GWINNETT COUNTY PUBLIC EMPLOYEES RETIREMENT SYSTEM DEFINED BENEFIT PENSION PLAN (A PENSION TRUST FUND OF GWINNETT COUNTY, GEORGIA)

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2023

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MAULDIN & JENKINS
CPAs & ADVISORS

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To the Members of the Retirement Plan's
Management Committee of the Gwinnett County
Public Employees Retirement System
Lawrenceville, Georgia

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the **Gwinnett County Public Employees Retirement System Defined Benefit Pension Plan** (the "Plan") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Gwinnett County Public Employees Retirement System Defined Benefit Pension Plan, as of December 31, 2023, and the changes in 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 GAAS 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 GAAS 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, Schedule of Changes in the County's Net Pension Liability and Related Ratios, Schedule of County Contributions, and Schedule of Pension Investment Returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 June 7, 2024 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
June 7, 2024

Within this section of the Gwinnett County Public Employees Retirement System Defined Benefit Pension Plan annual financial report, County management provides a narrative overview and analysis of the financial activities of the Gwinnett County Defined Benefit (DB) Pension Plan (the "Plan"). The financial performance of the Plan is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section. The DB Plan is accounted for in a pension trust fund, which was established effective January 1, 2007, by a resolution of the Gwinnett County Board of Commissioners (the "BoC").

Financial Highlights

- Fiduciary net position reported in the financial statements is $1,288,515,000 as of the fiscal year ended December 31, 2023. This is an increase of $136,389,000 from December 31, 2022.

- The fair value of plan investments at December 31, 2023, is $1,246,261,000. These are assets restricted for payment of future retirement benefits to plan members.

- The Plan's funded ratio of the Plan fiduciary net position to the Total Pension Liability at December 31, 2023, is 77.2%.

- Effective January 1, 2007, the DB Pension Plan was closed to new hires. Full time employees hired or rehired after that date are required to join the County's Defined Contribution Plan. Existing DB Plan members will continue to contribute and accrue benefits.

Basic Financial Statements

Management's Discussion and Analysis introduces the basic financial statements for the Plan. The basic financial statements include: (1) statement of fiduciary net position, (2) statement of changes in fiduciary net position, and (3) notes to the financial statements. This report also includes required additional information to supplement the basic financial statements.

The first of these basic financial statements is the *Statement of Fiduciary Net Position*. This statement presents information that includes plan assets and liabilities, with the difference reported as *net position restricted for pension benefits.* Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Plan as a whole is improving or deteriorating, however, as a closed plan, the net position will eventually decrease as the benefit obligations are met.

The second plan statement is the *Statement of Changes in Fiduciary Net Position*, which reports how the fiduciary net position changed during the current fiscal year. All current year revenue and expenses are included regardless of when cash is received or paid. Realized gains and losses on investment sales and unrealized gains and losses due to market value appreciation or depreciation are included as investment income of the Plan.

The Plan's assets are held in trust funds of the BoC, which fall under the category of fiduciary funds. Resources of those funds are not available to support County programs but are held in trust to pay benefits and associated costs to and on behalf of eligible retirees. The accounting used for fiduciary funds is much like that used for proprietary funds.

Financial Analysis

As shown in the Summary of Fiduciary Net Position below, the net position restricted for pension benefits is $1,288,515,000.

The table below provides a summary of fiduciary net position (in thousands):

Summary of Fiduciary Net Position

	December 31, 2023	December 31, 2022	December 31, 2021
Current and other assets	$ 62,827	$ 48,301	$ 63,226
Investments	1,246,262	1,120,532	1,381,259
Total assets	1,309,089	1,168,833	1,444,485
Total liabilities	20,574	16,707	20,080
Net position	$ 1,288,515	$ 1,152,126	$ 1,424,405

Employer contributions of $48,494,212 were made to the Plan in 2023. The actuarially recommended employer contribution was $48,109,946.

Employee contributions to the Plan are made on a pre-tax basis by plan members based on the actuarially recommended contribution. The Plan's benefit payments for 2023 totaled $96,170,000.

The table below provides a summary of changes in fiduciary net position (in thousands):

Summary of Changes in Fiduciary Net Position

	Year Ended December 31, 2023	Year Ended December 31, 2022	Year Ended December 31, 2021
Additions:			
Net investment income (loss)	$ 179,934	$ (242,689)	$ 175,503
Contributions:			
Employer	48,494	56,271	54,637
Employee	5,167	5,600	5,990
Total additions	233,595	(180,818)	236,130
Deductions:			
Benefit payments	96,170	91,000	86,038
Other expenses	1,036	461	934
Total deductions	97,206	91,461	86,972
Net increase (decrease)	136,389	(272,279)	149,158
Net position, January 1	1,152,126	1,424,405	1,275,247
Net position, December 31	$ 1,288,515	$ 1,152,126	$ 1,424,405

The Plan's gross return on investments for 2023 was 16.38%. The return, net of investment expenses, was 15.96%. The overall plan benchmark rate for 2023 was 14.77%. The chart below reflects how the Plan's investments performed compared to their benchmarks in each major category, and the target and actual year end asset allocations for each category.

Financial Market Performance Summary
(Annual Gross Rate of Return % for 2023)

			Asset Allocation	
Benchmark Index	Index %	Gwinnett %	Target %	Year end %
Russell 1000 Value	11.46	-	15.0	14.9
Barrow	-	11.88	-	-
London	-	5.88	-	-
Russell 1000 Growth	42.68	-	15.0	16.1
TWC	-	45.33	-	-
Brown Advisory*	-	N/A	-	-
Fidelity Lg Cap Growth Index*	-	N/A	-	-
Russell Mid Cap Growth	25.87	24.05	2.5	2.5
Russell Mid Cap Core	17.42	13.95	2.5	2.9
Russell Mid Cap Value	12.71	17.70	2.5	2.9
Russell 2000	16.93	21.85	7.5	8.3
International Equity Blend	15.62	13.47	15.0	13.3
NAREIT	13.73	9.92	5.0	5.0
Barclays Aggregate	5.53	-	25.0	24.1
Voya	-	6.23	-	-
Ryan Labs	-	6.41	-	-
PIMCO Income Fund	-	9.32	-	-
Hartford Strategic Income	-	9.92	-	-
Columbia Mortgage Opp	-	7.62	-	-
Alternate Global Allocation	3.10	-	10.0	10.1
First Eagle	-	13.19	-	-
Loomis Sayles	-	22.54	-	-
Total Plan Benchmark	14.77	16.38	100.0	100.0

*Brown Advisory Large Cap Growth and Fidelity Large Cap Growth Index were hired in September 2023 and have not completed a full year of performance.

Contacting the Plan's Financial Management

This financial report is designed to provide a general overview of the Plan's finances, comply with finance-related laws and regulations, and demonstrate commitment to public accountability. If you have questions about this report or would like to request additional information, contact Buffy Alexzulian, Director of Financial Services, Gwinnett County Department of Financial Services, 75 Langley Drive, Lawrenceville, Georgia 30046.

GWINNETT COUNTY PUBLIC EMPLOYEES RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023
(In Thousands of Dollars)

Assets	
Cash and cash equivalents	$ 35,037
Investments at fair value:	
U.S. treasury bonds	65,616
Asset-backed securities	6,644
U.S. governmental agencies	62,979
Commercial mortgage-backed securities	12,529
Futures contracts	257
Corporate bonds	150,156
Collateralized mortgage obligations	2,032
Corporate equities	806,084
International government bonds	652
International equities	133,079
Preferred stock	6,234
Total investments	1,246,262
Securities lending collateral investment pool	19,475
Prepaid benefit payment	8,315
Total assets	1,309,089
Liabilities	
Accounts payable	1,099
Liability for securities lending agreement	19,475
Total liabilities	20,574
Net position restricted for pension benefits	$ 1,288,515

See Notes to Financial Statements.

GWINNETT COUNTY PUBLIC EMPLOYEES RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of Dollars)

Additions	
Contributions:	
Employer	$ 48,494
Employee	5,167
Total contributions	53,661
Investment income:	
Net increase in the fair value of investments	154,041
Securities lending income	37
Interest and dividends	30,441
	184,519
Less - Investment expense	(4,582)
Securities lending expense	(3)
Net investment income	179,934
Total additions	233,595
Deductions:	
Benefits paid	96,170
Administrative expenses	1,036
Total deductions	97,206
Net increase in fiduciary net position	136,389
Net position restricted for pension benefits:	
Beginning of year	1,152,126
End of year	$ 1,288,515

See Notes to Financial Statements.

NOTE 1. DESCRIPTION OF THE PLAN

The Gwinnett County Public Employees Retirement System (the "Plan") is a single-employer defined benefit pension plan. The present plan covers all employees of Gwinnett County who are members of the Defined Benefit Pension Plan. The Plan was created as a successor to a previous plan by action of the Board of Commissioners on September 19, 2006. The Retirement Plan's Management Committee, composed of seven members who serve without compensation by the Plan, is the Trustee of the Plan. The members of the Retirement Plan's Management Committee are the County Administrator (by position), the Chief Financial Officer (by position), the County Director of Human Resources (by position), a citizen of the County (not a participant in the Plan) appointed by the County Board of Commissioners, two County employees appointed by the County Administrator, and one general member appointed by the County Administrator. The Bank of New York Mellon is the Custodian for the Plan. Transamerica is the third-party administrator of the Plan. Benefit provisions and contribution requirements are established and may be amended by the Retirement Plan's Management Committee, subject to approval by the Gwinnett County Board of Commissioners.

General

The following brief description of the pension plan terms is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

Gwinnett County previously participated in the agent-multiple employer Association County Commissioners of Georgia Defined Benefit Plan and the Association County Commissioner of Georgia Defined Benefit Plan Master Trust Agreement sponsored by the Association of County Commissioners of Georgia. Having determined that it was in the best interest of the County and plan participants and beneficiaries, the County established the Gwinnett County Defined Benefit Plan, effective January 1, 2007, as a single employer, locally governed plan for the benefit of its employees and other eligible individuals as provided for in the Plan Document. Assets held in the Association County Commissioner of Georgia Defined Benefit Plan Master Trust for the benefit of Gwinnett County Employees were transferred to the Plan in 2007.

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

Contributions

Gwinnett County is required to contribute an actuarially determined amount annually to the Plan's trust. The required contribution amount is determined using actuarial methods and assumptions approved by the Retirement Plan's Management Committee. It is intended to satisfy the minimum contribution requirements as set forth in controlling State of Georgia statutes. Effective for the January 1, 2023, plan year, the recommended contribution for the County was set at $48,109,946 and the County contributed $48,494,212. The actuarially determined contribution for employees was set at $5,072,277.

Retirement Options/Benefit Provisions

Normal retirement age under the Plan is 65. Employees having an employment or reemployment date prior to November 1, 2004, become fully vested after three years of service. Employees having an employment or reemployment date after November 1, 2004, become fully vested after five years of service.

Early retirement means the following when a participant becomes eligible:

a. *Schedule A*: A participant accruing benefits under Schedule A shall be entitled to an unreduced early retirement pension upon the completion of thirty years of vesting service or attains 65 years of age with at least 5 years of participation. A participant accruing benefits under Schedule A will be entitled to a reduced early retirement pension on the latter of the date he attains sixty years of age and completes ten years of service.

b. *Schedule B or C*: A participant accruing benefits under Schedule B or Schedule C shall be entitled to an unreduced early retirement pension on the earlier of the following dates; (1) the participant completes 30 years of vesting service; or (2) latter of the date (a) he attains 50 years of age and (b) his age, combined with his years of vesting service, equals or exceeds 75 years of age or he attains age 65 with 5 years of plan participation. A participant accruing benefits under Schedule B or Schedule C will be entitled to a reduced early retirement pension on the latter of the date he attains 60 years of age and completes ten years of service.

Normal retirement benefits are based on a participant's average monthly compensation for the highest 60 consecutive months of credited service out of the employee's last 120 months of credited service prior to termination of employment. The normal retirement factor is 2.25% of the participant's average monthly compensation multiplied by years of full-time credited service for Schedule A and B.

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

Retirement Options/Benefit Provisions (continued)

The normal retirement factor is 2.5% of the participant's average monthly compensation multiplied by years of full-time credited service for Schedule C.

Participants who retire will receive a cost of living increase as follows:

a. *Schedule A*: There is no cost of living adjustment for benefits provided under Schedule A.
b. *Schedule B or C*: A participant receiving retirement, disability pension, survivor, or deferred vested benefits under the provisions of any of the Employee Contributory Plans shall be entitled to a cost of living adjustment of his benefit in the amount of one percent per year.

A participant who, prior to satisfying the requirements for a normal, early or reduced retirement pension shall be entitled to receive a *Disability Pension* if the participant has completed ten years of full-time service and is determined to be totally disabled by the Social Security Administration prior to the participant's termination of employment.

Joint and Survivor retirement benefits to a participant's designated beneficiary are provided by the Plan, as well as a *ten year certain* benefit option.

A *Postretirement Death Benefit* of up to $15,000 (payable in a lump sum) is provided for each participant receiving an early, reduced, normal, or late retirement pension, who retires directly from County employment.

Eligibility

Full-time employees with an employment or reemployment commencement date before December 31, 2006 who did not elect to participate in the Defined Contribution Plan are eligible to participate in the Plan.

Employees hired or rehired after January 1, 2007; County Commissioners, other Elected Officials and Appointed Officials with an employment or reemployment date after August 1, 2000; and employees who elected to participate in the Defined Contribution Plan are excluded from participation in the Defined Benefit Plan. The Defined Benefit Plan is closed to new entrants.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

Fund Membership

The following schedule reflects membership for the Plan as of January 1, 2023.

Inactive members or beneficiaries currently receiving benefits	2,776
Inactive members entitled to but not receiving benefits	704
Active members	730
Total	4,210

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Plan's significant accounting policies are as follows:

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting. Contributions are paid and based on payrolls for time worked through December 31 each year.

Cash and Cash Equivalents

The Plan considers all depository accounts, money market depository accounts, and un-invested cash in investment trust accounts to be cash equivalents.

Valuation of Investments

Investments are recorded at fair value. The net appreciation (depreciation) in the fair value of investments held by the Plan is recorded as an increase (decrease) 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.

Payment of Benefits

Benefits to retired participants are recorded when due in accordance with the terms of the Plan.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

The Plan's policy in regard to investments, including the allocation of invested assets, is established and may be amended by the Retirement Plan's Management Committee by a majority vote of its members. The Plan is authorized to invest in obligations of the United States Treasury or its agencies and instrumentalities, collateralized mortgage obligations, asset and mortgage-backed securities, taxable bonds that are obligations of any state and its agencies, instrumentalities, and political subdivisions, and in certificates of deposit of national or state banks that are fully insured or collateralized by United States obligations.

Additionally, the Plan is authorized to invest in common stocks, money market instruments, and corporate bonds and debentures, which are not in default as to principal and interest.

As of December 31, 2023, the Plan had $1,246,262 invested in the following types of investments (dollars in thousands) as categorized by credit risk:

Investment		Fair Value	Quality
U.S. treasury bonds	$	65,616	AA
Asset-backed securities		1,782	AAA
Asset-backed securities		809	AA
Asset-backed securities		1,810	A
Asset-backed securities		2,081	BBB
Asset-backed securities		162	-
U.S. government agencies		62,824	AA
U.S. government agencies		155	-
Commercial mortgage-backed securities		3,746	AAA
Commercial mortgage-backed securities		221	AA
Commercial mortgage-backed securities		600	A
Commercial mortgage-backed securities		29	BBB
Commercial mortgage-backed securities		7,933	-
Futures contracts		257	-
Corporate bonds		5,156	AAA
Corporate bonds		2,150	AA
Corporate bonds		26,650	A
Corporate bonds		40,606	BBB
Corporate bonds		1,638	BB
Corporate bonds		22	B
Corporate bonds		73,934	-
Collateralized mortgage obligations		115	AAA
Collateralized mortgage obligations		1,917	AA
Corporate equities		806,084	-
International government bonds		356	AA
International government bonds		296	BBB
International equities		133,079	-
Preferred stock		6,234	-
Total	$	1,246,262	

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Credit Risk – It is the Plan's policy to limit investments in common or preferred stock of a corporation to those corporations listed on one or more of the recognized national stock exchanges in the United States of America, or those traded on the NASDAQ National Market. The policy also limits stock investments to not more than 5% of the assets of any fund in common or preferred stock of any one issuing corporation. Domestic bonds are limited to those with ratings that meet or exceed investment grade as defined by Moody's, S&P, or Fitch. U.S. Government Treasuries and Agency bonds are not classified by credit quality. Corporate equities, international equities, and related mutual funds invested in equities are also not classified by credit quality.

Concentration – On December 31, 2023, the Plan did not have debt or equity investments in any one organization, other than those issued by the U.S. Government, which represented greater than 5% of plan fiduciary net position.

Interest Rate Risk – As of December 31, 2023, the Plan had $1,246,262 invested in the following types of investments (dollars in thousands) as categorized by interest rate risk:

Investment	Fair Value	Weighted Average Maturity (Years)
U.S. treasury bonds	$ 65,616	14.24
Asset-backed securities	6,644	6.26
U.S. government agencies	62,979	18.09
Commercial mortgage-backed securities	12,529	29.63
Futures contracts	257	0.23
Corporate bonds	150,156	11.91
Collateralized mortgage obligations	2,032	22.84
Corporate equities	806,084	-
International government bonds	652	-
International equities	133,079	-
Preferred stock	6,234	0.21
Total	$ 1,246,262	

The Plan investment policy adopts the following asset mix to achieve the lowest level of risk for the Plan: Equity Securities between 50% and 75% at market value, and Fixed Income Securities between 25% and 50% and between 0% and 5% in Alternative Investments. Fixed income securities are indexed to Barclays Capital U.S. Aggregate. As of December 31, 2023, the Fixed Income Assets had an effective duration of 6.09 years compared to the Barclays Capital U.S. Aggregate of 6.19 years. The weighted average yield to maturity of the portfolio was 5.19% compared to the Barclays Aggregate of 4.53%. Corporate equities, international government bonds, and international equities are also not classified by interest rate risk.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

Foreign Currency Risk – At December 31, 2023, $143,656,000 or 11.5% of Retirement Plan Investment Assets had exposure of foreign currency risk through investments in foreign companies. The investments by related currency (dollars in thousands) are as follows:

Investment		Amount
Australian Dollar	$	11,444
British Pound		4,412
Canadian Dollar		18,556
Norwegian Krone		1,221
Euro		108,023
Total	$	143,656

Rate of Return – For the year ended December 31, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 15.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial Credit Risk – Deposits. Custodial credit risk for deposits is the risk that in the event of a bank failure, the Plan may not be able to recover its deposits.

Securities Lending. State statutes and management committee 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. The Plan's custodians lend securities of the type on loan at year end for collateral in the form of cash or other securities of 102%. The cash collateral is available to the Plan for investment without default.

Cash collateral is invested in overnight investments. At year end, the Plan has no significant credit risk exposure to borrowers because the amounts the Plan owed the borrowers exceeded the amounts the borrowers owed the Plan. The contract with the Plan's custodian requires it to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan.

There were no significant borrower or lending agent default losses or recoveries of prior period losses during the year. There are no income distributions owing on the securities loaned.

NOTE 3. DEPOSITS AND INVESTMENTS (CONTINUED)

The Plan records the cash received as collateral under securities lending agreements and the investments purchased with that cash as securities lending short-term collateral investment pool with a corresponding amount recorded as a liability.

Fair Value Measurements: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Plan has the following recurring fair value measurements as of December 31, 2023:

Investment	Level 1	Level 2	Level 3	Fair Value
U.S. treasury bonds	$ 65,616	$ -	$ -	$ 65,616
Asset-backed securities	-	6,644	-	6,644
U.S. government agencies	-	62,979	-	62,979
Commercial mortgage-backed securities	-	12,529	-	12,529
Futures contracts	-	257	-	257
Corporate bonds	-	150,156	-	150,156
Collateralized mortgage obligations	-	2,032	-	2,032
Corporate equities	806,084	-	-	806,084
International government bonds	-	652	-	652
International equities	129,232	-	3,847	133,079
Preferred stock	6,234	-	-	6,234
Total	$ 1,007,166	$ 235,249	$ 3,847	$ 1,246,262

The U.S. treasury bonds, corporate equities, international equities, and preferred stock classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those investments.

The investments in asset-backed securities, U.S. Government agencies, commercial mortgage-backed securities, futures contracts, corporate bonds, collateralized mortgage obligations, and international government bonds classified as Level 2 on the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The international equities classified as Level 3 on the fair value hierarchy are valued using ICE Data Services.

NOTE 4. NET PENSION LIABILITY OF THE COUNTY

The components of the net pension liability of the County at December 31, 2023, were as follows:

Total pension liability	$ 1,668,653,539
Plan fiduciary net position	1,288,515,000
County's net pension liability	$ 380,138,539
Plan fiduciary net position as a percentage of total pension liability	77.2%

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective. Calculations are based on the substantive plan in effect as of January 1, 2023, and on the current pattern of sharing of costs between the employer and Plan members to that point. The total pension liability was determined by an actuarial valuation as of January 1, 2023, with update procedures performed by the actuary to roll forward to the total pension liability measured as of December 31, 2023.

The assumptions used in the January 1, 2023, actuarial valuation are as follows:

Actuarial Methods and Assumptions

Actuarial Cost Method	Entry Age Normal
Long-term Expected Rate of Return On Investments	7.0% (includes inflation of 2.5% and net of pension plan investment expense)
Projected Salary Increases	4.5%-5.5% (includes inflation of 2.5%)
Cost-of-living Adjustment	1.0%

NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET PENSION LIABILITY OF THE COUNTY (CONTINUED)

Actuarial Methods and Assumptions (continued)

Mortality rates were based on the following:

Preretirement Mortality: PubG.H-2010 Headcount Weighted General Median Employee, projected generationally using projection scale MP-2019.

Postretirement Health Mortality: PubG.H-2010 Headcount Weighted General Median Healthy Retiree, projected generationally using projection scale MP-2019.

Postretirement Disability Mortality: PubNS.H-2010 Headcount Weighted Non-Safety Median Disabled Retiree, projected generationally using projection scale MP-2019.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study dated January 27, 2010, with the exception of the mortality assumption and the termination rates. The mortality assumption was updated for the December 31, 2019 measurement date. The termination assumptions are updated over a five-year period beginning with the December 31, 2021 measurement date.

The long-term capital market assumptions provided by the Plan's Investment Consultant yield a median real return of 6.49%. Based on this information, the adopted assumption of 4.50% for the real return is reasonable. Combined with the 2.50% inflation assumption, the resulting nominal return is 7.00%.

Best estimates of the arithmetic real rates of return for each major asset class included in the pension Plan's target asset allocation as of January 1, 2023, are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Growth	15.0%	7.2%
U.S. Large Cap Value	15.0%	7.6%
U.S. Mid Cap	7.5%	8.1%
U.S. Small Cap	7.5%	9.1%
REITs	5.0%	7.7%
Foreign Developed	10.0%	7.5%
Emerging Markets	5.0%	8.9%
Global Equity	10.0%	7.5%
Core Fixed Income	25.0%	2.6%
Total	100.0%	

NOTE 4. NET PENSION LIABILITY OF THE COUNTY (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability was 7.00%. The projection of cash flow used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the County will contribute the actuarially determined amount in subsequent years. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make the projected future benefit payments of all current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all of the future projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
County's net pension liability	$ 570,282,043	$ 380,138,539	$ 220,762,619

REQUIRED SUPPLEMENTARY INFORMATION

GWINNETT COUNTY PUBLIC EMPLOYEES RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

SCHEDULE OF CHANGES IN THE COUNTY'S NET PENSION LIABILITY AND RELATED RATIOS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$ 10,979,211	$ 10,357,079	$ 10,686,205	$ 11,468,559	$ 11,329,392	$ 11,728,541	$ 12,020,213	$ 12,412,610	$ 10,381,274	$ 11,390,525
Interest on total pension liability	109,051,817	106,749,338	101,936,256	98,703,520	91,585,614	88,705,986	85,243,898	82,914,571	81,012,571	77,618,099
Differences between expected and actual experience	47,343,620	3,085,927	41,662,612	19,435,216	25,253,004	14,048,173	21,474,452	3,737,820	17,980,851	-
Changes of assumptions	2,459,999	5,663,086	3,321,363	-	50,585,697	-	-	-	121,861,698	-
Benefit payments	(96,170,000)	(91,000,000)	(86,038,000)	(79,248,000)	(75,169,000)	(70,723,000)	(67,254,000)	(63,539,000)	(59,323,000)	(54,595,000)
Net change in total total pension liability	73,664,647	34,855,430	71,568,436	50,359,295	103,584,707	43,759,700	51,484,563	35,526,001	171,913,394	34,413,624
Total pension liability beginning	1,594,988,892	1,560,133,462	1,488,565,026	1,438,205,731	1,334,621,024	1,290,861,324	1,239,376,761	1,203,850,760	1,031,937,366	997,523,742
Total pension liability ending (a)	$ 1,668,653,539	$ 1,594,988,892	$ 1,560,133,462	$ 1,488,565,026	$ 1,438,205,731	$ 1,334,621,024	$ 1,290,861,324	$ 1,239,376,761	$ 1,203,850,760	$ 1,031,937,366
Plan fiduciary net position										
Contributions - employer	$ 48,494,000	$ 56,271,000	$ 54,637,000	$ 46,767,000	$ 41,620,000	$ 41,633,000	$ 38,366,000	$ 28,036,000	$ 33,636,000	$ 48,713,000
Contributions - employee	5,167,000	5,600,000	5,990,000	6,289,000	6,176,000	6,419,000	6,441,000	6,652,000	6,852,000	7,264,000
Net investment income	179,934,000	(242,689,000)	175,503,000	153,062,000	212,029,000	(54,537,000)	140,526,000	56,004,000	(2,182,000)	58,212,000
Benefit payments	(96,170,000)	(91,000,000)	(86,038,000)	(79,248,000)	(75,169,000)	(70,723,000)	(67,254,000)	(63,539,000)	(59,323,000)	(54,595,000)
Administrative expenses	(1,036,000)	(461,000)	(934,000)	(789,000)	(731,000)	(757,000)	(724,000)	(818,000)	(638,000)	(878,000)
Net change in plan fiduciary net position	136,389,000	(272,279,000)	149,158,000	126,081,000	183,925,000	(77,965,000)	117,355,000	26,335,000	(21,655,000)	58,716,000
Plan fiduciary net position -beginning	1,152,126,000	1,424,405,000	1,275,247,000	1,149,166,000	965,241,000	1,043,206,000	925,851,000	899,516,000	921,171,000	862,455,000
Plan fiduciary net position - ending (b)	$ 1,288,515,000	$ 1,152,126,000	$ 1,424,405,000	$ 1,275,247,000	$ 1,149,166,000	$ 965,241,000	$ 1,043,206,000	$ 925,851,000	$ 899,516,000	$ 921,171,000
County's net pension liability - ending (a) - (b)	$ 380,138,539	$ 442,862,892	$ 135,728,462	$ 213,318,026	$ 289,039,731	$ 369,380,024	$ 247,655,324	$ 313,525,761	$ 304,334,760	$ 110,766,366
Plan fiduciary net position as a percentage of the total pension liability	77.2%	72.2%	91.3%	85.7%	79.9%	72.3%	80.8%	74.7%	74.7%	89.3%

GWINNETT COUNTY PUBLIC EMPLOYEES RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

SCHEDULE OF COUNTY CONTRIBUTIONS
($ in thousands)

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined employer contribution	$ 48,110	$ 55,619	$ 54,002	$ 46,586	$ 41,350	$ 41,102	$ 37,945	$ 28,036	$ 33,636	$ 38,713
Actual County contributions	48,494	56,271	54,637	46,767	41,620	41,633	38,366	28,036	33,636	48,713
Contribution deficiency (excess)	$ (384)	$ (652)	$ (635)	$ (181)	$ (270)	$ (531)	$ (421)	$ -	$ -	$ (10,000)
Covered payroll	$ 71,318	$ 82,841	$ 84,086	$ 93,541	$ 90,763	$ 94,553	$ 94,048	$ 97,303	$ 104,557	$ 109,082
Actual contributions as a percentage of covered payroll	68.0%	67.9%	65.0%	50.0%	45.9%	44.0%	40.8%	28.8%	32.2%	44.7%

Notes to the Schedule/Actuarial Assumptions and Methods Utilized

Valuation Date	January 1, 2022
Cost Method	Entry Age Normal
Amortization Method	Level dollar
Amortization Period	Closed
Remaining Amortization Period	11 years
Actuarial Asset Valuation Method	Five year smoothed market value
Assumed Rate of Return On Investments	7.00% (including inflation)
Projected Salary Increases	4.50%-5.50% (includes inflation)
Price inflation	2.50%
Wage inflation	3.50%
Cost-of-living Adjustment	1.00%

GWINNETT COUNTY PUBLIC EMPLOYEES RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN
REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

SCHEDULE OF PENSION INVESTMENT RETURNS

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expenses for the County's pension plan	15.96%	-17.16%	14.25%	13.79%	22.55%	-5.47%	15.75%	6.45%	-0.27%

Note to the Schedule

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

MAULDIN & JENKINS
CPAs & ADVISORS

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

To the Members of the Retirement Plan's
Management Committee of the Gwinnett County
Public Employees Retirement System
Lawrenceville, Georgia

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Gwinnett County Public Employees Retirement System Defined Benefit Pension Plan (the "Plan"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated June 7, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Mauldin & Jenkins, LLC

Atlanta, Georgia
June 7, 2024

GWINNETT COUNTY PUBLIC EMPLOYEES RETIREMENT SYSTEM
DEFINED BENEFIT PENSION PLAN
SCHEDULE OF FINDINGS AND RESPONSES

FOR THE YEAR ENDED DECEMBER 31, 2023

SECTION I
SUMMARY OF AUDIT RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements are prepared in accordance with GAAP.	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	___ yes __X__ no
Significant deficiencies identified?	___ yes __X__ none reported
Noncompliance material to financial statements noted?	___ yes __X__ no

Federal Awards

There was not an audit of major federal award programs as of December 31, 2023, due to the total amount expended being less than $750,000.