CITY OF ATLANTA, GEORGIA
GENERAL EMPLOYEES' PENSION PLAN

Financial Statements and Required Supplemental Schedules

June 30, 2022 and 2021

(With Independent Auditors' Report Thereon)

CITY OF ATLANTA, GEORGIA

GENERAL EMPLOYEES' PENSION PLAN

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MAULDIN & JENKINS
CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

The City of Atlanta Defined Benefit Pension Investment Board
General Employees' Pension Plan
City of Atlanta, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Atlanta, Georgia General Employees' Pension Plan (the "Plan") (a fiduciary fund of the City of Atlanta, Georgia) as of and for the year ended June 30, 2022, 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 fiduciary net position of the City of Atlanta, Georgia General Employees' Pension Plan (a fiduciary fund of the City of Atlanta, Georgia), as of June 30, 2022, and the respective change in its fiduciary net position for the year 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.

Prior Period Financial Statements

The financial statements of the Plan as of June 30, 2021 were audited by other auditors whose report dated December 15, 2021 expressed an unmodified 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 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10 and the schedule of pension investment returns information on page 31 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2022, on our consideration of the Plan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Plan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
December 23, 2022

As management, we offer readers of the General Employees' Pension Plan (the Plan) financial statements, this narrative overview and analysis of the financial activities of the Plan for the years ended June 30, 2022 and 2021. This overview compares the year ended June 30, 2022 with the year ended June 30, 2021 and the year ended June 30, 2021 with the year ended June 30, 2020. Readers are encouraged to read the Notes to the Financial Statements in conjunction with the financial statements presented, following this narrative.

In December 2017, the City of Atlanta (the City) adopted legislation to combine the management of its three separate pension plans and create one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board (the Board) in order to improve administrative efficiency, governance and investment returns. The City consolidated and set minimum requirements for the Investment Board of Trustees of the three Pension Plans in order to optimize investment returns, establish national leadership in pension management best practices, and increase the City's revenues available for compensation of active employees.

The Plan is administered as an agent multiple-employer, defined-benefit plan by the Board, which includes the Chair who is an appointee of the Mayor, the Mayor or a designee serving as Vice Chair of the Investment Board, three city council members appointed by the Mayor, one member appointed by the Atlanta Board of Education (School System), one member appointed by the President of the Atlanta City Council who is a participant in any of the three Plans, the City's Chief Financial Officer, the Human Resources Commissioner, and four members elected by active and retired participants as follows: one from the City of Atlanta, Georgia General Employees Pension Fund, one from the Atlanta Public Schools General Employees Pension Fund, one from the City of Atlanta, Georgia Firefighters' Pension Fund and one from the City of Atlanta, Georgia Police Officers' Pension Fund. Each pension law modification must be adopted by at least two-thirds vote of the City Council and be approved by the Mayor.

Financial Highlights

- At June 30, 2022 and 2021, the assets of the Plan exceeded its liabilities by $1.63 billion and $1.91 billion, respectively.
- The total net position decreased in 2022 by $275.5 million or 14.4% compared with the net position at June 30, 2021. The total net position increased in 2021 by $410.1 million or 27.3% compared with the net position at 2020.
- Net investment income decreased in 2022 by $685.8 million or 147.7%. Net investment income increased in 2021 by $411.8 million or 783.2% compared to fiscal year 2020.
- Contributions received from employers and employees were higher in 2022 than 2021 at $132.4 million and $128.2 million, respectively, as compared to contributions received from employers and employees of $126.1 million in fiscal year 2020.
- Benefit payments in 2022 totaled $184.2 million, an increase of $4.2 million or 2.3% when compared with fiscal year 2021. Benefit payments in 2021 totaled $180.0 million, a decrease of $0.7 million or 0.4% when compared with fiscal year 2020.

Fiduciary Funds

The Plan is considered a fiduciary fund of the City of Atlanta, Georgia (City). The City's Annual Comprehensive Financial Report (ACFR) for the years ended June 30, 2022 and 2021 should be read in conjunction with these financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the city government, but over which the city government maintains a meaningful degree of ongoing responsibility. The financial statements of fiduciary funds are presented using the economic resources measurement focus, or full accrual basis of accounting, similar to private sector businesses.

Directly following this management discussion and analysis are the basic financial statements. The *basic financial statements* and required notes to the financial statements are prepared in accordance with accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB).

Basic financial statements comprise the following:

The *Statement of Fiduciary Net Position* presents information on the assets and liabilities of the Plan, with the difference between the two reported as *net position*. The investments of the Plan in this statement are presented at fair value.

The *Statement of Changes in Fiduciary Net Position* presents information showing how the Plan's net position changed during the fiscal year. The additions include contributions and investment income, which includes the net increase (decrease) in the fair value of investments. The deductions include benefit payments and administrative expenses.

The *Notes to the Financial Statements* provide additional information that is essential to a full understanding of the data provided in the Plan's financial statements. The notes can be found following the financial statements in this report.

Required Supplementary Information

In addition to the basic financial statements, this report also presents certain *required supplementary information* concerning the Plan's money-weighted rate of return. Required supplementary information and related notes can be found following the notes in this report.

Financial Analysis

Net position may serve over time as a useful indicator of financial stability. In the case of the Plan, assets exceeded liabilities by approximately $1.63 billion and $1.91 billion at the close of the years ended June 30, 2022 and 2021. Table 1 summarizes the major categories of assets, liabilities, and net position for the years ended June 30, 2022, 2021, and 2020. Table 2 summarizes the changes in the Plan's net position for the years ended June 30, 2022 and 2021.

Table 1. General Employees' Pension Plan Net Position as of June 30, 2022 and 2021 (dollars in thousands):

	June 30		Amount	Percentage
	2022	**2021**	**change**	**change**
Assets:				
Cash and deposits	$ 79,182	54,691	24,491	44.8 %
Due from brokers for securities sold	625	1,054	(429)	(40.7)
Receivables	6,680	6,888	(208)	(3.0)
Investments	1,569,258	1,856,418	(287,160)	(15.5)
Total assets	1,655,745	1,919,051	(263,306)	(13.7)
Liabilities:				
Due to brokers for securities purchased	18,967	4,840	14,127	291.9
Accounts payable	2,546	4,512	(1,966)	(43.6)
Total liabilities	21,513	9,352	12,162	130.0
Net position restricted for pensions	$ 1,634,232	$ 1,909,699	(275,467)	(14.4)%

The net position of the Plan decreased by $275.5 million or 14.4% when compared to an increase of $410.1 million in fiscal year 2021. The decrease in net position can be primarily attributed to a decrease in investments of $287.2 million which is primarily attributed to the volatility of the market. Cash and deposits increased to $79.2 million in fiscal year 2022 from $54.7 million in fiscal year 2021. Investments decreased to $1.57 billion in fiscal year 2022 from $1.86 billion in fiscal year 2021. Total assets for the Plan decreased by $263.3 million or 13.7% compared to 2021. Total cash and investments decreased by $262.7 million. Cash and investments represent 99.6% of total assets as of June 30, 2022 and June 30, 2021.

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Table 2. General Employees' Pension Plan Changes in Net Position, Years ended June 30, 2022 and 2021 (dollars in thousands):

	June 30		Amount	Percentage
	2022	**2021**	**change**	**change**
Additions to plan net position:				
Investment income:				
Net appreciation (depreciation)				
in fair value of investments	$ (236,075)	455,438	(691,513)	(151.8)%
Interest, dividends and other, net	19,162	13,057	6,105	46.8
Less investment expenses	(4,573)	(4,163)	(410)	9.8
Net investment income (expense)	(221,486)	464,332	(685,818)	(147.7)
Employer contributions:				
City of Atlanta	51,750	48,764	2,986	6.1
Atlanta Board of Education	60,200	58,400	1,800	3.1
Employee contributions	20,471	20,990	(519)	(2.5)
Other income	101	115	(14)	(12.2)
Total additions, net	(88,964)	592,601	(681,565)	(115.0)
Deductions from plan net position:				
Benefit payments	$ 184,176	179,988	4,188	2.3
Administrative expense	2,327	2,517	(190)	(7.6)
Total deductions	186,503	182,505	3,998	2.2
Increase (Decrease) in net position restricted for pensions	$ (275,467)	410,096	(685,563)	(167.2)%
Net position restricted for pensions:				
Beginning of year	$1,909,699	1,499,603		
Increase (Decrease) in net position	(275,467)	410,096		
End of year	$1,634,232	1,909,699		

Total additions to the fiduciary net position decreased by $681.6 million or 115.0% compared to 2021. This decrease is primarily attributed to the decrease in net investment income in the investment portfolio during fiscal year 2022. Net investment income was $(221.5) million for 2022, a decrease of $685.8 million, or 147.7% compared to fiscal year 2021. The investment portfolio primarily comprises 67.3% equities, 25.0% fixed income, alternative investments including real estate 5.3% and short term investments of cash and cash equivalents 2.4% as of June 30, 2022, compared to 78.7% equities, 16.3% fixed income, alternative investments including real estate 3.7%, and short term investments of cash and cash equivalents 1.3% as of June 30, 2021. The overall portfolio returned net (11.75)% for the fiscal year ended 2022, compared with 31.30% for fiscal year 2021. The S&P 500 index was (10.62)% and 40.80%, respectively, during the same time periods.

Employee contributions to the Plan decreased by $0.5 million to $20.5 million compared to $21.0 million in fiscal year 2021. Employer contributions were $112.0 million, an increase of $4.8 million or 4.5% primarily due to a higher actuarially determined contribution (ADC) than fiscal year 2021. Benefit payments increased by $4.2 million or 2.3% to $184.2 million.

Financial Analysis of June 30, 2021 to June 30, 2020

Net position may serve over time as a useful indicator of financial stability. In the case of the Plan, assets exceeded liabilities by $1.91 billion in fiscal years 2021 and 2020. Table 1-1 summarizes the major categories of assets, liabilities, and net position. Table 2-1 summarizes the changes in the Plan's net position for the years ended June 30, 2021 and 2020.

Table 1-1. General Employees' Pension Plan Net Position, as of June 30, 2021 and 2020 (dollars in thousands):

	June 30		Amount	Percentage
	2021	2020	change	change
Assets:				
Cash and cash equivalents	$ 54,691	45,326	9,365	20.7 %
Investments	1,856,418	1,455,792	400,626	27.5
Due from brokers for securities sold	1,054	1,038	16	1.5
Receivables	6,888	10,217	(3,329)	(32.6)
Total assets	1,919,051	1,512,373	406,678	26.9
Liabilities:				
Accounts payable	4,512	3,765	747	19.8
Due to brokers for securities purchased	4,840	9,005	(4,165)	(46.3)
Total liabilities	9,352	12,770	(3,418)	(26.8)
Net position restricted for pensions	$ 1,909,699	1,499,603	410,096	27.3 %

The net position of the Plan increased by $410.1 million or 27.3% in fiscal year 2021, compared to a decrease of $3.3 million in fiscal year 2020. The increase in net position can be primarily attributed to an increase in investments of $400.6 million and an increase in cash and deposits of $9.4 million. Total assets for the Plan in fiscal year 2021 increased by $406.7 million or 26.9% compared to 2020. Total cash and investments increased by $410.0 million. Receivables decreased by $3.3 million and due from brokers for securities sold increased by $0.02 million. Cash and investments represent 99.6% of total assets as of June 30, 2021 and 99.3% as of June 30, 2020.

Table 2-1. General Employees' Pension Plan Changes in Net Position, Years ended June 30, 2021 and 2020 (dollars in thousands):

	June 30		Amount	Percentage
	2021	**2020**	**change**	**change**
Additions to plan net position:				
Investment income:				
Net appreciation				
in fair value of investments	$ 455,438	41,779	413,659	990.1 %
Interest, dividends and other, net	13,057	14,958	(1,901)	(12.7)
Less investment expenses	(4,163)	(4,164)	1	—
Net investment income	464,332	52,573	411,759	783.2
Employer contributions:				
City of Atlanta	48,764	48,219	545	1.1
Atlanta Board of Education	58,400	56,700	1,700	3.0
Employee contributions	20,990	21,140	(150)	(0.7)
Other income	115	267	(152)	(56.9)
Total additions	592,601	178,899	413,702	231.2
Deductions from plan net position:				
Benefit payments	179,988	180,698	(710)	(0.4)
Administrative expense	2,517	1,456	1,061	72.9
Total deductions	182,505	182,154	351	0.2
(Decrease) increase in net position				
restricted for pensions	$ 410,096	(3,255)	413,351	(12,699.0)%

	2021	**2020**
Net position restricted for pensions:		
Beginning of year	1,499,603	1,502,858
(Decrease) increase	410,096	(3,255)
End of year	1,909,699	1,499,603

Financial Analysis as of June 30, 2021 to June 30, 2020

Total additions to the plan net position increased by $413.7 million or 231.2% compared to 2020. This increase is primarily attributed to the increase in net investment income resulting from an increase in unrealized gains in the investment portfolio during fiscal year 2021. Net investment income was $464.3 million for 2021, an increase of $411.8 million, or 783.2% compared to fiscal year 2020. The investment portfolio primarily comprises 78.7% equities, 16.3% fixed income, alternative investments including real estate 3.7% and short term investments of cash and cash equivalents 1.3% as of June 30, 2021 compared to 70.3% equities, 19.6% fixed income investments, 4.4% alternative investments including real estate, and 5.7% short term investments such as cash and cash equivalents as the investment mix as of June 30, 2020. The overall portfolio returned 31.30% for the fiscal year ended 2021, compared with 3.80% for fiscal year 2020. The S&P 500 index was 40.80% and 7.50% respectively, during the same time periods.

Employee contributions to the Plan decreased by $0.1 million to $21.0 million compared to $21.1 million in fiscal year 2020. Employer contributions were $107.2 million, an increase of $2.2 million, or 2.1% primarily due to a higher actuarially determined contribution (ADC) for fiscal year 2020. Benefit payments decreased by $0.7 million or 0.4% to $180.0 million.

Requests for Information

This financial report is designed to provide a general overview of the Plan's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Chief Financial Officer, 11100 City Hall Tower, 68 Mitchell St. SW, Atlanta, Georgia 30303.

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CITY OF ATLANTA, GEORGIA
GENERAL EMPLOYEES' PENSION PLAN
Statements of Fiduciary Net Position

June 30, 2022 and 2021

(Dollars in thousands)

	2022	2021
Assets		
Cash and deposits	$ 79,182	54,691
Total cash	79,182	54,691
Receivables:		
Contributions receivable from employer	2,245	3,173
Contributions receivable from employees	708	722
Due from brokers for investments sold	625	1,054
Accrued Investment income	2,534	1,454
Other	1,193	1,539
Total receivables	7,305	7,942
Investments:		
Short term investments	36,827	23,564
Domestic fixed income securities	388,861	300,253
Domestic equities	929,454	1,300,450
International fixed income securities	4,033	2,838
International equities	127,156	161,302
Alternative investments:		
Real estate	67,967	44,942
Limited partnerships	14,960	23,069
Total investments	1,569,258	1,856,418
Total assets	1,655,745	1,919,051
Liabilities		
Due to brokers for investments purchased	18,967	4,840
Accounts payable	2,546	4,512
Total liabilities	21,513	9,352
Net position restricted for pensions	$ 1,634,232	1,909,699

See accompanying notes to financial statements.

CITY OF ATLANTA, GEORGIA

GENERAL EMPLOYEES' PENSION PLAN

Statements of Changes in Fiduciary Net Position

June 30, 2022 and 2021

(Dollars in thousands)

	2022	2021
Additions:		
Contributions:		
Employer	$ 111,950	$ 107,164
Employee	20,471	20,990
Total contributions	132,421	128,154
Investment income:		
Net appreciation (depreciation) in fair value of investments	(236,075)	455,438
Interest and dividends	19,162	13,057
Investment expenses	(4,573)	(4,163)
Net investment income (expense)	(221,486)	464,332
Other	101	115
Total additions, net	(88,964)	592,601
Deductions:		
Benefit payments, including refunds of member contributions	184,176	179,988
Administrative expense	2,327	2,517
Total deductions	186,503	182,505
Increase (Decrease) in net position	(275,467)	410,096
Net position restricted for pensions:		
Beginning of year	1,909,699	1,499,603
End of year	$ 1,634,232	$ 1,909,699

See accompanying notes to financial statements.

(1) Plan Description

City of Atlanta, Georgia General Employees' Pension Plan (the Plan) was established by a 1924 Act of the State of Georgia Legislature to provide retirement benefits for full-time permanent employees of the City of Atlanta (the City), excluding sworn personnel of the Police and Fire Departments, and the employees of the Atlanta Board of Education (the School System) who are not covered under the Teachers Retirement System of Georgia. Until 1983, the Georgia Legislature established all requirements and policies of the Plan. By a constitutional amendment, effective July 1983, control over all aspects of the Plan transferred to the City under the principle of Home Rule. The types of benefits offered by the Plan are retirement, disability, and pre-retirement death benefits. The Plan is an agent multiple-employer defined-benefit pension plan with two employers participating in the Plan at June 30, 2022 and 2021. Participants should refer to the Atlanta, Georgia, Code of Ordinances, Part 1, Section 6 (Plan agreement) for more complete information. Under the principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to establish and amend benefit terms and contributions.

Effective September 1, 2005, classified employees and certain nonclassified employees, pay grade 18 and below enrolled in the defined-contribution plan had the one-time option of transferring to the Plan. Classified employees and certain nonclassified employees pay grade 18 and below not covered by either the City of Atlanta, Georgia Police Officers' or City of Atlanta, Georgia Firefighters' Pension Plans, hired after September 1, 2005 are required to become members of the Plan.

The Plan is included as a fiduciary fund in the City of Atlanta, Georgia Annual Comprehensive Financial Report (ACFR) as part of the Pension Trust Funds. The City's ACFR for the years ended June 30, 2022 and 2021 should be read in conjunction with these financial statements.

(a) Administration of the Plan

In December 2017, the City adopted legislation to combine the management of its three separate pension plans and create one board of trustees to be known as the City of Atlanta Defined Benefit Pension Plan Investment Board (the Board) in order to improve administrative efficiency, governance and investment returns. The City consolidated and set minimum requirements for the Investment Board of Trustees of the three Pension Plans in order to optimize investment returns, establish national leadership in pension management best practices, and increase the City revenues available for compensation of active employees.

The Plan is administered as an agent multiple-employer, defined-benefit plan by the Board, which includes the Chair who is an appointee of the Mayor, the Mayor or a designee serving as Vice Chair of the Investment Board, three city council members appointed by the Mayor, one member appointed by the Atlanta Board of Education (School System), one member appointed by the President of the Atlanta City Council who is a participant in any of the three Plans, the City's Chief Financial Officer, the Human Resources Commissioner, and four members elected by active and retired participants as follows: one from the City of Atlanta, Georgia General Employees Pension Fund, one from the Atlanta Public Schools General Employees Pension Fund, one from the City of Atlanta, Georgia Firefighters'

Pension Fund and one from the City of Atlanta, Georgia Police Officers' Pension Fund. Each pension law modification must be adopted by at least two-thirds vote of the City Council and be approved by the Mayor.

(b) Contribution requirements – The City

Under the Georgia Legislature principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Board has the authority to administer the Plan including establishing and amending contribution requirements. The funding methods and determination of benefits payable were established by the Atlanta, Georgia, Code of Ordinances, Part 1, Section 6 legislative acts creating the Plan, as amended, and in general, provide that funds are to be accumulated from employee contributions for defined benefits, City contributions, and income from the investment of accumulated funds.

Beginning on November 1, 2011, employees participating in the Plan and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the Plan fund in which they participate. The contribution is such that the new contribution is 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary).

Employees hired on or after September 1, 2011 who are below pay grade 19 or its equivalent are required to participate in a hybrid defined-benefit plan with a mandatory defined-contribution component. The defined-benefit portion of this plan includes a mandatory 8% employee contribution and 1% multiplier.

The defined contribution element is governed and accounted for separately, and includes a mandatory employee contribution of 3.75% of salary which is matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary, which is also matched 100% by the City. Employees vest in the amount of the City's contribution at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

Beginning in fiscal year 2012, there is a cap on the maximum amount of the City's contribution to the Plan measured as a percentage of payroll. The City's annual contribution to the Plan may not exceed 35% of payroll of the participants in the City's three defined-benefit pension plans. In the event that this 35% cap is reached, the City will fund any overage for the first 12-month period from its reserves. During that period, the City's management must agree on an alternative method to reduce the overage. If no alternative is reached, beginning in the second 12-month period, the City and the participants will equally split the cost of the overage, subject only to a provision that employee contributions may not increase more than 5%. Contribution requirements may be amended by the Board under the authority of the City ordinance, but the employer contribution requirement is subject to State minimums.

(c) Contribution requirements – School System

Obligations to contribute to the Plan are subject to minimum funding standards of the Georgia Public Retirement Systems Standards law and are established by the Board. Previously, the School System's policy was to contribute to the Plan based on a level percent of payroll amortization method using a closed amortization period with 12.5 years remaining. By resolution adopted by the Atlanta Independent School System's Board on June 2, 2014, the School System changed its funding policy whereby each year's employer contribution will be equal to the prior year's amount, increased by 3%, until the Plan is fully funded. In addition, active participants are required to contribute 7% of pay to the Plan (8% if a participant is married or elects to name a covered beneficiary).

(d) Description of the benefit terms – The City

In June 2011, the City Council approved changes for the City's three defined-benefit pension plans, effective on September 1, 2011 for new hires, and November 1, 2011 for existing employees.

Prior to the change approved in June 2011, the Plan provided monthly retirement benefits that initially represent 3% for each year of credited service times the participants' final average three year earnings (limited to 80% of the average). Retirement benefits were adjusted annually based on the change in the consumer price index, limited to 3% per year. Upon the death of a vested participant who has beneficiary coverage, his or her eligible beneficiary (ies) would be entitled to three fourths of the amount the deceased participant was receiving or would have been entitled to receive.

Subsequent to the change, the retirement age increased to age 62 for participants in the Plan. Early Retirement Age is changed from any age (as long as vested) with penalty to age 52 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefits for employees hired after September 1, 2011.

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Normal Pension

Hired before July 1, 2010:
- Age 60 after completing 10 years of service.
- Monthly benefit is 2.5% of average monthly salary for each year of credited service.

Hired between July 1, 2010 and October 31, 2011:
- Age 60 after completing 15 years of service.
- Monthly benefit is 2.0% of average monthly salary for each year of credited service.

Hired after October 31, 2011:
- Age 62 after completing 15 years of service.
- Monthly benefit is 1.0% of average monthly salary for each year of credited service.
- This amount cannot be less than $12 per month for each year of service, capped at 80% of average monthly salary.

The average monthly salary for employees hired before November 1, 2011 is the average of the highest consecutive 36 months of salary. For those employees hired after October 31, 2011, the average monthly salary is the average of the highest consecutive 120 months of salary.

Early Pension

Hired before July 1, 2010:
- 10 years of credited service.

Hired between July 1, 2010 and October 31, 2011:
- 15 years of credited service.

Hired after October 31, 2011:
- Age 52 and 15 years of credited service.

The monthly benefit for employees hired before November 1, 2011 is reduced by one half of 1% per month for the first 60 months and by one quarter 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. Unreduced early retirement is available with 30 years of service. For employees hired after October 31, 2011, the monthly benefit amount is reduced by one-half of 1% per month before age 62.

Disability

Service requirement:

5 years of credited service for non-job related disability. None for job related disability.

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.

(e) Description of the benefit terms – School System

The major provisions of the Plan for the School System are as stated below.

Normal Pension

A participant may retire at age 60 after completing 10 years of service. The monthly benefit is 2.5% of the average monthly salary for each year of credited service. This amount cannot be less than $17 per month for each year of service, and is capped at 80% of average monthly salary. Average monthly salary is defined as the highest average monthly base compensation over any 36-month period.

Early Pension

A participant must have 10 years of credited service. The normal pension monthly amount is reduced by one half of 1% per month for the first 60 months and one quarter of 1% per month for the remaining months by which age at retirement is less than 60. Unreduced early retirement is available with 30 years of credited service.

Disability

A participant must have 5 years of credited service for non-job-related disability. For job-related disability, there is no service requirement. Normal pension is based on service accrued and final average salary at disability, payable immediately; cannot be less than 50% of the average monthly salary. This amount is payable until attainment of normal retirement age at which time the benefit is recalculated to value years while disabled as years of service.

(f) Plan Membership

As of the beginning of the fiscal year ended June 30, 2022, participation in the plan was as follows:

	The City	**School System**
Inactive plan members or beneficiaries currently receiving benefits	3,970	1,713
Inactive plan members entitled to, but not yet receiving benefits	1,276	264
Active plan members	3,757	799
	9,003	2,776

As of the beginning of the fiscal year ended June 30, 2021, participation in the plan was as follows:

	The City	**School System**
Inactive plan members or beneficiaries currently receiving benefits	3,986	1,801
Inactive plan members entitled to, but not yet receiving benefits	940	225
Active plan members	3,936	770
	8,862	2,796

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized when due, based on statutory requirements. Benefits and refunds are recognized as deductions from fiduciary net position when due and payable.

(b) Cash and Cash Equivalents

Cash represents cash deposits held at financial institutions. The Plan considers all highly liquid debt securities with an original maturity of three months or less when purchased to be cash equivalents.

(c) Investments

The Plan's investments are reported at fair value. Quoted market prices are used to value all investments in equities based on closing prices on the U.S. national securities exchange. Securities traded on the open market for which no sale was reported on that date are valued at the most recent quoted bid price.

Estimated fair values provided by third-party vendors are used to value U.S. government notes, corporate bonds, mutual funds, and U.S. government and agency guaranteed bonds, if not traded in an active market. Partnership investments and certain commingled vehicles are valued based on the net asset value (NAV) of the partnership, as reported by the investment managers. Net asset value is based upon the fair value of the underlying investments. Information provided by partnerships regarding the methods they use to value the underlying investments of the partnership and any restrictions on or illiquidity of the interests of partnerships are considered in determining fair value.

The net appreciation in the fair value of investments held by the Plan is recorded as an increase to investment income based on the valuation of investments as of the statement of fiduciary net position date. Investment income is recognized on the accrual basis as earned by the Plan.

(d) Use of Estimates

Management of the Plan has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosures of contingent assets and liabilities and the additions to and deletions from net position to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(3) Pension Plan Investments

The Plan investments are made within the Public Retirement Systems Investment Authority Law of the Georgia Code (O.C.G.A. 47-20-80). The Board has been granted the authority by City Ordinance to establish and amend the plan investment policy. The Board is responsible for making all decisions with regard to the administration of the Plan, including the management of plan assets, establishing the investment policy and carrying out the policy on behalf of the Plan.

The Plan's investments are managed by various investment managers under contract with the Board who have discretionary authority over the assets managed by them and within the Plan's investment guidelines as established by the Board. The investments are held in trust by the Plan's custodian in the Plan's name. These assets are held exclusively for the purpose of providing benefits to members of the Plan and their beneficiaries.

State of Georgia Code and City statutes authorize the Plan to invest in U.S. government obligations, U.S. government agency obligations, State of Georgia obligations, obligations of a corporation of the U.S. government, the Georgia Fund 1 (a government investment pool maintained by the State of Georgia), and alternative investments. The Plan invests in repurchase agreements only when they are collateralized by U.S. government or agency obligations. The Plan is also authorized to invest in collateralized mortgage obligations (CMOs) to maximize yields. These securities are based on cash flows from interest payments on underlying mortgages. CMOs are sensitive to prepayment by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and mortgagees refinance their mortgages, thereby prepaying the mortgages underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Likewise, if mortgagees pay on mortgages longer than anticipated, the cash flows are greater and the return on the initial investment would be higher than anticipated.

In the development of a current asset allocation plan, the Board reviews the long-term performance and risk characteristics of various asset classes, balancing the risks and rewards of market behavior, and reviewing state legislation regarding investment options. The below asset classes are included in the plan investment objectives: Domestic Equities, International Equities, Domestic Fixed Income, International Fixed Income and Alternative Investments.

There were no changes to the investment policy in fiscal year 2022. The policy may be amended by a majority vote of the Board members.

Below is the asset allocation target assets mix in effect during fiscal years June 2022 and 2021:

	Minimum	Target	Maximum
Domestic equity:			
Large cap	13.0 %	18.0 %	23.0 %
Mid cap	7.0 %	12.0 %	17.0 %
Small cap	7.0 %	12.0 %	17.0 %
International equity:			
Developed	8.0 %	13.0 %	18.0 %
Small cap	2.0 %	7.0 %	12.0 %
Emerging markets equity	3.0 %	8.0 %	13.0 %
Total equity	40.0 %	70.0 %	100.0 %
Alternative investments	— %	5.0 %	5.0 %
Fixed income:			
Core	20.0 %	25.0 %	30.0 %
Total fixed income	20.0 %	25.0 %	30.0 %

The Plan, by policy, is to invest the Plan funds in domestic equities, domestic fixed income securities, international equities, international fixed income, alternative investments, and cash equivalents. These instruments consist of common and preferred stock, obligations of the U.S. government and agencies (GNMA, FHLMC, and FNMA securities and CMOs), corporate bonds, and certificates of deposit. The Plan has limitations on the amounts managers are allowed to invest in any one issuer in all classes of securities. The Plan also invests in repurchase agreements, which must be fully collateralized by U.S. government or agency guaranteed securities. The Plan is in compliance with the policy.

The Plan's cash and cash equivalents comprise daily cash balances above day-to-day needs and funds set aside for portfolio strategy reasons. Short-term investments may be placed in 1) issues of the U.S. Treasury, federal agencies and federal government-sponsored enterprises with maturity of less than two years, 2) repurchase agreements immediately collateralized by the U.S. Treasury or federal agency, or 3) domestic corporate bonds, debentures and notes rated at least A by Moody's or Standard & Poor's with a maturity of thirty (30) days or less.

For the years ended June 30, 2022 and 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was (11.75)% and 31.35%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(a) Investment Risk Disclosures

Interest Rate Risk.

Interest rate risk is the risk that changes in market rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Additionally, the fair values of the investments may be highly sensitive to interest rate fluctuations. The Plan has no specific policy to address interest rate risk.

Credit Risk.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This risk is measured by the assignment of a rating to each investment by a nationally recognized statistical rating organization. The Plan has no specific policy to address credit risk.

As of June 30, 2022 and 2021, the Plan had the following fixed income investments (dollars in thousands) with the corresponding credit ratings and maturities:

		Maturity at June 30, 2022					
Type of investments	Credit rating	Under 1 year	1–3 years	3–5 years	5–10 years	Over 10 years	Fair value
U.S. treasury securities	TSY/NR	$ —	19,982	21,531	44,665	23,241	109,419
U.S. government agencies	AAA/AA+	—	298	—	—	—	298
U.S. government agencies	AGY	—	—	6,280	1,175	31,371	38,826
Corporate bonds	AAA/A-	207	16,976	26,888	37,699	9,456	91,226
Corporate bonds	B+/BBB	—	290	3,915	35,889	8,394	48,488
Bond-ETFs	AA-	14,773	—	—	—	—	14,773
Asset-backed securities	NR	—	1,603	—	—	—	1,603
CMOs	AAA	—	—	—	—	726	726
CMOs	NR	—	—	—	—	1,487	1,487
State and local obligations	A/A+/AA+/ AAA	147	196	743	—	—	1,086
Commingled Funds	NR	84,962	—	—	—	—	84,962
		$ 100,089	39,345	59,357	119,428	74,675	392,894

		Maturity at June 30, 2021					
Type of investments	Credit rating	Under 1 year	1–3 years	3–5 years	5–10 years	Over 10 years	Fair value
U.S. treasury securities	Exempt	$ 775	9,011	15,574	38,576	6,599	70,535
U.S. government agencies	AA+	—	—	324	—	—	324
U.S. government agencies	AGY	39	41	8,838	272	33,042	42,232
Corporate bonds	AAA/AA+	—	—	1,922	—	—	1,922
Corporate bonds	AA/AA-	921	6,940	15,835	24,725	7,475	55,896
Corporate bonds	BBB+/BBB/ BBB-	—	1,428	3,176	21,715	5,548	31,867
Bond exchange traded funds	NR	17,023	—	—	—	—	17,023
Commingled bond fund	NR	76,479	—	—	—	—	76,479
Asset-backed securities	NR	—	—	1,668	—	—	1,668
CMOs	AAA	—	—	—	—	987	987
CMOs	NR	—	—	—	—	2,802	2,802
State and local obligations	AA+/AAA	—	294	279	782	—	1,355
State and local obligations	BBB-	1	—	—	—	—	1
		$ 95,238	17,714	47,616	86,070	56,453	303,091

Custodial Credit Risk.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Custodial credit risks for investments, is the risk that in the event of the failure of the counterparty, the Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Plan requires that uninsured collected balances held in trust by the City for the Plan plus accrued interest in depository accounts be collateralized and that the market value of collateralized pledged securities must be at least 110% of the deposit balances, and 102% of collateral value for repurchase agreements.

All investments of the Plan are either held by the Plan or by the counterparty in the Plan's name, therefore, the Plan's investments had no custodial risks as of June 30, 2022 and 2021.

Concentration of Credit Risk.

The Plan does not have a policy regarding the concentration of credit risk. Investments in any one issuer, excluding US. treasuries and government agencies, representing 5% or more of the net position restricted for pensions at June 30, 2022 and 2021 are as follows (in thousands):

		June 30,	
Issuer	**Investment type**	**2022**	**2021**
BlackRock Equity Index Fund	Commingled Equity Fund	$ 164,997	$ 320,215
Artisan Funds	Equity Exchange Traded Fund	84,917	132,842
BlackRock Mid Cap Equity Fund	Commingled Equity Fund	97,552	150,983
Johnston International Equity Group	Commingled Equity Fund	95,128	191,662
SSGA U.S. Aggregate Bond Index	Commingled Bond Fund	84,962	N/A

Foreign Currency Risk

Foreign currency risk is the risk that changes in currency exchange rates could adversely affect an investment's or deposit's fair value. The Plan does not have a policy regarding foreign currency risk.

Although all of the foreign equity securities are American Depository Receipts (ADRs), this does not eliminate the foreign currency risk involved in purchasing foreign securities.

The following table provides the value in U.S. dollars by foreign currency denominations for the plan investments denominated in foreign currencies at June 30, 2022 and 2021 (dollars in thousands):

		June 30	
		2022	**2021**
Currency:	Country:		
Euro	Belgium	807	304
Euro	Germany	—	1,038
Euro	Netherlands	181	820
Euro	United Kingdom	2,094	1,164
Total Euro		3,082	3,326
Canadian Dollar	Canada	2,985	1,559
Denmark Kroner	Denmark	1,783	1,340
Israeli New Shekel	Israel	416	978
Taiwanese Dollar	Taiwan	—	79
Swiss Franc	Switzerland	—	811
Various foreign currencies	Emerging Markets Region	8,805	12,109
Various foreign currencies	Europe/Far East Region	1,743	2,220
Various foreign currencies	International Region	112,375	141,718
Total securities subject to foreign currency risk		$ 131,189	164,140

(b) Fair Value Measurement

GASB Statement No. 72, *Fair Value Measurement and Application*, enhances comparability of governmental financial statements by requiring fair value measurement for certain assets and liabilities using a consistent definition and accepted valuation techniques. The standard establishes a hierarchy of inputs used to measure fair value that prioritizes the inputs into three categories – Level 1, Level 2 and Level 3 inputs – considering the relative reliability of the inputs. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted (unadjusted) prices in active markets for identical financial assets or liabilities that are accessible at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the financial asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the financial asset or liability.

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 partnerships and commingled vehicles for which fair value is estimated using the Net Asset Value (NAV) reported by the investment manager as a practical expedient to fair value. Such investments have not been categorized within the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of fiduciary net position.

The following tables present the financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2022 and 2021 (in thousands):

	June 30, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Short term investments:				
Cash and cash equivalents	$ 36,827	—	—	36,827
Debt securities:				
Asset backed securities	—	3,816	—	3,816
Commingled bond fund	—	84,962	—	84,962
Corporate and municipal bonds	—	140,800	—	140,800
Bond exchange traded funds	14,773	—	—	14,773
U. S. Agency securities	—	39,124	—	39,124
U. S. Treasury securities	109,419	—	—	109,419
Total debt securities	124,192	268,702	—	392,894
Equity securities:				
Commingled equity fund	—	358,496	—	358,496
Common stock	327,533	—	—	327,533
Exchange traded funds	204,370	—	—	204,370
Total equity securities	531,903	358,496	—	890,399
Total investments at fair value	$692,922	627,198	—	1,320,120
Investments measured at NAV:				
Commingled equity funds				166,211
Limited partnerships				14,960
Real estate fund				67,967
Total investments measured at NAV				249,138
Total investments				$ 1,569,258

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
Short term investments:				
Cash and cash equivalents	$ 23,564	—	—	23,564
Debt securities:				
Asset backed securities	—	5,457	—	5,457
Commingled bond fund	—	76,479	—	76,479
Corporate and municipal bonds	—	91,041	—	91,041
Bond exchange traded funds	17,023	—	—	17,023
U.S. Agency securities	—	42,556	—	42,556
U.S. Treasury securities	70,535	—	—	70,535
Total debt securities	87,558	215,533	—	303,091
Equity securities:				
Commingled equity fund	—	497,319	—	497,319
Common stock	427,873	—	—	427,873
Exchange traded funds	260,964	—	—	260,964
Total equity securities	688,837	497,319	—	1,186,156
Total investments fair value	$ 799,959	712,852	—	1,512,811
Investments measured at NAV:				
Commingled equity funds				275,596
Limited partnerships				23,069
Real estate fund				44,942
Total investments measured at NAV				343,607
Total investments				$ 1,856,418

Equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

Commingled equity funds classified in Level 2 are valued using prices quoted in active markets for those investments types and the readily determinable fair value per share (unit) which is determined based on the publication of the price or on the basis of current transactions.

Investments in privately held limited partnerships and commingled vehicles which do not have a readily determined fair value are valued using the NAV provided by the general partner/investment manager as of June 30, 2022 and 2021. 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.

(c) Securities Lending

State statutes and Board policies permit the Plan to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. As of June 30, 2022 and 2021, the Plan has no credit risk exposure to securities lending.

(d) Alternative Investments

In fiscal year 2013, the Board authorized the Plan to invest in alternative investments. As of June 30, 2022 and 2021, the Plan had alternative investments totaling $82,926,379 and $68,010,524 respectively, in the form of real estate and limited partnerships.

As of June 30, 2022, the related unfunded commitments of the Plan's alternative investments and limitations and restrictions on the Plan's ability to redeem or sell are summarized as follows (in thousands):

	Unfunded commitments	Redemptions frequency (if currently eligible)	Redemptions notice period
Private equity fund	$ 3,582,424	Not eligible	Not eligible

Although the Plan is obligated to fund these commitments, many of these agreements allow resale.

(4) Contributions Required and Contributions Made

The required contribution percentages developed in the actuarial valuations for the Plan for the years ended June 30, 2022 and 2021, and the actual contributions made are as follows (dollars in thousands):

	June 30, 2022	
	The City	**School System**
Service cost	14.29 %	18.44 %
Amortization of the unfunded actuarial accrued liability	20.66	276.14
Total required contributions as a percentage of covered payroll	34.95 %	294.58 %
2022 actual employee contributions:		
Dollar amount	$ 18,552	1,919
Percent of covered payroll	10.01 %	9.63 %
2022 actual employer contributions:		
Dollar amount	$ 51,750	60,200
Percent of covered payroll	27.94 %	302.19 %

	June 30, 2021	
	The City	**School System**
Service cost	13.26 %	19.13 %
Amortization of the unfunded actuarial accrued liability	22.59	270.95
Total required contributions as a percentage of covered payroll	35.85 %	290.08 %
2021 actual employee contributions:		
Dollar amount	$ 19,532	1,458
Percent of covered payroll	10.35 %	7.25 %
2021 actual employer contributions:		
Dollar amount	$ 48,764	58,400
Percent of covered payroll	25.83 %	290.43 %

The annual covered payroll for the City was $185,252,000 and $188,795,000 for the years ended June 30, 2022 and 2021, respectively. The annual covered payroll for the School System was $19,921,000 and $20,108,000 for the years ended June 30, 2022 and 2021, respectively. The actual employer contributions shown above include amounts used to fund retiree supplemental cost of living increases and other minimum benefits. These amounts are components of the City's contributions for purposes of meeting actuarially determined funding requirements.

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that are designed to accumulate sufficient assets to pay benefits when due. The actuarially determined minimum employer contributions for the fiscal years ending June 30, 2022 and 2021 were $51,750,478 and $48,763,497 for the City. The actuarially determined minimum employer contributions for the fiscal years ending June 30, 2022 and 2021 were $60,200,000 and $58,400,000 for the School System.

(5) Contributions Receivable

(a) Employer

Employer contributions receivable represents Annual Determined Contributions owed but not yet remitted to the Plan. Total contributions receivable from employer was $2,245,153 and $3,173,355, respectively, as of June 30, 2022 and 2021.

(b) Employees

Contributions receivable from employees include amounts withheld from employees pay but not yet remitted to the Plan. Employees may receive credit for years of service from employment with certain state and local governmental agencies as well as prior employment with the City. Employees are eligible to make "back" contributions, which are applicable to such service periods. These contributions may be paid over a future period, even after retirement. In addition, 1962 and 1978 amendments to the Plan increased pension benefits and the related employee contribution rates. Active employees may retroactively increase their contribution rates from the date of employment in order to receive the maximum increased benefits available under the 1962 and 1978 amendments. These "back contributions" may also be paid over a future period. Total contributions receivable from employees was $707,853 and $721,913, respectively, as of June 30, 2022 and 2021.

(6) Tax Status

The Plan and its trust are intended to be qualified under Sections 401(a) and 501(c) of the Internal Revenue Code (IRC) such that they are not subject to tax under federal income tax laws. The Internal Revenue Service (IRS) issued a favorable determination letter on May 11, 2017 with respect to the Plan, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. Although the Plan and related trust have been amended since the IRS issued its letter, the Plan Administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

(7) Market Conditions

Market volatility has been a key factor in the economy as well as the city's pension plans. Increased market volatility is usually caused by economic or policy factors, including changes in other markets, interest rate hikes, and the Fed's current monetary policy.

Political instability and other global events, like a pandemic or a war, can also lead to market volatility.

The city continues to work closely with all stakeholders including the investment consultant, actuary, and other external partners. Continuity, monitoring, and long-term investments are the key areas of focus of the plan.

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REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

(See Accompanying Independent Auditors' Report)

CITY OF ATLANTA, GEORGIA

GENERAL EMPLOYEES' PENSION PLAN

Required Supplementary Information

Schedule of Investment Returns

June 30, 2022

(Unaudited)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	(11.75)%	31.35 %	3.56 %	6.09 %	10.27 %	13.32 %	1.24 %	4.64 %	19.26 %	17.55 %

See accompanying independent auditors' report