$157,664,615
10. Total recommended contribution as a percentage of payroll	33.6%	39.2%	30.3%	32.8%
11. Projected City contribution for the next calendar year	69,078,182	62,470,312	63,537,147	54,102,568

* *Reflects new plan provisions effective January 1, 2006, including an estimate of the impact of the transfer of classified employees from the City's Defined Benefit Contribution Plan.*

** *Reflects new plan provisions effective January 1, 2006 but does not include the impact of the transfer of classified employees from the City's Defined Contribution Plan.*

*** *14 years for 2005 current plan, 20 years for 2005 new plan, 19 years for 2006 new and current plans.*

**** *Recommended contributions are assumed to be paid at the middle of every year.*

Reconciliation of Recommended Contribution
The chart below details the changes in the recommended contribution from the prior valuation to the current year's valuation.

The major reasons for the increase in the contribution were an investment loss on the actuarial value of assets and a decrease in the amortization period of the remaining unfunded liability from 20 years to 19 years.

The chart reconciles the contribution from the prior valuation to the amount determined in this valuation.

CHART 14

Reconciliation of Recommended Contribution from January 1, 2005 to January 1, 2006

Recommended Contribution as of January 1, 2005	$60,801,098
Effect of amortization schedule	$1,725,141
Effect of contributions less than recommended contribution	652,663
Effect of investment loss	2,501,011
Effect of other gains and losses on accrued liability	1,029,687
Effect of net other changes	-606,076
Total change	$5,302,426
Recommended Contribution as of January 1, 2006	$66,103,524

E. INFORMATION REQUIRED BY THE GASB

Governmental Accounting Standards Board (GASB) reporting information provides standardized information for comparative purposes of governmental pension plans. This information allows a reader of the financial statements to compare the funding status of one governmental plan to another on relatively equal terms.

Critical information to GASB is the historical comparison of the GASB required contribution to the actual contributions. This comparison demonstrates whether a plan is being funded on an actuarially sound basis and in accordance with the GASB funding requirements.

The other critical piece of information regarding the Plan’s financial status is the funded ratio. This ratio compares the actuarial value of assets to the actuarial accrued liabilities of the plan as calculated under GASB. High ratios indicate a well-funded plan with assets sufficient to pay most benefits. Lower ratios may indicate recent changes to benefit structures, funding of the plan below actuarial requirements, poor asset performance, or a variety of other changes.

The details regarding the calculations of these values and other GASB numbers may be found in Section 4, Exhibits II, III, and IV. Note that these exhibits do not include the impact of new participants from the City’s Defined Contribution Plan except as noted.

F. STATE MINIMUM REQUIREMENTS

Under Georgia minimum funding requirements, this liability may be amortized as a percent of payroll, rather than a fixed dollar amount. In general, with fixed dollar amortization, actual experience close to the assumptions will result in a total contribution requirement (the normal cost plus the payment on the unfunded actuarial liability) that decreases over time as a percentage of payroll. With percentage of payroll amortization, given expected experience, the total contribution requirement should remain level as a percentage of payroll. (It should be noted that pensioner increases are an exception and must be amortized as a fixed dollar amount over 10 years.)

Prior to the 2005 valuation, your Fund had adopted the policy of amortizing the unfunded actuarial liability as a level percentage of payroll over 40 years from January 1, 1979. Effective with contributions made for 2006 and determined with last year's valuation, the amortization period is changed to 20 years from January 1, 2005. The contributions determined under this method continue to meet the Georgia minimum funding requirements.

EXHIBIT A

Table of Plan Coverage

Category	Year Ended December 31 2005*	Year Ended December 31 2004*	Change From Prior Year
Active participants in valuation:			
Number	3,319	3,528	-5.9%
Average age	47.7	46.9	N/A
Average service	14.7	14.0	N/A
Total payroll	$152,407,546	$157,664,615	-3.3%
Average payroll	45,920	44,690	2.8%
Account balances	147,099,300	143,934,088	2.2%
Total active vested participants	3,157	2,948	7.1%
Participants receiving Worker's Compensation benefits	7	8	-12.5%
Retired participants:			
Number in pay status	1,965	1,919	2.4%
Average age	66.9	66.9	N/A
Average monthly benefit	$1,914	$1,828	4.7%
Disabled participants:			
Number in pay status	266	264	0.8%
Average age	59.9	59.8	N/A
Average monthly benefit	$1,422	$1,380	3.0%
Beneficiaries in pay status	852	848	0.5%

* *Does not include projected entrants from the City's Defined Contribution Plan.*

EXHIBIT B

Participants in Active Service as of December 31, 2005
By Age, Years of Service, and Average Salary

		Years of Service								
Age	Total	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & over
Under 25	9	8	1	- -	- -	- -	- -	- -	- -	- -
	$30,724	$31,173	$27,131	- -	- -	- -	- -	- -	- -	- -
25 - 29	64	21	42	1	- -	- -	- -	- -	- -	- -
	34,268	33,231	34,542	$44,490	- -	- -	- -	- -	- -	- -
30 - 34	229	46	149	32	2	- -	- -	- -	- -	- -
	39,669	35,443	40,238	43,294	$36,544	- -	- -	- -	- -	- -
35 - 39	384	39	179	111	54	1	- -	- -	- -	- -
	41,688	36,943	39,632	45,126	44,898	$39,869	- -	- -	- -	- -
40 - 44	581	51	163	149	148	68	2	- -	- -	- -
	44,388	39,864	40,921	45,174	47,295	47,468	$63,994	- -	- -	- -
45 - 49	650	64	131	103	168	119	63	2	- -	- -
	45,879	41,559	41,775	47,022	47,114	49,252	47,462	$39,916	- -	- -
50 - 54	684	60	99	84	131	117	128	63	2	- -
	49,176	43,867	42,227	45,227	49,153	53,102	56,175	49,101	$44,352	- -
55 - 59	491	34	77	71	69	88	105	36	10	1
	50,212	44,736	40,001	51,057	48,502	52,828	54,639	58,271	56,133	$36,485
60 - 64	153	9	22	34	32	24	19	8	5	- -
	49,521	37,376	44,373	44,647	52,103	50,217	53,603	60,578	74,119	- -
65 - 69	54	1	4	16	9	8	6	5	2	3
	46,154	28,267	40,267	53,571	40,863	42,880	49,106	42,939	62,207	33,764
70 & over	20	1	- -	6	4	2	1	4	1	1
	43,744	30,014	- -	40,915	52,342	44,446	34,415	45,695	36,867	47,052
Total	3,319	334	867	607	617	427	324	118	20	5
	$45,920	$39,697	$40,494	$46,224	$47,719	$50,650	$53,683	$52,144	$59,096	$36,966

This exhibit does not include projected entrants from the City's Defined Contribution Plan.

EXHIBIT C

Reconciliation of Participant Data

	Active Participants	Participants Receiving Workers' Compensation	Disableds	Retired Participants	Beneficiaries	Total
Number as of January 1, 2005	3,528	8	264	1,919	848	6,567
Show-ups	40	0	0	20	46	106
Terminations	-117	0	0	0	0	-117
Retirements	-110	0	N/A	110	N/A	0
New disabilities	-14	-1	15	N/A	N/A	0
Return to work	0	0	0	0	N/A	0
Died with beneficiary	-1	0	0	-4	0	-5
Died without beneficiary	-3	0	-9	-81	-51	-144
Lump sum payoffs	0	0	0	0	0	0
Rehired	0	0	0	0	N/A	0
Certain period expired	N/A	0	0	0	0	0
Data adjustments	-4	0	-4	1	9	2
Active participants no longer accruing benefits	0	0	N/A	N/A	N/A	0
Number as of January 1, 2006	3,319	7	266	1,965	852	6,409

This exhibit does not include projected entrants from the City's Defined Contribution Plan.

EXHIBIT D

Summary Statement of Income and Expenses on an Actuarial Value Basis

	Year Ended December 31, 2005		Year Ended December 31, 2004	
Contribution income:				
Employer contributions	$51,785,164		$37,051,528	
Employee contributions	10,893,857		10,670,811	
Net contribution income		$62,679,021		$47,722,339
Investment income:				
Interest, dividends and other income	$21,146,934		$21,516,384	
Adjustment toward market value	1,635,590		-7,065,273	
Less investment and administrative fees	-2,798,147		-2,449,414	
Net investment income		19,984,377		12,001,697
Total income available for benefits		$82,663,398		$59,724,036
Less benefit payments:				
Pension payments	-$59,761,375		-$57,573,617	
Early withdrawals	-1,867,309		-868,182	
Refunds	-1,567		-1,296,831	
Net benefit payments		-$61,630,251		-$59,738,630
Change in reserve for future benefits		$21,033,147		-$14,594

EXHIBIT E

Development of the Fund Through December 31, 2005

Year Ended December 31	Employer Contributions	Employee Contributions	Net Investment Return*	Benefit Payments	Actuarial Value of Assets at End of Year
1996	$26,807,400	$12,073,600	$68,018,000	$41,775,000	$475,404,000
1997	28,152,700	14,454,300	95,414,000	43,367,000	590,739,000
1998	22,667,900	16,528,100	99,411,000	52,402,000	676,944,000
1999	23,807,500	10,987,500	51,690,000	60,048,000	703,381,000
2000	26,206,000	10,886,000	116,042,400	55,816,000	751,740,200
2001	22,460,000	12,054,000	-4,178,800	55,895,000	726,180,400
2002	30,910,000	12,390,000	-13,112,400	58,619,000	697,749,000
2003	40,699,549	10,533,540	1,312,772	69,135,592	681,159,269
2004	37,051,528	10,670,811	12,001,697	59,738,630	681,144,675
2005	51,785,164	10,893,857	19,984,377	61,630,251	702,177,822

** Net of investment fees and administrative expenses. Includes $48,959,200 adjustment for asset method change in 2000.*

EXHIBIT F

Development of Unfunded Actuarial Accrued Liability* for Year Ended December 31, 2005

1. Unfunded actuarial accrued liability at beginning of year		$462,531,133
2. Total normal cost at beginning of year		19,427,007
3. Total contributions		-62,679,021
4. Interest		
(a) For whole year on (1) + (2)	$38,556,651	
(b) For half year on (3)	-2,507,161	
(c) Total interest		36,049,490
5. Expected unfunded/(overfunded) actuarial accrued liability		$455,328,609
6. Changes due to:		
(a) (Gain)/loss	$48,773,324	
(b) Assumptions	15,185,078	
(c) Funding method	- -	
(d) Plan provisions	114,509,509	
(e) Total changes		178,467,911
7. Unfunded actuarial accrued liability at end of year		$633,796,520

* *Excludes projected entrants from the City's Defined Contribution Plan.*

EXHIBIT G

Definitions of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Assumptions or Actuarial Assumptions: The estimates on which the cost of the Plan is calculated including:

(a) Investment return — the rate of investment yield that the Plan will earn over the long-term future;

(b) Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates;

(c) Retirement rates — the rate or probability of retirement at a given age;

(d) Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.

Normal Cost: The amount of contributions required to fund the benefit allocated to the current year of service.

Actuarial Accrued Liability For Actives: The equivalent of the accumulated normal costs allocated to the years before the valuation date.

Actuarial Accrued Liability For Pensioners: The single sum value of lifetime benefits to existing pensioners. This sum takes account of life expectancies appropriate to the ages of the pensioners and the interest that the sum is expected to earn before it is entirely paid out in benefits.

Unfunded Actuarial Accrued Liability: The extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. There are many approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.

Amortization of the Unfunded Actuarial Accrued Liability: Payments made over a period of years equal in value to the Plan's unfunded actuarial accrued liability.

Investment Return: The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.

EXHIBIT H

Supplemental Information - Actuarial Present Value of Accumulated Plan Benefits

The actuarial present value of accumulated plan benefits is shown below as of January 1, 2006 and as of January 1, 2005.

	Benefit Information Date	
	January 1, 2006*	**January 1, 2005****
Actuarial present value of vested accumulated plan benefits:		
Participants currently receiving payments	$707,302,886	$661,989,986
Other vested benefits	370,008,672	278,423,893
Total vested benefits	$1,077,311,558	$940,413,879
Actuarial present value of non-vested accumulated plan benefits	53,927,312	38,778,513
Total actuarial present value of accumulated plan benefits	$1,131,238,870	$979,192,392
Assets (Actuarial Value):	$702,177,822	$681,144,675
Funded Ratios:		
Assets as a percentage of present value of vested accumulated benefits	65.2%	72.4%
Assets as a percentage of present value of accumulated benefits	62.1%	69.6%

The amounts stated as vested benefits include employee contribution accounts, which are considered 100% vested.
* *Excludes projected entrants from the City's Defined Contribution Plan.*
** *Excludes plan and assumption changes and projected entrants from the City's Defined Contribution Plan.*

EXHIBIT H (continued)

Supplemental Information - Actuarial Present Value of Accumulated Plan Benefits

The factors that affected the change in the actuarial present value of accumulated plan benefits from the preceding to the current benefit information date are as follows:

Factors	Change in Actuarial Present Value of Accumulated Plan Benefits
Benefits accumulated, net experience gain or loss, changes in data	$42,090,541
Benefits paid	-61,630,251
Interest	75,870,181
Plan changes	82,387,370
Assumption changes	13,328,637
Total	$152,046,478

Plan changes include the effect of the 2.5% benefit multiplier (capped at 80%) and unreduced retirement at 30 years of service regardless of age. Assumption changes include the new retirement rates for participants with 30 years of service.

EXHIBIT H (continued)

Supplemental Information – Balance Sheet as of January 1, 2006

Present Value of Benefits*	
1) Present Value of Retired Employees' Benefits**	$707,302,886
2) Present Value of Active Employees' Benefits***	803,725,450
Total Present Value of Benefits	$1,511,028,336
Assets (Current and Future)	
1) Assets on Hand (Actuarial Value)	$702,177,822
2) Present Value of Future Employee Contributions	77,020,040
3) Present Value of Future City Contributions (Includes 1% Portion of Employee Contributions)	98,033,954
4) Present Value of Future City Contributions Necessary to Fund Unfunded Actuarial Accrued Liability Over 20 years from January 1, 2005*	633,796,520
Total Assets	$1,511,028,336

* *Excludes projected entrants from the City's Defined Contribution Plan.*

** *3,083 retired members (including 852 beneficiaries in pay status) with an average monthly benefit of $1,634.*

*** *Includes liability for employees receiving Workers' Compensation benefits who are continuing to accrue pension credit.*

EXHIBIT H (continued)

Supplemental Information – Estimated Projection of Total Payroll and Unfunded Accrued Liabilities* ($ in thousands)

		Payment on Unfunded Accrued Liability		
Year	**Total Payroll****	**Dollar Amount**	**As a % of UAL**	**Estimated Unfunded Accrued Liability at End of Year*****
2005	- -	- -	- -	663,598
2006	$196,728	48,038	7.0%	666,763
2007	205,580	50,200	7.2%	667,936
2008	214,831	52,458	7.6%	666,854
2009	224,499	54,819	7.9%	663,233
2014	279,766	68,315	10.7%	594,945
2019	348,640	85,132	18.1%	401,167
2024	434,469	106,090	100.0%	- -

* *Reflects new plan provisions effective January 1, 2006, including an estimate of the impact of the transfer of classified employees from the City's Defined Contribution Plan.*

** *Total payroll is assumed to increase 4.5% per year.*

*** *Unfunded accrued liability at end of previous year, plus 8% interest, less payment on unfunded accrued liability with interest to end of year. It should be noted that the unfunded accrued liability will increase until the end of the year 2007. In subsequent years, the payments on the unfunded accrued liability reduce this amount until the end of the year 2024 (when the unfunded accrued liability will be fully amortized).*

EXHIBIT I

Summary of Actuarial Valuation Results

The valuation was made with respect to the following data supplied to us:			
1.	Retired participants as of the valuation date (including 852 beneficiaries in pay status)		3,083
2.	Participants receiving Workers' Compensation benefits		7
3.	Participants active during the year ended December 31, 2005		3,319
	Fully vested	2,267	
	Partially vested	890	
	Not vested	162	
4.	Estimated number of classified employees as if transferred from City's Defined Contribution Plan as of January 1, 2006*		1,227
The actuarial factors as of the valuation date are as follows:			
1.	Normal cost		$30,198,622
2.	Actuarial accrued liability		1,379,225,002
	Retired participants and beneficiaries	$707,302,886	
	Active participants**	671,922,116	
3.	Actuarial value of assets ($745,926,740 at market value)		715,627,146
4.	Unfunded actuarial accrued liability		$663,597,856

* *This exhibit reflects new plan provisions effective January 1, 2006, and an estimate of the impact of the transfer of classified employees from the City's Defined Contribution Plan which has not yet occurred.*

** *Includes liability for participants receiving Workers' Compensation benefits who are continuing to accrue pension credit*

EXHIBIT I (continued)

Summary of Actuarial Valuation Results

The determination of the recommended contribution is as follows:

1.	Total normal cost	$30,198,622
2.	Less expected employee contributions	-12,814,884
3.	Employer normal cost: (1) + (2)	$17,383,738
4.	Payment on unfunded actuarial accrued liability	46,224,408
5.	Total recommended contribution: (3) + (4), adjusted for timing	$66,103,524
6.	Projected City contribution for the next calendar year	$69,078,182

* *This exhibit reflects new plan provisions effective January 1, 2006, and an estimation of the impact of the transfer of classified employees from the City's Defined Contribution Plan which has not yet occurred.*

** *Includes liability for participants receiving Workers' Compensation benefits who are continuing to accrue pension credit.*

EXHIBIT II

Supplementary Information Required by the GASB – Schedule of Employer Contributions

Plan Year Ended December 31	Annual Required Contributions	Actual Contributions	Percentage Contributed
2001	$22,460,000	$22,460,000	100%
2002	35,458,646	30,910,000	87%
2003	38,748,328	40,699,549	100%
2004	44,791,334	37,051,528	83%
2005*	49,818,392	51,785,164	100%
2006**	57,523,527	--	--
2007***	66,470,512	--	--

* *Excludes plan and funding changes and projected entrants from the City's Defined Contribution Plan.*

** *Excludes projected entrants from the City's Defined Contribution Plan but includes plan and funding changes effective January 1, 2006.*

*** *Reflects plan and funding changes effective January 1, 2006 and includes projected entrants from the City's Defined Contribution Plan.*

EXHIBIT III

Supplementary Information Required by the GASB – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded/ (Overfunded) AAL (UAAL) (b) - (a)	Funded Ratio (a) / (b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll** [(b) - (a)] / (c)
01/01/2001	751,740,200	979,263,900	227,523,700	76.77%	153,261,900	148.45%
01/01/2002	726,180,400	1,059,876,298	333,695,898	68.52%	175,752,108	189.87%
01/01/2003	697,749,000	1,070,173,370	372,424,370	65.20%	163,462,875	227.83%
01/01/2004	681,159,269	1,110,501,349	429,342,080	61.34%	160,766,642	267.06%
01/01/2005	681,144,675	1,143,675,808	462,531,133	59.56%	157,664,615	293,36%
01/01/2006*	702,177,822	1,335,974,342	633,796,520	52.56%	152,407,546	415.86%

* *Excludes projected entrants from the City's Defined Contribution Plan but includes new plan provisions.*
** *Not less than zero*

EXHIBIT IV

Supplementary Information Required by the GASB

Valuation date	January 1, 2006	
Actuarial cost method	Entry Age Normal Cost Method	
Amortization method	Level percent of payroll	
Remaining amortization period	20 years as of January 1, 2005. 19 years remaining as of January 1, 2006	
Asset valuation method	Actuarial value from the prior year plus net new money plus 20% of the asset appreciation /(depreciation) for the current year and each of the prior four years.	
Actuarial assumptions:		
Investment rate of return	8.00%	
Projected salary increases	4.50% (plus age-related salary scale)	
Cost of living adjustments	3.00%	
Plan membership:		
Retired participants and beneficiaries receiving benefits	3,083	
Participants receiving Workers' Compensation benefits	7	
Active plan members	3,319	
Total	6,409	

* *Excludes projected entrants from the City's Defined Contribution Plan.*

EXHIBIT V

Actuarial Assumptions and Actuarial Cost Method

Mortality Rates:

Healthy: 110% of the 1983 Group Annuity Mortality Table

Disabled: 110% of the 1983 Group Annuity Mortality Table, with ages set forward 10 years

Mortality and Disability Rates before Retirement:

	Rate (%)			
	Mortality		Ordinary Disability	
Age	Male	Female	Male	Female
20	0.04	0.02	0.11	0.05
25	0.05	0.03	0.13	0.08
30	0.07	0.04	0.17	0.13
35	0.09	0.05	0.23	0.23
40	0.14	0.07	0.35	0.33
45	0.24	0.11	0.54	0.51
50	0.43	0.18	0.91	0.80
55	0.67	0.28	1.59	1.34
60	1.01	0.47	2.38	1.64

* *Occupational disability rates are 10% of the ordinary disability rates.*

Termination Rates before Retirement

Age	In 1st year of Employment	1 yr. of Service	2 yrs. of Service	3 yrs. of Service	4 yrs. of Service	5 or more yrs. of Service
25	26.25%	22.50%	18.75%	15.00%	11.25%	11.25%
30	26.25	22.50	18.75	15.00	11.25	9.18
35	26.25	22.50	18.75	15.00	11.25	6.72
40	26.25	22.50	18.75	15.00	11.25	4.92
45	26.25	22.50	18.75	15.00	11.25	3.48
50	26.25	22.50	18.75	15.00	11.25	0.00
55	22.50	18.75	15.00	11.25	0.00	0.00

Retirement Rates:

Current Year Assumption			Prior Year Assumption	
Age	Retirement Probability		Age	Retirement Probability
	<30 Years of Service	≥30 Years of Service		
50-54	2%	10%	50-54	2%
55	15	22.5	55	15
56-59	10	15	56-59	10
60	40	40	60	40
61-64	20	20	61-64	20
65-69	30	30	65-69	30
70	100	100	70	100

Percent Married: 75%

Age of Spouse: Females are assumed to be 3 years younger than their male spouses.

Net Investment Return: 8.00%; the investment return rate is assumed to be net of investment and administrative expenses.

Salary Increases:

Age	Rate (%)
25	9.00
30	8.25
35	7.50
40	6.75
45	6.00
50	5.25

Above rates include 4.50% inflation.

Retirement benefits are increased by 4% to reflect vacation pay.

Cost of Living Adjustment: 3.00%, compounded annually.

Actuarial Value of Assets:	Actuarial value from the prior year, plus net new money, plus 20% of the asset appreciation/(depreciation) for the current year and each of the prior four years.
Actuarial Cost Method:	Entry Age Normal Actuarial Cost Method. Entry Age is the age at the date of hire.
Changes in Assumptions:	Effective January 1, 2006, in conjunction with plan changes, the retirement rates were changed for participants attaining eligibility for unreduced retirement with 30 years of credited service as shown on the prior page.

EXHIBIT VI
Summary of Plan Provisions

This exhibit summarizes the major provisions of the General Employees of the City of Atlanta included in the valuation. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions.

Plan Year:	January 1 through December 31
Normal Pension:	
Eligibility	A participant may retire at (a) age 65, or (b) age 60 after completing 15 years of service.
Monthly Amount	2.0% of average monthly salary for each year of credited service. This amount cannot be less than $12 per month for each year of service. Average monthly salary is defined as the highest average monthly base compensation over any 36-month period. **Effective January 1, 2006, the multiplier is changed from 2.0% to 2.5% per year of credited service, capped at 80% of average monthly salary.**
Normal Form of Payment	75% joint and survivor (no reduction in benefit for providing survivor coverage).
Early Pension:	
Service Requirement	15 years credited service
Monthly Amount	Normal pension monthly amount reduced by 1/2 of 1% per month for the first 60 months and by 1/4 of 1% per month for the remaining months by which age at retirement is less than 60. More favorable early retirement adjustments may apply to participants in prior plans. **Effective January 1, 2006, unreduced early retirement is available with 30 years of credited service.**

Disability:

Service Requirement	5 years credited service for non-job-related disability. None for job related disability.
Monthly Amount	Normal pension based on service accrued and final average salary at disability, payable immediately; cannot be less than 50% of average monthly salary. This amount is payable until attainment of normal retirement age at which time the benefit is recalculated to include years while disabled as years of service.

Vesting Schedule:

An employee who terminates employment may receive a percentage of the accrued benefit payable at age 60 as determined below:

Completed Years of Service	Percentage Vested*	Effective January 1, 2006 Percentage Vested*
Less than 5	0%	0%
5	25	25
6	30	30
7	35	35
8	40	40
9	45	45
10	50	100
11	60	100
12	70	100
13	80	100
14	90	100
15 or more	100	100

* A participant is always 100% vested in his/her contributions to the Plan.

Termination:

A participant terminating employment may elect a refund of their own contributions with interest. A refund will cause the forfeiture of any other vested accrued benefit from the Plan.

Death Benefits:	If a participant dies prior to attainment of eligibility for retirement, a lump sum of contributions with interest is payable to a beneficiary or estate. If an active participant who is eligible to retire, or a retired participant, dies, 75% of the accrued pension benefit is payable to the beneficiary. Eligible beneficiaries are the spouse or unmarried children under 18. If the spouse is more than five years younger than the participant, the amount payable is reduced by 2% per year by which the spouse is younger.
Credited Service:	Service is credited for employment as an employee of the Atlanta Board of Education or as a general employee of the City of Atlanta. Additional credit is granted for accumulated sick leave and for other prior service as specified in the plan.
Participation:	All employees of the City of Atlanta, excluding temporary employees, firefighters, police officers, and employees of the Atlanta Board of Education covered by the Georgia Teachers' Retirement System. Effective September 1, 2005, new employees will participate in this plan. Classified employees currently participating in the Defined Contribution plan may elect to transfer to this plan effective January 1, 2006 but this transfer has not yet occurred.

Employee Contributions:

Employee	% of Base Salary
Unmarried employees without dependents	7%
Unmarried employees with dependent minor children	8%
Married employees	8%

Employee contributions earn 5% interest each year.

Note: The City of Atlanta currently pays 1% of the employee contribution rates shown above for City employees.

Cost-of-Living Provision:	Benefits are adjusted annually on January 1 of each year based on the change in the Consumer Price Index from November 1 through October 31 of the preceding year. Such annual adjustment cannot exceed 3%.
Changes in Plan Provisions:	Since the prior valuation, the benefit formula, retirement eligibility and vesting schedule have changed as highlighted above.