COUNTY DEPARTMENT AGENDA REQUEST

Department:	Human Resources	Presenter(s):	Steve Vaughn, GEBCorp
Meeting Date:	Thursday, April 28, 2011	Type of Request:	New Business

Wording for the Agenda:

Steve Vaughn with GEBCorp will present the annual valuation report on the County's defined benefit retirement plan.

Background/History/Details:

The Board of Commissioners voted to implement a defined benefit retirement plan in 2009. This will be the second report on the fiscal status of the plan since its inception on July 1, 2009 and will provide account valuation data as of January 1, 2011. The presentation will include an overview of investment performance.

A summary report from GEBCorp is attached.

What action are you seeking from the Board of Commissioners?

The presentation is for informational purposes. No action is required by the Board of Commissioners.

If this item requires funding, please describe:

Has this issue come before the Commissioners in the past?	No	If so, when?	Thursday, September 23, 2010
Do you need audio-visual for the presentation?	No	Back-up Material Submitted?	Yes

STAFF USE ONLY

Approved by Finance	Yes	Reviewed by Legal	Yes
Approved by Purchasing	Not Applicable	Approved by County Clerk	Yes
Administrator's Approval	Yes		

Staff Notes:

Association County Commissioners of Georgia

Fayette County Defined Benefit Plan

Actuarial Valuation

as of

January 1, 2011

Prepared By:
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Section I:
Highlights and Actuarial Certification

Report Highlights and Actuarial Certification
For the 2011 Plan Year

We herewith present the results of the actuarial valuation of the plan for the 2011 plan year, based on census information as of January 1, 2011, as provided by the county, and Trust information as provided by the Trustee.

The actuarial valuation report sets forth minimum required contributions to the plan, as well as certain other actuarial calculations and basis of actuarial valuation. The results of this report also serve as the basis for the calculation of the annual pension cost and pension obligations required by the Governmental Accounting Standards Board (GASB).

Georgia Law (O.C.G.A. 47-20) sets minimum funding standards for local municipal defined benefit pension plans. The pension plan and the county are presumably subject to the reporting requirements of Statements 25, and reporting standards for the pension plan. We will issue a separate report detailing the required GASB 25 current and historical plan obligations, funding levels, and contribution amounts

The standards of accounting and financial reporting for pension plan costs and obligations in the county's financial reports, as required by GASB 27, is provided in this report. The annual pension cost will not equal the State required contribution in all years.

We believe the methods and assumptions used to determine the annual contribution for the plans are reasonable, considering the historical experience of the plan and reasonable expectations for the future.

GEBCorp relied on the following information in preparing the actuarial valuation results presented in this report:

(1) Active and inactive participant data as of January 1, 2011, as provided by GEBCorp and Fayette County.
(2) Plan provisions as of January 1, 2011, as set forth in controlling plan documents adopted and executed by Fayette County.
(3) The value of plan assets as furnished by the Trustee as of January 1, 2011.

Highlights of this report:	**2011**	**2010**
Employer **Minimum Contribution** for the Plan Year	**$777,081**	**$760,869**
- as a percent of payroll	*2.5%*	*2.4%*
Employer **Recommended Contribution** for the Plan Year	**$769,924**	**$779,336**
- as a percent of payroll	*2.5%*	*2.5%*
Employer **Required Contribution** for the Plan Year	**$0**	**$412,671**
- as a percent of payroll	*0.0%*	*1.3%*
- after the application of any credit balance if applicable		

The Recommended Contribution remained constant as a percentage of payroll. The primary sources impacting the Plan cost are as follows:

Analysis of the Recommended Contribution:
The plan assets exceeded the Funding Liability which resulted in a negative Unfunded Liability. Therefore, the fixed amortization costs due to plan experience prior to 2011 are considered fully amortized. The negative unfunded liability is now amortized over a 10 year period resulting in a reduction in the amortization costs of by 0.3% of covered payroll.

A primary component of a Plan's required contribution is the normal cost which represents the present value of the benefits that accrued during the current plan year and the cost of the pre-retirement death benefit. The 2010 normal cost increased by 0.3% of the payroll.

Impact of Statement of Funding Policy:
Commencing in 2004, the County's Required Contribution has been a function of the Plan's funding ratio. The County can always meets it funding obligation by making the Recommended Contribution. However, in order for the Required Contribution to be set to the Minimum Contribution, one of the following must apply:

> **a.** The Plan's funding ratio on the valuation date exceeds 100%. In this situation, the Required Contribution is the Minimum Contribution less any accumulated contribution credits. An accumulated contribution credit is created when the Plan makes a contribution in excess of the Minimum Contribution.
> **b.** The Plan's funding ratio on two of the most recent three valuation dates exceeds 80% but is not in excess of 100%. Under this situation, the County may reduce its Required Contribution to the Minimum Contribution not more frequently than once every three years. The Minimum Contribution may not be adjusted for any accumulated contribution credits

A historical review of the Plan's funding ratio may be found on page IV of the Report Highlights.

An exception to the above funding policy was approved by the ACCG Pension Plan and Trust Board of Trustees. The Plan's Required Contribution for 2011 will be determined as described in a. above regardless of the funding ratio as of January 1, 2011.

A historical review of the Plan's funding ratio may be found on page IV of the Report Highlights.

The Plan's Required Contribution for 2011 is the Minimum Contribution less any accumulated contribution credits which is $0 or 0% of compensation.

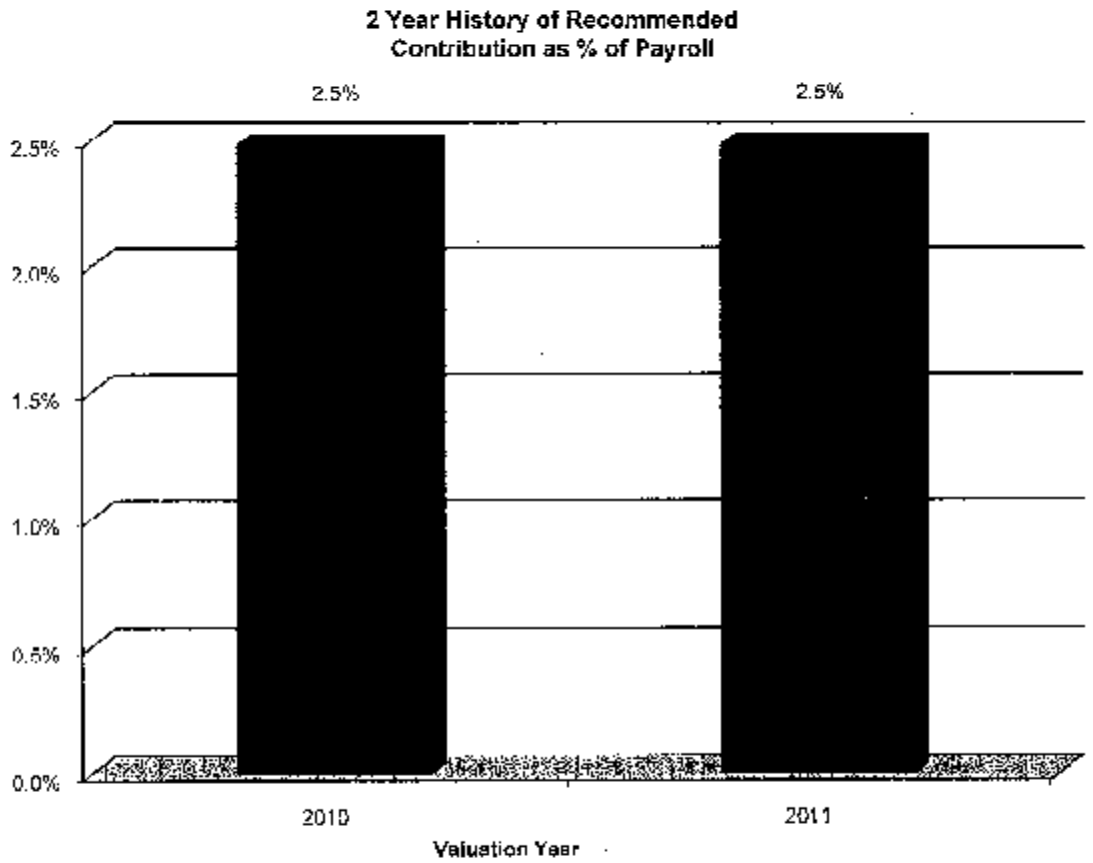
However, it is advisable that the Recommended Contribution of $769,924 be made in order to ultimately achieve the ACCG's targeted funding ratio of 125%.

Report Highlights and Actuarial Certification For the 2011 Plan Year

The chart below represents the two year trend of the county's recommended contribution as a percent of covered payroll.

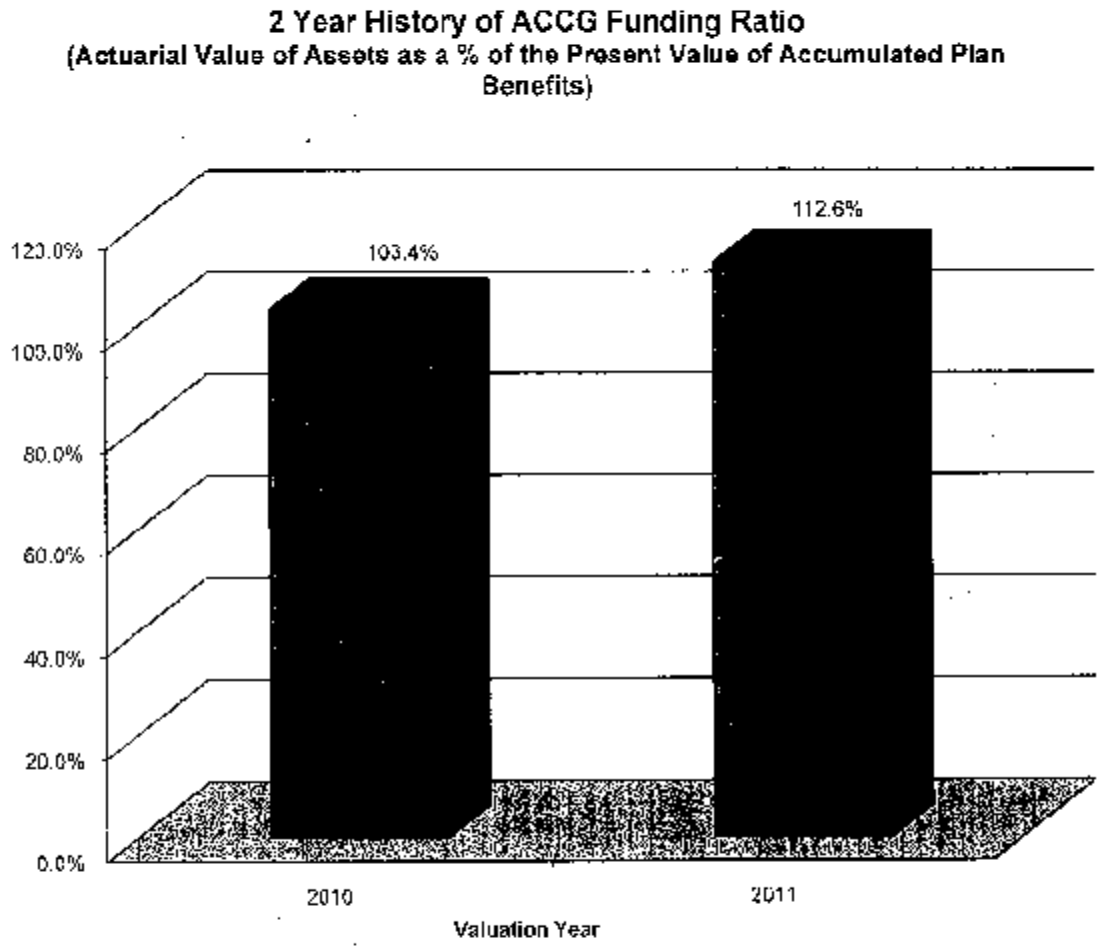
2011 The plan cost as a percentage of payroll did not change as the cost decrease caused by negative unfunded liability was offset by the normal cost increase (as a percentage of payroll) caused by the increase in the average age of the active participants

The required contribution shown below is prior to the application of a credit balance, if applicable.



Funding Ratio Trends

The chart below represents the three year Funding Ratio trend of the Actuarial Value of Assets as a percentage of the Present Value of Accumulated Plan Benefits



The ratio of the Actuarial Asset Value to the Present Value of Accumulated Plan Benefits ("Funding Ratio") has been identified by the Trustees as an important ratio to monitor the long term financial stability of the Plan. The Funding Ratio illustrates the adequacy of assets to satisfy the accrued or "earned" benefits of plan participants as of the valuation date.

Contributions during 2010 were much greater than the value of the benefit accruals for the year which led to a significant improvement in the funding ratio as of January 1, 2011.

Report Highlights and Actuarial Certification
For the 2011 Plan Year

Changes Since the Last Valuation:

There have been no substantive changes since the last valuation.

We are available to answer any questions on the material contained in the report, or to provide explanations of further details as may be appropriate. The undersigned actuary meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report.

William G. Karbon, EA, MSPA Senior Retirement Plan Consultant Enrolled Actuary Number: 11-4568	4/14/11 Date
Weixing Han, EA, QPA Staff Actuary Enrolled Actuary Number: 11-7501	4/14/11 Date

Section II:
Funding Development

Normal Cost

Normal Cost by Plan Benefit Type	2011	2010
a. Retirement Benefits	$1,061,321	$1,010,651
b. Termination Benefits	111,094	106,072
c. Disability Benefits	83,660	80,213
d. Death Benefits	0	0
e. Total Normal Cost	$1,256,075	$1,196,936
f. Interest for the Plan Year	97,346	92,763
g. Cost of Pre-Retirement Death Benefit	97,753	89,646
h. Normal Cost for the Plan Year	**$1,451,174**	**$1,379,345**
- as a percent of payroll	*4.7%*	*4.4%*

Development of the Actuarial Gain/Loss

Actuarial Gain/Loss Development

The actuarial gain/(loss) consist of the asset gain/(loss) and the liability gain/(loss).

1. Actuarial Asset Gain/(Loss)	
a. Actuarial Value of Assets as of January 1, 2010	$15,311,443
b. Interest on item (1a.)	1,186,637
c. Contributions made for the Plan Year Ending December 31, 2010*	1,829,261
d. Interest on item (1c.) to the end of 2010	39,169
e. Expected Benefit Payments for 2010 with interest	28,724
f. Expected Actuarial Value of Assets as of January 1, 2011	**$18,337,786**
g. Actuarial Value of Assets as of January 1, 2011**	18,640,690
h. Actuarial Asset Gain/(Loss) (g. - f.)	**$302,904**
2. Actuarial Liability Gain/(Loss)	
a. Actuarial Accrued Liability as of January 1, 2010	$15,561,252
b. Normal Cost as of January 1, 2010	1,196,936
c. Interest on items (2a. – 2b.)	1,298,760
d. Expected Benefit Payments for 2010 with interest	28,724
e. Expected Actuarial Accrued Liability as of January 1, 2011	**$18,028,224**
f. Actuarial Accrued Liability as of January 1, 2011	17,609,633
g. Actuarial Liability Gain/(Loss) (e. - f.)	$418,591
3. Total Actuarial Gain/(Loss) (1.h. + 2.g.)	**$721,495**
4. Adjustment for full funding and/or negative unfunded accrued liability	**($721,495)**
5. Actuarial Gain/(Loss) subject to amortization	**$0**

*Net of administrative expenses, cost of pre-retirement death benefits, includes estimated employee contributions

**Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees (See page 10 for details).

Contribution Summary

Based on the revised statement of Funding Policy adopted by the Trustees of the ACCG Pension Plan and Trust, three (3) costs will be developed in the annual valuation report. The first cost shown in the following pages is developed by amortizing the unfunded liability as a level percentage of annual compensation. This contribution amount is referred to as the **Minimum Contribution**. The second cost will be developed by amortizing the unfunded liability as an equal annual level dollar amount. This contribution is referred to as the **Recommended Contribution.** For this year, regardless of the funding ratio, the **Required Contribution** will be equal to the **Minimum Contribution.** The Required Contribution will further adjust the Minimum Contribution by any applicable credit balance.

The following history of funding ratios is presented since future funding requirements are a function of the plan's funding ratio:

1. Actuarial Value Assets as of January 1, 2011	$18,640,690
2. Present Value of Accumulated Plan Benefits as of January 1, 2011	16,555,667 *
3. Funding Ratio as of January 1, 2011	**112.6%**
4. Actuarial Value Assets as of January 1, 2010	$15,311,443
5. Present Value of Accumulated Plan Benefits as of January 1, 2010	14,803,804 *
6. Funding Ratio as of January 1, 2010	**103.4%**
7. Actuarial Value Assets as of July 1, 2009	**$14,354,083**
8. Present Value of Accumulated Plan Benefits as of July 1, 2009	**$14,354,083** *
9. Funding Ratio as of July 1, 2009	**100.0%**

The following summarized the plan's contribution requirements after application of any applicable credit balance:

	2011	2010
Minimum Contribution for the Plan Year	**$777,081**	**$760,869**
- as a percent of payroll	*2.5%*	*2.4%*
Recommend Contribution for the Plan Year	**$769,924**	**$779,336**
- as a percent of payroll	*2.5%*	*2.5%*
Required Contribution for the Plan Year	**$0**	**$412,671**
- as a percent of payroll	*0.0%*	*1.3%*
- after the application of any credit balance if applicable		

* Present Value of Accumulated Plan Benefits reflects the value of employee contributions (including service buy backs). The actual value of accumulated plan benefits is less than employee contributions made to date with interest.

Development of Minimum Annual Contribution

	2011	2010
1. Participant Counts		
a. Active Participants	684	681
b. Retirees and Beneficiaries	2	0
c. Deferred Vested (former employees)	34	10
d. Disabled in Pay Status	0	0
e. Total	720	691
2. Covered Compensation for Active Participants	$31,009,475	$31,434,837
3. Actuarial Accrued Liability		
a. Active Participants	$16,935,192	$15,362,280
b. Retirees and Disabled	171,345	0
c. Deferred Vested (former employees)	503,096	198,972
d. Total	$17,609,633	$15,561,252
4. Actuarial Value of Assets (see page 10 for detail)*	$18,640,690	$15,311,443
5. Unfunded Actuarial Accrued Liability (3. - 4.)	($1,031,057)	$249,809
6. Total Amortizations	($17,884)	$47,090
7. Normal Cost for the Plan Year	$1,353,421	$1,289,699
8. Pre-Retirement Death Benefit Expense	$97,753	$89,646
9. Administrative Expenses for the Plan Year	$119,028	$120,305
10. Minimum Contribution for the Plan Year		
a. Employer Contribution	$777,081	$760,869
b. Estimated Employee Contribution	775,237	785,871
c. Total (Before Application of the Credit Balance)	$1,552,318	$1,546,740
11. Employer Contributions as a Percent of Payroll	2.5%	2.4%
12. Employee Contributions as a Percent of Plan Cost	49.9%	50.8%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

Funding Standard Account (Level Percent of Compensation)

	2011	2010
Charges:		
a. Employer Normal Cost (end of year)*	$578,184	$503,828
b. Expenses (end of year)	119,028	120,305
c. PreRetirement Death Benefit Expense	97,753	89,646
d. Amortization Charges (end of year)	0	47,090
e. Total	$794,965	$760,869
Credits:		
a. Prior Year Credit Balance	$879,839	$323,154
b. Employer Contributions for Plan Year	N/A	1,253,341
c. Interest on a. and b.	68,188	64,213
d. Amortization Credits	17,884	0
e. Total	N/A	$1,640,708
Credit Balance	N/A	$879,839

*Net of estimated employee contributions

Amortization Schedule (Georgia Code 47-20-10 (b))
Level Percent of Future Compensation

Charges:

Description	Established	Initial Amount	Initial Years	Years Remaining	Amortization Amount	Outstanding Balance
a. None					$0	$0
b. **Total**					**$0**	**$0**

Credits:

Description	Establishe	Amount	Years	Remaining	Amortization	Balance
a. Negative Unfunded	2011	$151,218	10	10	$17,884	$151,218
b. **Total**					**$17,884**	**$151,218**
Total Amortizations					**($17,884)**	**($151,218)**

Equation of Balance:

1. Net amount of amortizations outstanding as of January 1, 2011	($151,218)
2. Credit Balance in Funding Standard Account as of January 1,2011	879,839
3. Reconciliation account balance on January 1, 2011	0
4. Unfunded actuarial liability as of January 1, 2011 (1.-2.-3.)	($1,031,057)

Development of Recommended Annual Contribution

	2011	2010
1. Participant Counts		
a. Active Participants	684	681
b. Retirees and Beneficiaries	2	0
c. Deferred Vested (former employees)	34	10
d. Disabled in Pay Status	0	0
e. Total	720	691
2. Covered Compensation for Active Participants	$31,009,475	$31,434,837
3. Actuarial Accrued Liability		
a. Active Participants	$16,935,192	$15,362,280
b. Retirees and Disabled	171,345	0
c. Deferred Vested (former employees)	503,096	198,972
d. Total	$17,609,633	$15,561,252
4. Actuarial Value of Assets (see page 10 for detail)*	$18,640,690	$15,311,443
5. Unfunded Actuarial Accrued Liability (3. - 4.)	($1,031,057)	$249,809
6. Total Amortizations	($25,041)	$65,557
7. Normal Cost for the Plan Year	$1,353,421	$1,289,699
8. Pre-Retirement Death Benefit Expense	$97,753	$89,646
9. Administrative Expenses for the Plan Year	$119,028	$120,305
10. Recommended Contribution for the Plan Year		
a. Employer Contribution	$769,924	$779,336
b. Estimated Employee Contribution	775,237	785,871
c. Total (Before Application of the Credit Balance)	$1,545,161	$1,565,207
11. Employer Contributions as a Percent of Payroll	2.5%	2.5%
12. Employee Contributions as a Percent of Plan Cost	50.2%	50.2%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

Amortization Schedule (Georgia Code 47-20-10)
Level Dollar

Charges:

Description	Date Established	Initial Amount	Initial Years	Years Remaining	End of Year Amortization Amount	Outstanding Balance
a. None					$0	$0
b **Total**					**$0**	**$0**

Credits:

Description	Date Established	Initial Amount	Initial Years	Years Remaining	Amortization Amount	Outstanding Balance
a. Negative Unfunded	2011	$169,937	10	10	$25,041	$169,937
b. **Total**					**$25,041**	**$169,937**
Total Amortizations					**($25,041)**	**($169,937)**

Equation of Balance:	
1. Net amount of amortizations outstanding as of January 1, 2011	($169,937)
2. Credit Balance in Funding Standard Account as of January 1,2011	861,120
3. Reconciliation account balance on January 1, 2011	0
4. Unfunded actuarial liability as of January 1, 2011 (1.-2.-3.)	($1,031,057)

Reconciliation of Plan Assets

1. Fund Balance of Plan Assets as of January 1, 2010	$1,115,732
2. Changes in Assets During the Year	
Income	
a. Employer Contributions	$1,206,267
b. Employee Contributions	793,604
c. Prefunded Contributions	0
d. Asset Transfer	0
e. Net Investment Income	2,101,096
f. Employee Contribution - BuyBack	14,516,507
g. Total Income	**18,617,474**
Disbursements	
h. Benefits Paid	27,652
i. Post-Retirement Death Benefit Expense	0
j. Pre-Retirement Death Benefit Expense	0
k. Administrative Fees Paid	58,596
l. Refund of Employee Contributions	301,794
m. Total Disbursements	**388,042**
Net Income	**$18,229,432**
3. Fund Balance of Plan Assets as of January 1, 2011	$19,345,164
4. Contributions Receivable from the County	78,045
5. Administration Fee Payable	120,305
6. Accrued Investment Fee Payable	597
7. Payable to the Insurance Pool	131,815
8. Total Market Value of Plan Assets as of January 1, 2011	$19,170,492
9. Actuarial Value of Assets (see page 10 for detail) as of January 1, 2011	$18,640,690 *

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

Reconciliation of Plan Assets (Continued)

Gain/(Loss) on Asset Performance	2007	2008	2009	2010
Market Value of Assets at Beginning of Plan Year	N/A	N/A	$0	$15,368,804
Interest	N/A	N/A	$0	1,191,082
Employer Contributions	N/A	N/A	15,287,142	1,991,685
Interest on Employer Contributions	N/A	N/A	9,961	39,169
Distributions with interest	N/A	N/A	0	(28,724)
Expected Market Value of Assets at End of Plan Year	N/A	N/A	$15,297,103	$18,562,016
Actual Market Value of Assets	N/A	N/A	15,368,804	19,170,492
Actuarial Asset Gain/(Loss)	N/A	N/A	$71,701	$608,476

		Actuarial Value
1. Market Value of Assets (MVA) as of January 1, 2011		$19,170,492
2. Increase/(Decrease) in Asset Value from Prior Years' (Gain)/Loss:		
80% of 2010 Investment (Gain)/Loss	($486,781)	
60% of 2009 Investment (Gain)/Loss	(43,021)	
40% of 2008 Investment (Gain)/Loss	N/A	
20% of 2007 Investment (Gain)/Loss	N/A	
Total Increase/(Decrease)		(529,802)
3. Actuarial Value of Assets as of January 1, 2011 prior to application of 80%/120% corridor		$18,640,690
4. Minimum Actuarial Value of Assets as of January 1, 2011 (80% of MVA)		15,336,393
5. Maximum Actuarial Value of Assets as of January 1, 2011 (120% of MVA)		23,004,590
6. Actuarial Value of Assets as of January 1, 2011 = greater of (4) and lesser of (3) and (5)		$18,640,690 *
7. Actuarial Value of Assets as a Percentage of Market Value		97.24%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

Reconciliation of Plan Assets (Continued)

Summary of Employer Contributions

-Contributions made for the 2010 Plan Year

Date Received	Applied to Plan Year	Employer Contribution	Employer Contribution adjusted*	Interest to End of Year	Total
01/05/2010	2010	$46,960	$39,094	$2,993	$49,953
01/19/2010	2010	46,838	38,992	2,865	49,703
02/02/2010	2010	47,490	39,535	2,784	50,274
02/16/2010	2010	46,421	38,645	2,603	49,024
03/02/2010	2010	46,463	38,680	2,488	48,951
03/16/2010	2010	46,240	38,494	2,359	48,599
03/30/2010	2010	46,305	38,548	2,245	48,550
04/13/2010	2010	46,394	38,623	2,133	48,527
04/27/2010	2010	46,492	38,704	2,020	48,512
05/11/2010	2010	47,238	39,325	1,935	49,173
05/25/2010	2010	46,249	38,502	1,779	48,028
06/08/2010	2010	45,807	38,134	1,648	47,455
06/22/2010	2010	45,622	37,980	1,528	47,150
07/06/2010	2010	45,707	38,050	1,418	47,125
07/20/2010	2010	45,541	37,912	1,300	46,841
08/03/2010	2010	45,707	38,050	1,192	46,899
08/17/2010	2010	45,638	37,993	1,079	46,717
08/31/2010	2010	46,229	38,485	980	47,209
09/14/2010	2010	45,974	38,272	862	46,836
09/28/2010	2010	46,375	38,607	757	47,132
10/12/2010	2010	46,490	38,702	646	47,136
10/26/2010	2010	46,337	38,575	532	46,869
11/09/2010	2010	46,431	38,654	421	46,852
11/23/2010	2010	46,945	39,082	313	47,258
12/07/2010	2010	46,988	39,117	200	47,188
12/21/2010	2010	47,383	39,445	89	47,472
01/04/2011	2010	47,075	39,189	0	47,075
Total		$1,253,341	$1,043,390	$39,169	$1,292,510

*Net of administrative expenses and cost of pre-retirement expenses

Section III:
Valuation Data Summary

Active and Inactive Participant Statistical Information

Participant Statistics

Active Participants	January 1, 2011	January 1, 2010
a. Number	684	681
b. Average Age	43.82	43.69
c. Average Service	9.63	9.49
d. Average Compensation	$47,562	$48,265
Deferred Vested Participants		
a. Number	34	10
b. Average Annual Benefits	$2,618	$3,686
Retirees		
a. Number	2	0
b. Average Annual Benefits	$8,719	N/A
Beneficiaries		
a. Number	0	0
b. Average Annual Benefits	N/A	N/A
Disabled Participants Receiving Benefits		
a. Number	0	0
b. Average Annual Benefits	N/A	N/A

Active and Inactive Participant Statistical Information

Participant Data Reconciliation

	Active Participants	Disabled Participants	Inactive Participants with Deferred Benefits	Inactive Participants Receiving Benefits	Total
As of January 1, 2010	**681**	**0**	10	0	**691**
Age Retirements	(2)			2	0
Eligibility Status Change	(2)		1		(1)
Deaths	(1)				(1)
Disabled					0
Nonvested Terminations	(15)			N/A	(15)
Vested Terminations	(23)		23	N/A	0
Rehires					0
Cashout					0
Survivors	N/A				0
Benefits Expired					0
Spin-Off	N/A				0
Transfer Out					0
Transfer In				N/A	0
New Entrants	68			N/A	68
Lump Sum	(2)				(2)
Refund of Employee Contributions	(20)			N/A	(20)
Net Change	3	0	24	2	29
As of January 1, 2011	**684**	**0**	**34**	**2**	**720**

Active Participants by Age and Years of Service

Years of Service / Age	Under 1		1 to 4		5 to 9		10 to 14		15 to 19		20 to 24		25 to 29		30 to 34		35 to 39		40 & up		Total	
	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp	No.	Avg. Comp
Under 25	1	31,677	17	37,226	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	28	35,045
25 to 29	16	31,331	64	37,587	1	37,676	1	29,414	0	0	0	0	0	0	0	0	0	0	0	0	85	36,417
30 to 34	7	33,091	50	41,605	17	48,229	5	46,358	0	0	0	0	0	0	0	0	0	0	0	0	79	42,577
35 to 39	7	31,342	34	41,183	9	44,677	28	59,501	1	86,448	0	0	0	0	0	0	0	0	0	0	79	47,775
40 to 44	5	33,351	50	42,301	18	47,684	11	63,015	14	74,127	2	90,984	0	0	0	0	0	0	0	0	100	50,582
45 to 49	4	35,800	42	47,494	12	44,599	17	58,081	10	69,197	12	76,544	0	0	0	0	0	0	0	0	97	54,340
50 to 54	1	28,651	37	52,225	10	49,894	6	61,527	10	57,599	7	75,202	0	0	0	0	0	0	0	0	71	55,373
55 to 59	1	18,368	30	42,499	12	48,527	11	49,467	2	59,923	5	69,440	2	55,137	1	119,715	0	0	0	0	64	48,700
60 to 64	2	24,254	35	48,493	9	52,810	3	49,428	3	61,052	5	56,590	0	0	0	0	0	0	0	0	57	49,780
65 to 69	0	0	13	43,877	2	41,357	1	58,444	1	82,659	0	0	0	0	0	0	0	0	0	0	17	46,747
70 & up	0	0	5	39,122	0	0	1	47,968	0	0	1	64,573	0	0	0	0	0	0	0	0	7	44,021
Total	54	31,587	377	43,234	93	47,376	84	56,973	41	67,855	32	72,614	2	55,137	1	119,715	0	0	0	0	684	47,362

Section IV:
Financial Information

Information for Financial Statements

	2011
1. Actuarial Present Value of Accumulated Plan Benefits	
a. Vested	
i. Retirees (and others in pay status)	$171,345
ii. Deferred Vested (former employees)	503,096
iii. Vested Active Participants	7,699,554
Total	8,373,995
b. Nonvested	2,366,036
Total	$10,740,031 *
2. Effect of Future Salary Increases	6,869,602
3. Total Actuarial Accrued Liability	17,609,633
4. Net Assets Available for Benefits (including receivables)	19,170,492
5. Net Assets in Excess of Actuarial Present Value of Accumulated Plan Benefits	$8,430,461
6. Principal Actuarial Assumptions	
a. Investment Return	7.75%
b. Rate of Future Salary Increases (not applicable to Accumulated Plan Benefits calculations)	3.5%-6.0% (based on age)

* The present Value of Accumulated Plan Benefits reflect actual value of the accumulated plan benefits which is less than the value of the employee contributions (including service buy backs) made to date.

GASB 27 Notes to Financial Statements

Note X. Pension Plan

The County sponsors the Association County Commissioners of Georgia Restated Pension Plan for Fayette County Employees (The Plan), which is a defined benefit pension plan.

The Plan provides retirement, disability, and death benefits to plan participants and beneficiaries. The Plan, through execution of the adoption agreement, is affiliated with the Association County Commissioners of Georgia Third Restated Defined Benefit Plan (The ACCG Plan), an agent multiple-employer pension plan, administered by GEBCorp. The ACCG, in its role as the Plan Sponsor, has the sole authority to amend the provisions of the ACCG Plan, as provided in Section 19.03 of the ACCG Plan document. The County has the authority to amend the adoption agreement, which defines the specific benefit provisions of The Plan, as provided in Section 19.02 of the ACCG Plan document.

Funding Policy: The County is required to contribute an actuarially determined amount annually to the Plan's trust. The contribution amount is determined using actuarial methods and assumptions approved by the ACCG Plan trustees and must satisfy the minimum contribution requirement contained in the State of Georgia statutes.

Annual Pension Cost: The County's annual pension cost and net pension obligation for the pension plan for the current year were determined as follows:

Derivation of Net Pension Obligation:	2011	2010
Net Pension Obligation as of Beginning of Prior Year	($313,193)	$0
Annual Pension Cost for Prior Year	762,568	298,235
Actual Contributions to Plan for Prior Year	1,253,342	611,428
Increase in Net Pension Obligation	($490,774)	($313,193)
Net Pension Obligation as of Beginning of the Year	($803,967)	($313,193)
Derivation of Annual Pension Cost:		
Annual Required Contribution	$777,081	$760,869
Interest on Net Pension Obligation	(62,307)	(24,272)
Amortization of Net Pension Obligation	66,668	25,971
Annual Pension Cost	$781,442	$762,568

Basis of Valuation

Current Valuation Date	January 1, 2011
Annual Return on Invested Plan Assets	7.75%
Projected Annual Salary Increases	3.5%-6.0% based on age
Expected Annual Inflation	3.00%
Actuarial Value of Assets	Market Value
Actuarial Funding Method	Projected Unit Credit
Amortization Method	Level Percent of Pay (Closed)

Trend Information for the Plan

Fiscal Year Beginning	Annual Pension Cost (APC)	Actual County Contribution	Percentage of APC Contributed	Net Pension Obligation
January 1, 2011	$781,442	N/A	N/A	($803,967)
January 1, 2010	762,568	1,253,342	164%	(313,193)
July 1, 2009	298,235 *	611,428	205%	0

*This amount represents the pension cost for the period from July 1, 2009 to December 31, 2009

GASB 27 Required Supplementary Information
Schedule of Funding Progress

Fiscal Year Ending	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Projected Unit Credit	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll
	(a)	(b)	(b-a)	(a/b)	c	[(b-a)/c]
December 31, 2010	$18,640,690	* $18,028,224	($612,466)	103.4%	$31,434,837	-1.9%
December 31, 2009	$15,311,443	* $15,500,023	$188,580	98.8%	$30,397,046	0.6%

* Reflects change to asset smoothing adopted by the ACCG Pension Plan and Trust Board of Trustees.

The assets and liabilities shown above reflect expected amounts as of the last day of the plan year. These amounts may vary from those used in determining the required contribution, since those calculations use actual amounts as of the first day of the next plan year.

Section V:
Actuarial Assumptions and Plan Provisions

Summary of Actuarial Methods and Assumptions

1. Investment Return: 7.75% per year

2. Future Salary Increases: 4.50% per year with an age based scale as follows:

Age	Salary Increase
Under 30	4.5 % rate plus 1.5%
30-39	4.5 % rate plus 1.0%
40-49	4.5 % rate less 0.5%
50+	4.5 % rate less 1.0%

Future Payroll Growth
(For level percentage compensation amortization): 5.5 % per year

3. Mortality: 1983 GAM, sex distinct

4. Termination: An experience based, age and service based set of rates; sample rates as follows:

Age	Probability of Termination	Age	Probability of Termination
25	10.8%	45	5.5%
35	8.3%	55	0.0%

(Linear interpolation between ages)

Years of Service	Probability of Termination
3 or less	175% of the age-based assumption
4	150% of the age-based assumption
5	125% of the age-based assumption
6	Same as the age-based assumption

5. Disability: Male rates (used for both sexes) derived from a 1977 Social Security Administration study. Incidence of disability resulting in eligibility for both disability benefits under the County retirement plan and the Social Security: sample rates as follows:

Age	Probability of Disability	Age	Probability of Disability
under 20	0.0000%	20	0.0100%
25	0.1131%	30	0.1900%
35	0.2712%	40	0.4000%
45	0.6331%	50	1.0400%
55 & over	0.0000%		

(For valuation purposes, rates are used with a one year set forward.)

6. Retirement:

	Probability of Retirement for non-public safety participants
age 65	60%
ages 66 to 69	20%
age 70	100%

	Probability of Retirement for public safety participants
age 55 to 61	20%
ages 62 to 64	30%
age 65	50%
age 66 to 69	20%
age 70	100%

7. Administrative Expenses: The contribution payable as of the end of the Plan Year includes administrative fees set by contract between the Association County Commissioners of Georgia and GEBCorp.

8. Actuarial Value of Assets: Smoothed market value with a 5 year smoothing period.

9. Actuarial Cost Method: Projected Unit Credit. This cost method measures past service liabilities as the actuarial present value of benefits accrued for service up to the valuation date, but based on salaries projected to the date of assumed retirement from the plan. The current year accrual is based on benefits accrued for the year of service beginning on the valuation date, but based on salaries projected to the date of assumed retirement from the plan.

10. Beneficiary: The plan provides either a lump-sum benefit or an annuity for a fixed period of time to the beneficiary of a deceased active or inactive participant. Therefore all participants are assumed to have a beneficiary and such beneficiary is assumed to be the

11. Participants on Sick Leave: Participants that are currently on sick leave, but still considered employees of the county, are included in the valuation and a liability is maintained for such participants.

12. Cost of Living Adjustment: N/A

13. Changes Since Prior Valuation: There have been no substantive changes since the last actuarial valuation.

Summary of Main Plan Provisions for Valuation Purposes

1. Effective Date:	July 1, 2009.
2. Participant:	Any full-time employee meeting the provisions as set out in the Adoption Agreement.
3. Eligibility:	The Employee's Employment Commencement Date.
4. Plan Year:	Period from January 1 to the December 31, inclusive.
5. Service:	Completed service from the later of July 1, 2009 and the participant's date of employment to the date on which a participant ceases to be an employee, plus any service purchased for the period prior to July 1, 2009.
6. Average Annual Compensation:	The highest average of the Participant's compensation over sixty consecutive months during the ten plan years preceding the Participant's date of retirement or other termination.
7. Eligibility for Benefits:	
a. Normal Retirement	The later of attainment of age 65 or 5 years of Vesting Service.
b. Late Retirement	Any date subsequent to Normal Retirement.
c. Early Retirement	Reduced: Attainment of age 55 and completion of 10 years of Vesting Service. Unreduced: Attainment of age 55 with 25 years of Vesting Service for Public Safety participants only.
d. Disability Retirement	Completion of 10 years of Vesting Service and deemed to be totally disabled by the Federal Social Security Administration.
e. Vested Termination	One hundred percent vested after 5 years of Vesting Service.
f. Pre-Retirement Death Benefit	i. Lump-Sum Active Participants. ii. Lump-Sum Terminated vested Participants and participants receiving a Disability benefit who have not yet attained age 65.

g. Post-Retirement Death Benefit	Termination of employment due to Early, Normal or Late Retirement. Participants receiving a Disability Retirement benefit and who have attained normal retirement age are also eligible.
8. Accrued Benefit:	1.50% of Average Annual Compensation multiplied by years of Credited Service (not to exceed 30).
9. Benefit Amounts:	
a. Normal Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Normal Retirement.
b. Late Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Late Retirement.
c. Early Retirement	Reduced: A benefit payable monthly for life equal to the Participant's Accrued Benefit actuarially reduced at Early Retirement age.
d. Disability Retirement	A benefit payable monthly for life equal to the Participant's Accrued Benefit at Disability Retirement.
e. Vested Termination	A benefit payable monthly for life beginning at Normal Retirement equal to the Participant's Accrued Benefit at termination.
f. Pre-Retirement Death Benefit:	i. Lump-Sum — The Beneficiary of active Participants eligible for this benefit will receive a lump-sum death benefit equal to 50 times the projected monthly benefit limited to $50,000.
	ii. Lump-Sum — The Beneficiary of Participants eligible for this benefit will receive a lump-sum death benefit equal to 50 times the accrued monthly benefit.

g. Post-Retirement Death Benefit:	The beneficiary will receive a lump-sum death benefit based on the retiree's benefit payable under the normal form as follows: 50 times the monthly benefit.
10. Form of Benefit:	The normal form of benefit is a straight life annuity. Other forms of payment are available that are actuarially equivalent to the normal form.
11. Actuarial Equivalent Basis:	1983 GAM Table blended, 50% males, 50% females at 7.0% interest.
12. Contributions:	Employer pick-up contributions in an amount equal to 2.5% of Compensation.
13. Changes Since Prior Valuation:	There have been no substantive changes since the last actuarial valuation.

Appendix A

Statement of Funding Policy

Background and Objectives

The Trustees ('Board of Trustees') for the Association County Commissioners of Georgia ('ACCG') Pension Plan and Trust oversees the administration, investment and funding of the Association County Commissioners of Georgia Retirement Program ('Program') for member employers ('Members'). Included in the service provided to Members are a actuarial and consulting services. This statement of funding policy is intended to guide the Program's administrators and actuaries in developing contribution amounts for Members.

1. To maintain funding procedures that ensure each Member's plan is financially independent of the plan of every Member in the Program. There is no shared cost among Members.
2. To secure the benefit obligations under each Member's plan is systematic and orderly manner and to ensure that each Member's plan is adequately pre-funded.
3. To utilize actuarial methods, which are intended to produce a contribution pattern over time, that is level as a percentage of the aggregate salaries of each Member's active plan participants (covered payroll).
4. To utilize actuarial techniques that minimize administrative expenses whenever possible.
5. To target a long-term ratio of plan assets to the present value of accumulated plan benefits ('Funding Ratio') at 125% for active, ongoing plans.
6. To comply with applicable laws and regulations

Actuarial Methods and Assumptions

The amounts in the Program's trust fund shall be allocated among the Members at least annually. Each allocation shall reflect the contributions paid by the Members, benefits paid to plan participants and the plan's proportionate share of investment returns and administrative expenses.

Actuarial valuations shall be conducted on each Member's plan on an annual basis. The valuation shall establish:

1. The recommended contribution under this Funding Policy ("Recommended Contribution").
2. The minimum required contribution under State Law ("Minimum Contribution").
3. The actuarial present value of accumulated plan benefits and related Funding Ratio.
4. Any plan operation information and disclosures required under generally accepted accounting and actuarial principles.
5. Any other information needed to fully disclose the financial position of each Member's plan.

The actuarial methods used in the valuations shall reflect the Board of Trustees objective of producing stable contributions for mature plans. The actuarial cost method used to attribute pension cost to various fiscal periods is the Projected Unit Credit Method. An actuarial value of assets that smoothes out the variation in the actual investment experience is the asset valuation method used to develop contribution amounts.

The actuarial assumptions utilized for Member's plan shall be established on a conservative basis, reflecting the target Funding Ratio of 125%. All economic assumptions shall represent the actuary's best estimate of future experience, taking into account the characteristics of current employee groups. The current actuarial assumptions are as follow:

Appendix A (Continued)

Economic Assumptions

1. Investment Return:	7.75% per year
2. Salary Increase:	Normalized rates of 4.0% - 6.0% per year adjusted for age
3. Increase in Social Security Wage Base:	5.5% per year
4. Cost-of-Living Adjustment:	2.5% per year

Demographic Assumptions

1. Mortality:	1983 Group Annuity Mortality (GAM) Table Sex Distinct
2. Employee Turnover:	Low to moderate
3. Disability:	Based on Social Security Administration standard rates
4. Retirement Age:	The bulk of retirees are assumed to retire at the earliest age that unreduced benefits are first available under the plan. Modest to high levels of earlier retirement will be assumed based on the early retirement benefit structure of the plan

The Board of Trustees will review these actuarial methods and assumptions on a periodic basis.

Member Contributions

Recommended Contribution

The Recommended Contribution for each Member shall be the sum of the following:

1. normal cost
2. annual required portion of the unfunded actuarial accrued liability amortized on a level dollar basis.

Minimum Contribution

The Minimum Contribution for each Member shall be the sum of the following:

1. normal cost
2. annual required portion of the unfunded actuarial accrued liability amortized on a level percent of compensation.

100 Percent Plans

A plan shall be considered a 100 Percent Plan in the current year if the plan has a Funding Ratio in excess of 100% on the valuation date assuming the payment of the Minimum Contribution.

80 Percent Plans

A plan shall be considered an 80 Percent Plan in the current year if in two of the most recent three valuations reports the plan has had a Funding Ratio below 80% on the valuation date assuming the payment of the Minimum Contrition in two of the most recent three valuation years.

Excess Contributions

Members may make Excess Contributions in excess of the Required Contribution up to an amount that shall not cause the market value of plan assets to exceed the actuarial present value of projected benefits.

Accumulated Contribution Credits

If Members make contributions above the Minimum Contribution such contributions shall be separately identified and maintained as an Accumulated Contribution Credit.

Members having a 100 Percent Plan (as defined above) may use the Contribution Credit to partially or fully offset the Required Contributions in any plan year, provided however, the Member's plan must continue to be considered a 100 Percent Plan with the reduced Required Contribution.

Amount of Required Contribution

The Board recommends that all Members provide annual contributions in an amount at least equal to the Recommended Contribution

Members having 100 Percent Plans shall have a Required Contribution equal to the Minimum Contribution. Members having 80 Percent Plans shall have a Required Contribution equal to the Recommended Contribution

All other Members shall have a Required Contribution equal to the Recommended Contribution, provided however, that these Members shall be allowed to reduce the Required Contribution to the Minimum Contribution not more frequently than once every three years

For actuarial valuations as of January 1, 2011 and contributions due no later than March 31, 2012, the Required Contribution for all Members shall be equal to the Minimum Contribution less any Accumulated Contribution Credits.

Timing of the Required Contribution

Each Member is required to pay the Required Contribution on a timely basis in order to remain in good standing. If contribution payments become ninety (90) days overdue, and, if in the opinion of the Board of trustees, such delinquency jeopardizes the benefit accruals of participants, the Board of Trustees shall notify affected Member's plan participants. If contribution payments remain unpaid after notification of plan participants, and the Member has not informed the Board of Trustees of structural changes in the Member's plan, then the Board of Trustees and legal counsel shall consider involuntarily terminating the Member from the Program.

Exceptions

Members may remain in good standing with in the Program while making contributions in amounts other than the Required Contribution only under the following conditions:

Inadequate Cash Flow

In very rare instances involving extremely small plans, the usual definition of Recommended Contribution will produce inadequate cash flow to support plan benefits. In such cases, the Program's actuary will compute a larger contribution amount, based on a shorter amortization period, to be reported to the Member as the Recommended Contribution

Plans of New Members

Normally, the Plan Administrator arranges for a new Member to join the Program without Board of Trustee approval. In the case of a prospective Member who sponsors an existing plan or wishes to create a new plan that would be considered an 80 Percent Plan under this Funding Policy, the Board of Trustees must approve entry into the Program before membership becomes effective As a condition to Board of Trustee approval, the prospective Member must acknowledge this funding Policy and agree to fund their plan in accordance with this Funding Policy.

Member Plan Amendments

Members having an 80 Percent Plan may not amend their plan without having prior approval of the Board of Trustees if the amendment is projected by the Program's actuary to have the effect of increasing the plan's net liabilities. If such Member having an 80 Percent Plan does adopt a plan amendment in violation of this restriction, then the Board of Trustees and legal counsel shall consider involuntarily terminating the Member from the Program.

Other Exceptions

Any other exception to the payment of the Required Contribution must be approved by the Board of Trustees. The Board will require that any Member seeking a reduction to the Required Contribution specify when such contributions under the exception will be paid. The Board will consider only the interests of plan participants in deciding to approve or reject exceptions to the Required Contribution requirement.

Waivers by Board of Trustees

The Board of Trustees may amend or modify this Statement of Funding Policy by an instrument in writing, at any time. In addition, the Board of Trustees in its sole discretion, may provide for one-time or universal exceptions to any of the requirements in this Statement, as it may determine is prudent at the time.