

**CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN**

Financial Statements and Required Supplemental Schedules

June 30, 2025 and 2024

(With Independent Auditors' Report Thereon)



**CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN**

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Independent Auditor's Report

**The City of Atlanta Defined Benefit Pension Investment Board
Firefighters' Pension Plan
City of Atlanta, Georgia**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Atlanta, Georgia Firefighters' Pension Plan (the "Plan") (a fiduciary component unit of the City of Atlanta, Georgia) as of and for the years ended June 30, 2025 and 2024, 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 Plan as of June 30, 2025 and 2024, and the respective change in its fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Emphasis of Matter

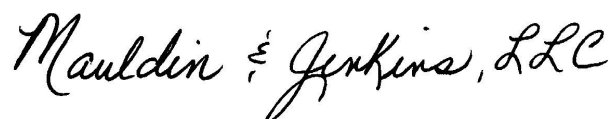
As discussed in Note 1, the financial statements present only the Firefighters' Pension Plan and do not purport to, and do not present fairly, the financial position of the City of Atlanta, as of June 30, 2025 and 2024, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the schedule of changes in the net pension liability and related ratios, schedule of employer contributions and schedule of pension investment returns information on pages 32 through 36 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2025, 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.



Atlanta, Georgia
December 17, 2025

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

As management, we offer readers of the Firefighters' Pension Plan (the Plan) financial statements this narrative overview and analysis of the financial activities of the Plan for the years ended June 30, 2025 and 2024. This overview compares the years ended June 30, 2025 and 2024 and the years ended June 30, 2024 and 2023. Readers are encouraged to read the notes to the financial statements in conjunction with the financial statements presented, following this narrative.

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

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

Financial Highlights

- At June 30, 2025, the assets of the Plan exceeded its liabilities by \$948.5 million. At June 30, 2024, the assets of the Plan exceeded its liabilities by \$872.7 million. This amount represents the Plan's net position for each year.
- The Plan's total net position increased in 2025 by \$75.8 million or 8.7% as compared with net position at June 30, 2024. The Plan's total net position increased in 2024 by \$62.4 million or 7.7% as compared with net position at June 30, 2023.
- Net investment income in fiscal year 2025 was \$99.3 million. This is a \$9.9 million increase compared to fiscal year 2024 net investment income of \$89.4 million. Net investment income increased in 2024 by \$22.9 million compared to fiscal year 2023.
- Contributions received from employer and employees totaled \$39.9 million in 2025 as compared to \$34.9 million in fiscal year 2024.
- Benefit payments in 2025 totaled \$62.7 million, an increase of \$1.4 million or 2.3% when compared with fiscal year 2024. Benefits payments in 2024 totaled \$61.3 million, an increase of \$2.7 million or 4.6% when compared with fiscal year 2023.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

The Plan is considered a fiduciary component unit of the City of Atlanta, Georgia (the City) and its financial statements are included in the City's Annual Comprehensive Financial Report (ACFR) as part of the Pension Trust Fund. The City's ACFR for the years ended June 30, 2025 and 2024 should be read in conjunction with these financial statements.

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

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

Basic financial statements comprise the following:

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

The *Statement of Changes in Fiduciary Net Position* presents information showing how the Plan's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the changes occur, *regardless of the timing of the related cash flows*. Changes would include investment income, employee and employer contributions to the Plan, benefit payments to members, and administrative expenses.

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

Required Supplementary Information. In addition to the basic financial statements, this report also presents certain *required supplementary information* concerning the changes in net pension liability, net pension liability and related ratios, employer contributions and the Plan's money-weighted investment rate of return. Required supplementary information and related notes can be found following the notes to the financial statements in this report.

Financial Analysis

The net position may serve over time as an indicator of financial stability. In the case of the Plan, assets exceeded liabilities by \$948.5 million and \$872.7 million at the close of the years ended June 30, 2025 and 2024, respectively. Table 1 summarizes the major categories of assets, liabilities, and net position for the years ended June 30, 2025, 2024, and 2023. Table 2 summarizes the changes in the Plan's net position for the years ended June 30, 2025, 2024 and 2023.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

Table 1. Firefighters' Pension Plan Net Position, as of June 30, 2025 and June 30, 2024 and June 30, 2024 and June 30, 2023 (dollars in thousands):

	June 30		Amount change	Percentage change
	2025	2024		
Assets:				
Cash and deposits	\$ 6,122	2,153	3,969	184.3 %
Receivables	9,641	4,156	5,485	132.0
Investments	938,848	868,931	69,917	8.0
Total assets	<u>954,611</u>	<u>875,240</u>	<u>79,371</u>	9.1
Liabilities:				
Due to brokers for investments purchased	5,233	1,579	3,654	231.4
Other	866	922	(56)	(6.1)
Total liabilities	<u>6,099</u>	<u>2,501</u>	<u>3,598</u>	143.9
Net position restricted for pensions	<u>\$ 948,512</u>	<u>872,739</u>	<u>75,773</u>	8.7 %
	June 30		Amount change	Percentage change
	2024	2023		
Assets:				
Cash and deposits	\$ 2,153	11,621	(9,468)	(81.5)%
Receivables	4,156	7,634	(3,478)	(45.6)
Investments	868,931	793,800	75,131	9.5
Total assets	<u>875,240</u>	<u>813,055</u>	<u>62,185</u>	7.6
Liabilities:				
Due to brokers for investments purchased	1,579	2,023	(444)	(21.9)
Other	922	660	262	39.7
Total liabilities	<u>2,501</u>	<u>2,683</u>	<u>(182)</u>	(6.8)
Net position restricted for pensions	<u>\$ 872,739</u>	<u>810,372</u>	<u>62,367</u>	7.7 %

The net position of the Plan increased by \$75.8 million or 8.7% during 2025 when compared to fiscal 2024. This is primarily attributable to an increase in net investment income when compared to fiscal year 2024. Total assets for the Plan increased by \$79.4 million or 9.1% compared to fiscal year 2024. Total cash and deposits increased by \$4.0 million compared to fiscal year 2024. Cash and investments represent 99.0% of total assets as of June 30, 2025, as compared to 99.5% as of June 30, 2024. The plan liabilities do not include future benefits payable to plan participants; however an actuarially determined estimate of this amount is included in the Required Supplementary Information section of this report.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

Table 2. Firefighters' Pension Plan Changes in Net Position, years ended June 30, 2025, June 30, 2024, and June 30, 2023 (dollars in thousands):

	June 30		Amount change	Percentage change
	2025	2024		
Additions to plan net position:				
Investment income:				
Net appreciation in fair value				
of investments	\$ 86,576	79,194	7,382	9.3 %
Interest and dividends	14,689	12,104	2,585	21.4
Less investment expenses	(2,002)	(1,907)	(95)	5.0
Net investment income	99,263	89,391	9,872	11.0
Employee contributions	8,510	7,113	1,397	19.6
Employer contributions	31,398	27,779	3,619	13.0
Other income	3	—	3	100.0
Total additions, net	139,174	124,283	14,891	12.0
Deductions from plan net position:				
Benefit payments	62,654	61,271	1,383	2.3
Administrative expense	747	645	102	15.8
Total deductions	63,401	61,916	1,485	2.4
Increase in net position				
restricted for pensions	\$ 75,773	62,367	13,406	21.5 %
Net position restricted for pensions:				
Beginning of year	\$ 872,739	810,372		
Increase	75,773	62,367		
End of year	\$ 948,512	872,739		

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

	June 30		Amount	Percentage
	2024	2023	change	change
Additions to plan net position:				
Investment income:				
Net appreciation				
in fair value of investments	\$ 79,194	56,804	22,390	39.4 %
Interest and dividends	12,104	11,114	990	8.9
Less investment expenses	(1,907)	(1,444)	(463)	32.1
Net investment income	89,391	66,474	22,917	34.5
Employee contributions	7,113	6,993	120	1.7
Employer contributions	27,779	25,956	1,823	7.0
Other Income	—	104	(104)	(100.0)
Total additions, net	124,283	99,527	24,756	24.9
Deductions from plan net position:				
Benefit payments	61,271	58,563	2,708	4.6
Administrative expense	645	820	(175)	(21.3)
Total deductions	61,916	59,383	2,533	4.3
Increase in net position				
restricted for pensions	\$ 62,367	40,144	22,223	55.4 %
Net position restricted for pensions:				
Beginning of year	\$ 810,372	770,228		
Increase	62,367	40,144		
End of year	\$ 872,739	810,372		

Financial Analysis of June 30, 2025 to June 30, 2024

Total additions to the Plan net position increased by \$14.9 million or 12.0% compared to fiscal year 2024. This increase is primarily attributed to the increase in net investments held at year end. Net investment income increased to \$99.3 million for 2025, an increase of \$9.9 million compared to fiscal year 2024 which is primarily attributed to the volatility of the market. The investment portfolio comprises 61.33% equities, 33.34% fixed income, 3.72% alternative investments including real estate, and 1.61% short term investments of cash and cash equivalents as of June 30, 2025, compared to 67.61% equities, 28.16% fixed income, 2.78% alternative investments including real estate, and 1.44% short term investments of cash and cash equivalents as of June 30, 2024. The overall portfolio returned 11.80% for the 12 months ended June 30, 2025, compared with 11.30% for the same time period in 2024. The S&P 500 index was 14.7% and 24.56% for the years ended June 30, 2025 and 2024, respectively.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Management's Discussion and Analysis

June 30, 2025 and 2024

(Unaudited)

Employee contributions to the Plan increased by \$1.4 million or 19.6% in fiscal year 2025. Employer contributions increased by \$3.6 million or 13.0% to \$31.4 million for fiscal 2025. Benefit payments increased by \$1.4 million or 2.3% to \$62.7 million.

Financial Analysis of June 30, 2024 to June 30, 2023

The net position of the Plan increased by \$62.4 million or 7.7% when compared to 2023. This is primarily attributable to an increase in net investment income when compared to fiscal year 2023. Total assets for the Plan increased by \$62.2 million or 7.6% compared to fiscal year 2023. Total cash and deposits decreased by \$9.5 million compared to fiscal 2023. Cash and investments represent 99.5% of total assets as of June 30, 2024, as compared to 99.1% as of June 30, 2023. The plan liabilities do not include future benefits payable to plan participants, but an actuarially determined estimate of this amount is included in the Required Supplementary Information of this report.

Total additions to the Plan net position increased by \$24.7 million or 24.9% compared to 2023. This increase is primarily attributed to the increase in net investments held at year end. Net investment income was \$89.4 million for fiscal year 2024, an increase of \$22.9 million compared to fiscal year 2023 which is primarily attributed to the volatility of the market. The investment portfolio comprises 67.61% equities, 28.16% fixed income, 2.78% alternative investments including real estate, and 1.44% short term investments of cash and cash equivalents as of June 30, 2024, compared to 66.8% equities, 29.7% fixed income, 3.1% alternative investments including real estate, and 0.4% short term investments of cash and cash equivalents in 2023. The overall portfolio returned 11.30% for the 12 months ended June 30, 2024, compared with 8.95% for the same time period in 2023. The S&P 500 index was 24.56% and 19.59% for the years ended June 30, 2024 and 2023, respectively.

Employee contributions to the Plan increased by \$0.1 million or 1.7% in fiscal year 2024 compared to fiscal year 2023. Employer contributions increased by \$1.8 million or 7.0% to \$27.8 million fiscal year 2024. Benefit payments increased by \$2.7 million or 4.6% to \$61.3 million.

Requests for Information

This financial report is designed to provide a general overview of the Plan's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Chief Financial Officer, 68 Mitchell St. SW, Suite 14106, Atlanta, Georgia 30303.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Statements of Fiduciary Net Position
June 30, 2025 and 2024
(Dollars in thousands)

	2025	2024
Assets		
Cash and deposits	\$ 6,122	2,153
Receivables:		
Contributions receivable from employer	3,035	1,484
Contributions receivable from employees	—	211
Due from brokers for investments sold	3,545	246
Accrued Investment income	2,570	1,989
Other	491	226
Total receivables	<u>9,641</u>	<u>4,156</u>
Investments:		
Short term investments	15,144	12,520
Domestic fixed income securities	311,515	242,201
Domestic equities	477,306	524,882
International fixed income securities	1,533	2,498
International equities	98,461	62,637
Alternative investments		
Real estate	21,135	13,308
Limited partnerships	13,754	10,885
Total investments	<u>938,848</u>	<u>868,931</u>
Total assets	<u>954,611</u>	<u>875,240</u>
Liabilities		
Due to brokers for investments purchased	5,233	1,579
Other	866	922
Total liabilities	<u>6,099</u>	<u>2,501</u>
Net position restricted for pensions	<u>\$ 948,512</u>	<u>872,739</u>

See accompanying notes to financial statements.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Statements of Changes in Fiduciary Net Position
For the Years ended June 30, 2025 and 2024
(Dollars in thousands)

	<u>2025</u>	<u>2024</u>
Additions:		
Contributions:		
Employer	\$ 31,398	27,779
Employee	8,510	7,113
Total contributions	<u>39,908</u>	<u>34,892</u>
Investment income:		
Net appreciation in fair value of investments	86,576	79,194
Interest and dividends	14,689	12,104
Less investment expenses	<u>(2,002)</u>	<u>(1,907)</u>
Net investment income	99,263	89,391
Other	3	—
Total additions, net	<u>139,174</u>	<u>124,283</u>
Deductions:		
Benefit payments, including refunds of member contributions	62,654	61,271
Administrative expense	<u>747</u>	<u>645</u>
Total deductions	<u>63,401</u>	<u>61,916</u>
Net increase in net position	<u>75,773</u>	<u>62,367</u>
Net position restricted for pensions:		
Beginning of year	872,739	810,372
End of year	<u>\$ 948,512</u>	<u>872,739</u>

See accompanying notes to financial statements.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Notes to Financial Statements

June 30, 2025 and 2024

(1) Plan Description

City of Atlanta, Georgia Firefighters' Pension Plan (the Plan) was established by a 1924 Act of the State of Georgia Legislature to provide retirement benefits for full-time sworn firefighters of the City of Atlanta Fire Rescue Department. Until 1983, the Georgia Legislature established all requirements and policies of the Plan. By a constitutional amendment, effective July 1983, control over all aspects of the Plan transferred to the City of Atlanta (the City) under the principle of Home Rule. The types of benefits offered by the Plan are; retirement, disability, and pre-retirement death benefits. The Plan is a single employer defined benefit pension plan. Participants should refer to the Atlanta, Georgia, Code of Ordinances, Section 6 (Plan agreement) for more complete information. Under the principle of Home Rule and the Atlanta, Georgia, Code of Ordinances, Section 6, the Board has the authority to establish and amend benefit terms and contributions.

The Plan is considered a fiduciary component unit of the City and its financial statements are included in the City of Atlanta's Annual Comprehensive Financial Report (ACFR) as part of the Pension Trust Funds. The City's ACFR for the years ended June 30, 2025 and 2024 should be read in conjunction with these financial statements.

(a) Administration of the Plan

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

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

(b) Contribution Requirements

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

Sworn personnel employed by the Atlanta Fire Rescue Department are required to contribute to the Plan. Employees must contribute either 11.75% of base pay if hired after August 31, 2011, 12% of base pay if hired

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Notes to Financial Statements

June 30, 2025 and 2024

before September 1, 2011 without an eligible beneficiary, or 13% of base pay if hired before September 1, 2011 with an eligible beneficiary. Contribution requirements may be amended by the Board under the authority of the City ordinance, but the employer contribution requirement is subject to State minimums.

On November 1, 2011, the sworn personnel of the Fire Rescue Department participating in the Plan and hired before September 1, 2011, or after January 1, 1984, had an increase of 5% in their mandatory contributions into the Plan. The contribution is such that the new contribution is 12% of salary (without a designated beneficiary) or 13% of salary (with a designated beneficiary).

Employees hired on or after September 1, 2011 who are sworn members of the fire department were required to participate in a hybrid defined benefit/defined contribution (DB/DC) plan through December 31, 2024. The defined contribution element was governed and accounted for separately, and included a mandatory employee contribution of 3.75% of salary, which was matched 100% by the City. Additionally, these employees could voluntarily contribute up to an additional 4.25% of salary, which was also matched 100% by the City. Employees vested in the amount of the City's contributions at a rate of 20% per year and became fully vested in the City's contribution after 5 years of participation.

The defined benefit portion of the DB/DC plan included a mandatory 8% employee contribution, and a 1% multiplier. The retirement age increased to age 57 for participants in the Plan. Early Retirement Age is changed from any age (as long as vested) with penalty to age 47 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefits for hires after September 1, 2011.

In August 2024, the City adopted Ordinance 24-O-1377 to amend the Hybrid Plan, effective January 2025. The ordinance replaced the Hybrid (DB/DC) plan with a pure Defined Benefit (DB) plan featuring a tiered benefits multiplier that increases with years of service and applies to all service. It also revised the cost-of-living adjustment, vesting schedule, and final average earnings period for benefit calculations.

The total mandatory employee contribution remains at 11.75%, with all future contributions directed to the DB plan. Upon retirement, employees will receive a monthly DB payment based on the new formula and retain access to funds accrued in the DC plan, which will continue to earn interest. As before, employees can make voluntary contributions to the DC plan.

Ordinance 24-O-1377 also introduced a multi-part Mitigation Plan that will be implemented if the Actuarially Determined Contribution (ADC) for the plans is projected to exceed 40% of projected payroll within the next five years. The Mitigation Plan allows the City to consider options related to the methods used to calculate the ADC as well as procedures for sharing additional required contributions between the City and plan participants. This replaces the previous 35% payroll cap under the previous ordinance.

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(c) Description of the Benefit Terms

In 2024, the City adopted two ordinances that modified the retirement benefits of covered employees. Under Ordinance 24-O-1453, participants hired between July 1, 2010 and August 31, 2011 who were still actively employed on January 1, 2025 were eligible to be covered under the same provisions as those hired prior to July 1, 2010. All participants in this Fund elected to be covered under the provisions for those hired prior to July 1, 2010.

For participants hired on or after September 1, 2011, the City adopted Ordinance 24-O-1377, effective January 2025, to amend the hybrid plan (DB/DC). The new plan allowed employees to transition from the hybrid DB/DC plan to a pure DB pension plan with a tiered benefits structure multiplier that increases based on years of service and which applies to all service. Benefits attributable to service rendered on or after January 1, 2025 are determined under a tiered formula that applies multipliers between 1.6% and 2.4% per year of service.

Before the adoption of the new ordinances in 2024, participants hired after July 1, 2010 were subject to a different set of plan provisions and their benefits were provided through a hybrid DB/DC arrangement. In June 2011, the City Council approved changes for the City's three defined benefit plans, effective on September 1, 2011 for new hires, and November 1, 2011 for existing employees. These changes included a lower benefit multiplier, a longer vesting schedule, and later early and normal retirement age requirements.

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

Currently sworn personnel employed by the Atlanta Fire Rescue Department are required to contribute to the Plan.

Below are the terms the Plan has established to receive benefits:

Normal retirement age: Any age with at least 30 years of creditable service
 (participants who are covered by the 2005 Amendment); or

 Age 55 with at least 10 years of creditable service
 (hired prior to September 1, 2011); or

 Age 57 with at least 10 years of creditable service,
 (hired after August 31, 2011); or

 Age 65 with at least 5 years of creditable service

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For early retirement, there is a reduction of the retirement benefit of 0.5% for each month by which the participant's early retirement age precedes normal retirement age (for employees hired after August 31, 2011). The retirement benefit is reduced by 0.5% for each of the first 60 months and by 0.25% for each additional month by which the participant's early retirement age precedes the normal retirement age (for employees hired before September 1, 2011).

Early retirement age: Any age with at least 10 years of creditable service (hired before September 1, 2011)

Minimum age of 47 with at least 10 years of service for participants hired after August 31, 2011

For participants who incur a catastrophic injury in the line of duty, the basic pension formula is 100 % of the top salary for the grade and position occupied by the participant at the time of disability.

For a service-connected disability for participants hired before 1986, the basic pension formula is the greater of 70% of the top salary for the employee's grade and position occupied by the participant at the time of disability or basic pension formula, offset by worker's compensation payments to the extent both payments exceed 100% of the participant's salary at the time of disability.

For participants hired on or after January 1, 1986, the basic pension formula is the greater of 50% of average monthly earnings at the time of disability or basic pension formula, offset by worker's compensation payments to the extent both payments exceed 75% of the participant's salary at the time of disability (payable until the earlier of recovery from disability or normal retirement age).

Pre-retirement death

benefit:

75% of the basic pension formula (payable to the eligible beneficiary upon death not in the line-of-duty).

100% of base pay offset by worker's compensation or other payments (payable to the eligible beneficiary beginning two years after the death in the line-of-duty).

75% of the larger of the basic pension formula or 70% of top salary for the employee's grade (payable to the eligible beneficiary beginning two years after death in the line-of-duty).

75% of the basic pension formula (payable to the eligible beneficiary beginning two years after death in the line-of-duty if the employee was covered by the 1986 amendment).

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(d) Plan Membership

As of the beginning of the fiscal years ended June 30, 2025 and 2024, participation in the Plan was as follows:

	2025	2024
Inactive plan members or beneficiaries currently receiving benefits	1,115	1,116
Inactive plan members entitled to, but not yet receiving benefits	274	255
Active plan members	936	903
	<u>2,325</u>	<u>2,274</u>

(2) Summary of Significant Accounting Policies

(a) Basis of Accounting

The financial statements are prepared on the accrual basis of accounting. Employee and employer contributions are recognized as additions to plan net position in the period in which withheld from the employees' salary and paid by the employer. Benefits and refunds are recognized as deductions from fiduciary net position when due and payable.

(b) Cash and Cash Equivalents

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

(c) Investments

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

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

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

(d) Use of Estimates

Management of the Plan has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosures of contingent assets and liabilities and the additions to and deductions from net

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position to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

(3) Pension Plan Investments

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

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

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

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

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Below is the asset allocation target assets mix in effect during fiscal years 2025 and 2024.

	Fiscal Year 2025 and 2024		
	Minimum	Target	Maximum
Domestic equity:			
Large Cap	20 %	25 %	30 %
Mid Cap	3	8	13
Small Cap	1	6	11
International equity			
Developed large cap	9	14	19
Non-U.S. small cap	—	4	9
Emerging markets equity	—	4	9
Alternative investments	4	9	14
Fixed income:			
Broad fixed income	25	30	35

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

The Plan maintains cash to meet its immediate liquidity needs. Cash not immediately needed is invested in either short-term or long-term investment securities as directed by management.

For the years ended June 30, 2025 and 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 11.80% and 11.30%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(a) Investment Risk Disclosures

Interest Rate Risk.

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

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Credit Risk.

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

As of June 30, 2025 and 2024, the Plan had the following fixed income investments (dollars in thousands), with the corresponding credit ratings and maturities:

		June 30, 2025					
		Maturity					Fair value
Type of investments	Credit rating	Under 1 year	1–3 years	3–5 years	5–10 years	Over 10 years	
U.S. treasury securities	Exempt	\$ —	\$ 39,412	\$ 21,443	\$ 45,207	\$ 22,902	\$ 128,964
U.S. government agencies	AGY	—	18	—	409	73,833	74,260
Corporate bonds	AAA/A-	241	310	3,236	14,082	10,070	27,939
Corporate bonds	BBB+/BB+	—	361	6,612	5,495	9,959	22,427
Corporate bonds	NR	—	—	—	1,182	437	1,619
Asset-backed securities	NR	—	—	786	—	—	786
Asset-backed securities	AAA	—	—	593	2,293	—	2,886
Bond Funds-ETF	NR	5,355	—	—	—	—	5,355
CMOs	NR	—	—	—	—	44	44
State and local obligations	AAA/AA-	—	—	—	1,289	3,958	5,247
State and local obligations	NR	—	—	—	—	441	441
Commingled bond Fund	NR	43,080	—	—	—	—	43,080
		<u>\$ 48,676</u>	<u>\$ 40,101</u>	<u>\$ 32,670</u>	<u>\$ 69,957</u>	<u>\$ 121,644</u>	<u>\$ 313,048</u>

		June 30, 2024					
		Maturity					Fair value
Type of investments	Credit rating	Under 1 year	1–3 years	3–5 years	5–10 years	Over 10 years	
U.S. treasury securities	Exempt	\$ 6,303	\$ 9,092	\$ 14,281	\$ 26,070	\$ 15,216	\$ 70,962
U.S. government agencies	AGY	1	1,300	—	668	63,599	65,568
U.S. government agencies	AA+	296	—	—	—	—	296
Corporate bonds	AAA/A-	1,833	953	1,231	13,209	10,355	27,581
Corporate bonds	BBB+/BBB-	1,338	1,944	3,273	9,459	8,884	24,898
Corporate bonds	NR	—	—	—	—	554	554
Asset-backed securities	NR	—	444	499	777	—	1,720
Asset-backed securities	AAA	—	2,084	1,968	2,248	—	6,300
Bond Funds-ETF	NR	3,118	—	—	—	—	3,118
CMOs	NR	—	—	—	—	75	75
State and local obligations	AAA/AA-	85	—	—	675	3,478	4,238
Commingled bond Fund	NR	39,389	—	—	—	—	39,389
		<u>\$ 52,363</u>	<u>\$ 15,817</u>	<u>\$ 21,252</u>	<u>\$ 53,106</u>	<u>\$ 102,161</u>	<u>\$ 244,699</u>

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Custodial Credit Risk.

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

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

All investments of the Plan are either held by the Plan or by the counterparty in the Plan's name; therefore, the Plan's investments had no custodial risk as of June 30, 2025 and 2024.

Concentration of Credit Risk.

The Plan does not have a policy regarding the concentration of credit risk. Investments in any one issuer, excluding U.S. treasuries and government Agencies, representing 5% or more of the net position restricted for pensions at June 30, 2025 and 2024 are as follows (dollars in thousands):

Issuer	Type	2025	2024
BlackRock Russell 1000 Index Fund	Commingled Equity Fund	\$ 221,635	\$ 191,615
BlackRock MSCI ACWI Min Vol Index Fund	Commingled Equity Fund	—	47,241
BlackRock Mid Cap Equity Fund	Commingled Equity Fund	—	69,444

Foreign Currency Risk.

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

Although all of the foreign equity securities are American Depositary Receipts (ADR's), this does not eliminate the foreign currency risk involved in purchasing foreign securities.

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The following tables provides the value in U.S. dollars by foreign currency denominations and investment type for the Plan investments denominated in foreign currencies at June 30, 2025 and 2024 (dollars in thousands):

		June 30, 2025		
		Fixed income	Equities	Total
Currency:	Country:			
Euro	Belgium	\$ —	848	848
Euro	Finland	—	730	730
Euro	France	—	4,520	4,520
Euro	Germany	—	1,882	1,882
Euro	Italy	—	3,118	3,118
Euro	Netherlands	—	916	916
Euro	Spain	—	2,519	2,519
Total Euro		—	14,533	14,533
Australian Dollar	Australia	—	771	771
Brazilian Real	Brazil	—	1,524	1,524
Canadian Dollar	Canada	—	6,192	6,192
Chinese Yuan Renminbi	China	—	3,323	3,323
Denmark Kroner	Denmark	—	1,037	1,037
Various foreign currencies	Emerging Markets Region	—	1,586	1,586
Hong Kong Dollar	Hong Kong	—	1,305	1,305
Forint	Hungary		621	621
Israeli New Shekel	Israel	—	934	934
Japanese Yen	Japan	—	6,619	6,619
South Korean won	Korea, Republic of	—	811	811
Mexican Peso	Mexico	—	797	797
Norwegian Krone	Norway	—	779	779
Singapore Dollar	Singapore	—	793	793
South African Rand	South Africa	—	1,680	1,680
Swedish Krona	Sweden	—	2,108	2,108
Swiss Franc	Switzerland	—	2,557	2,557
New Taiwan Dollar	Taiwan	—	136	136
Pound Sterling	United Kingdom	1,533	9,354	10,887
Various foreign currencies	International Region	—	41,001	41,001
Total securities subject to foreign currency risk		\$ 1,533	98,461	99,994

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		June 30, 2024		
		Fixed income	Equities	Total
Currency:	Country:			
Euro	Finland	\$ —	612	612
Euro	Germany	—	2,534	2,534
Euro	Netherlands	—	1,464	1,464
Euro	Italy	—	2,819	2,819
Euro	France	—	4,350	4,350
Euro	Spain	—	2,073	2,073
Total Euro		—	13,852	13,852
Australian Dollar	Australia	—	582	582
Brazilian Real	Brazil	—	2,366	2,366
Canadian Dollar	Canada	1,240	3,498	4,738
Chinese Yuan Renminbi	China	—	2,762	2,762
Denmark Kroner	Denmark	—	1,991	1,991
Various foreign currencies	Emerging Markets Region	—	1,350	1,350
Forint	Hungary	—	611	611
Israeli New Shekel	Israel	—	746	746
Japanese Yen	Japan	—	7,895	7,895
South Korean won	Korea, Republic of	—	545	545
Mexican Peso	Mexico	—	456	456
South African Rand	South Africa	—	1,328	1,328
Swedish Krona	Sweden	—	1,748	1,748
Swiss Franc	Switzerland	—	804	804
New Taiwan Dollar	Taiwan	—	845	845
Pound Sterling	United Kingdom	1,258	7,246	8,504
Various foreign currencies	International Region	—	14,012	14,012
Total securities subject to foreign currency risk		\$ 2,498	62,637	65,135

(b) Fair Value Measurement

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

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The three levels of the fair value hierarchy are as follows:

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

The level in the fair value hierarchy within which a fair value measurement falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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

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The following tables present the financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2025 and 2024 (in thousands)

	2025		
	Level 1	Level 2	Level 3
	Total		
Short term investments:			
Cash and cash equivalents	\$ 15,144	—	—
Debt securities:			
Asset backed securities	—	3,716	—
Corporate and municipal bonds	—	57,673	—
U. S. Agency securities	910	73,350	—
U. S. Treasury securities	128,964	—	—
Bond Exchange Traded Funds	5,355	—	—
Total debt securities	<u>\$ 135,229</u>	<u>134,739</u>	<u>—</u>
Equity securities:			
Commingled equity fund	\$ —	299,580	—
Common stock	145,376	1,483	—
Preferred stock	709	—	—
Exchange Traded Funds	34,149	—	—
Mutual Funds	15,801	—	—
Total equity securities	<u>196,035</u>	<u>301,063</u>	<u>—</u>
Total investments at fair value	<u>\$ 346,408</u>	<u>435,802</u>	<u>—</u>
Investments measured at NAV:			
Commingled bond funds			43,080
Commingled equity funds			78,669
Private Equity Fund			13,754
Real estate fund			21,135
Total investments			<u>156,638</u>
measured at NAV			<u>\$ 938,848</u>
Total investments			<u>\$ 938,848</u>

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	2024			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Short term investments:				
Cash and cash equivalents	\$ 12,520	—	—	12,520
Debt securities:				
Asset backed securities	—	8,095	—	8,095
Corporate and municipal bonds	—	57,271	—	57,271
U. S. Agency securities	786	65,078	—	65,864
U. S. Treasury securities	70,962	—	—	70,962
Bond Exchange Traded Funds	3,118	—	—	3,118
Total debt securities	<u>\$ 74,866</u>	<u>130,444</u>	<u>—</u>	<u>205,310</u>
Equity securities:				
Commingled equity fund	\$ —	332,218	—	332,218
Common stock	139,144	—	—	139,144
Preferred stock	665	—	—	665
Exchange Traded Funds	28,676	—	—	28,676
Mutual Funds	12,814	—	—	12,814
Total equity securities	<u>181,299</u>	<u>332,218</u>	<u>—</u>	<u>513,517</u>
Total investments at fair value	<u>\$ 268,685</u>	<u>462,662</u>	<u>—</u>	<u>731,347</u>
Investments measured at NAV:				
Commingled bond funds				39,389
Commingled equity funds				74,002
Private Equity Fund				10,885
Real estate fund				13,308
Total investments				<u>137,584</u>
measured at NAV				<u>\$ 868,931</u>
Total investments				<u>\$ 868,931</u>

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

Debt securities classified in Level 1 are valued using pricing quoted in active markets. Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These securities have non-proprietary information that was readily available to market participants, from multiple independent sources, which are known to be actively involved in the market.

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

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Investments in privately held limited partnerships and commingled vehicles which do not have a readily determined fair value are valued using the NAV provided by the general partner/investment manager as of June 30, 2025. The monthly or quarterly values of the partnership investments provided from the general partner are reviewed by the Plan to determine if any adjustments are necessary. The Plan currently has no plans to sell any of the investments resulting in these assets being carried at the NAV estimated by the general partner/investment manager.

(c) Securities Lending

State statutes and Board policies permit the Plan to lend its securities to broker dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. As of June 30, 2025 and 2024, the Plan has no credit risk exposure to securities lending.

(d) Alternative Investments

The Board has authorized the Plan to invest in alternative investments. As of June 30, 2025 and 2024, the Plan had alternative investments in limited partnerships totaling \$13,754,152 and \$10,885,422 respectively. As part of the partnership agreement, the Plan may not voluntarily withdraw from the partnership prior to its dissolution, and no limited partnership interest is redeemable or repurchasable by the partnership at the option of the Plan.

As of June 30, 2025, the related unfunded commitments of the Plan's alternative investments and limitations and restrictions on the Plan's ability to redeem or sell are summarized as follows (in thousands):

	Unfunded commitments	Redemptions frequency (if currently eligible)	Redemptions notice period
Private equity fund	\$13,823	Not eligible	Not eligible

As of June 30, 2025, various investments have total Capital Commitments of \$39,000,000 of which \$13,823,115 is unfunded. Although the Plan is obligated to fund these commitments, many of these agreements allow resale.

(e) Real Estate Investments

Real estate investments are included under alternative investments which also includes joint ventures, partnerships and other participation interests with real estate owners, developers and others for the purpose of owning and operating any particular investment. As of June 30, 2025 and 2024, approximately \$21,135,000 and \$13,308,000 respectively, are considered to be real estate alternative investments.

	Unfunded commitments	Redemptions frequency (if currently eligible)	Redemptions notice period
Real Estate Fund	\$ —	Quarterly	90 days

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(4) Contributions Required and Contributions Made

The required contribution percentages developed in the most recent actuarial valuation for the Plan for the years ended June 30, 2025 and 2024 and the actual contribution made are as follows (dollars in thousands):

	2025
Service cost	22.05 %
Amortization of the unfunded actuarial accrued liability	35.35 %
Total required contributions as a percentage of covered payroll	<u>57.40 %</u>
Actual employee contributions:	
Dollar amount	\$ 8,510
Percent of covered payroll	12.10 %
Actual employer contributions:	
Dollar amount	\$ 31,398
Percent of covered payroll	44.66 %
	2024
Service cost	15.55 %
Amortization of the unfunded actuarial accrued liability	34.44 %
Total required contributions as a percentage of covered payroll	<u>49.99 %</u>
Actual employee contributions:	
Dollar amount	\$ 7,113
Percent of covered payroll	11.92 %
Actual employer contributions:	
Dollar amount	\$ 27,779
Percent of covered payroll	46.54 %

The annual covered payroll for City Firefighters' was approximately \$70,304,000 and \$59,688,000 for the years ended June 30, 2025 and 2024, respectively. The actual employer contributions shown above include amounts used to fund retiree supplemental cost of living increases and other minimum benefits. These amounts are components of the City's contributions for purposes of meeting actuarially determined funding requirements.

The Plan's funding policy provides for periodic employer contributions at actuarially determined rates that, are designed to accumulate sufficient assets to pay benefits when due. The actuarially determined minimum employer contributions for the fiscal years ending June 30, 2025 and 2024 were \$31,397,848 and \$27,779,248 respectively.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Notes to Financial Statements

June 30, 2025 and 2024

(5) Contributions Receivable

(a) Employer

Employer contributions receivable represent Annual Required Contributions owed but not yet remitted to the Plan by the City. There was \$3,034,553 of contributions receivable from the employer at June 30, 2025 and \$1,484,027 of contributions receivable at June 30, 2024.

(b) Employees

Employees may receive credit for years of service from employment with certain state and local governmental agencies as well as prior employment with the City, upon payment to the Plan of an amount, as defined in the 1927 Act, as amended, representing contributions applicable to such service period. These contributions may be paid over a future period, even after retirement. In addition, 1962 and 1978 amendments to the Plan increased pension benefits and the related employee contribution rates. Active employees may retroactively increase their contribution rates from the date of employment in order to receive the maximum increased benefits available under the 1962 and 1978 amendments. These "back contributions" may also be paid over a future period. Contributions from employees include amounts withheld from employees' pay but not yet remitted to the Plan. There were no contributions receivable from employees as of June 30, 2025 and \$210,771 as of June 30, 2024.

(6) Tax Status

The Plan and its trust are intended to be qualified under Sections 401(a) and 501(c) of the Internal Revenue Code (IRC) such that they are not subject to tax under federal income tax laws. The Internal Revenue Service (IRS) issued a favorable determination letter on May 24, 2017 with respect to the Plan, in which the IRS stated that the Plan, as then designed, was in compliance with the applicable requirements of the IRC. Although the Plan and related trust have been amended since the IRS issued its letter, the Plan Administrator believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC.

(7) Net Pension Liability of the Plan

The components of the net pension liability at June 30, 2025 and 2024 were as follows (in thousands):

	<u>2025</u>	<u>2024</u>
Total pension liability	\$1,177,304	\$1,232,763
Fiduciary net position	<u>948,512</u>	<u>872,739</u>
Net pension liability	<u>\$ 228,792</u>	<u>\$ 360,024</u>
Fiduciary net position as a percentage of total pension liability	80.57 %	70.80 %

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Notes to Financial Statements

June 30, 2025 and 2024

(a) Actuarial Assumptions

The total pension liability was determined by the actuarial valuation as of July 1, 2024 for 2025 and as of July 1, 2023 for 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.00% plus age-related salary scale
Investment rate of return	7.00% for 2025, net of pension plan investment expense, including inflation (6.71% was used to determine the TPL as of June 30, 2024)
Actuarial Cost Method	Entry age actuarial cost method

For 2024, the following actuarial assumptions from the July 1, 2023 actuarial valuation were applicable:

Mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Public Safety Mortality Table (without income adjustments), with full generational improvements in mortality using Scale MP-2020; deaths prior to retirement are assumed not to be service-related.

Cost-of-living adjustments were based on the CPI limited to 1% per year for employees hired after August 31, 2011 or 2.25% per year for employees hired before September 1, 2011.

For 2025, the following actuarial assumptions from the July 1, 2024 actuarial valuation were applicable:

Mortality rates were based on the sex-distinct rates set forth in the PUB-2010 Public Safety Mortality Table projected generationally with scale MP-2020.

Cost-of-living adjustments for employees hired after August 31, 2011 and no longer employed on January 1, 2025 were 1%, for employees hired after August 31, 2011 and employed or reemployed on or after January 1, 2025 2%, and for employees hired prior to September 1, 2011 2.25% all compounded annually after retirement.

For 2024 and 2025, the following actuarial assumptions were applicable:

Salary increases were assumed to increase at the rate of 10.00% per year at ages under 25, 8.00% per year at ages 25 through 29, 6.00% per year at ages 30 through 34, 5.00% per year at ages 35 through 39, 4.50% per year at ages 40 through 44, 4.00% per year at ages 45 through 49, 3.50% per year at ages 50 through 54, 3.25% per year at ages 55 through 59, and 3.00% per year at ages 60 and older, with respect to active participants hired prior to September 1, 2011, retirement benefits are increased by 7.50% to account for unused vacation pay and are increased by an additional 3.00% to account for unused sick leave pay and an additional 0.50 of a year of service is added to total service before the application of the service cap. In 2024 with respect to all other active participants, retirement benefits are increased by 2.25% to account for unused vacation pay. In 2025 with respect to active participants hired prior to August 31, 2011, retirement benefits are increased by 4.75% to reflect vacation pay, there is no sick leave adjustment, and an additional 0.50 of a year of service is added to total service before the application of the service cap.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Notes to Financial Statements

June 30, 2025 and 2024

The latest experience study was through June 30, 2019. In preparing the latest actuarial valuation, the results of the experience study are reviewed against the actuarial valuation results.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Estimates of real rates of return for each major asset class included in the Plan's target asset allocation as of June 30, 2025 and 2024 is summarized in the following table:

Asset class	Target allocation	Expected long-term real rate of return
Domestic equity	39.00 %	6.10 %
International equity	22.00 %	6.42 %
Alternative investments	9.00 %	6.42 %
Fixed income and cash equivalents	30.00 %	1.90 %
	<u>100.00 %</u>	

(b) Discount Rate

A discount rate of 7% was applied in the measurement of the total pension liability as of June 30, 2025 and 6.71% at June 30, 2024. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and the employer contributions will be made at the rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Notes to Financial Statements

June 30, 2025 and 2024

(c) Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability as of June 30, 2025 and 2024, calculated using the discount rate of 7% and 6.71% respectively. This also includes what the plan net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate (dollars in thousands):

2025			
Current			
	1% Decrease	discount rate	1% Increase
	6.00%	7.00%	8.00%
Total pension liability	\$ 1,326,027	\$ 1,177,304	\$ 1,054,791
Less fiduciary net position	948,512	948,512	948,512
Net pension liability	<u>\$ 377,515</u>	<u>\$ 228,792</u>	<u>\$ 106,279</u>

2024			
Current			
	1% Decrease	discount rate	1% Increase
	5.71%	6.71%	7.71%
Total pension liability	\$ 1,398,996	\$ 1,232,763	\$ 1,097,315
Less fiduciary net position	872,739	872,739	872,739
Net pension liability	<u>\$ 526,257</u>	<u>\$ 360,024</u>	<u>\$ 224,576</u>

(d) Actual Valuation Date

The total pension liability at June 30, 2025 is based on the July 1, 2024 actuarial valuation and the pension liability at June 30, 2024 is based on the July 1, 2023 actuarial valuation. The expected total pension liabilities were determined as of June 30, 2025 and 2024 using standard roll-forward techniques. The roll-forward calculation adds the annual normal cost (also called service cost), subtracts the actual benefit payments and refunds for the plan year, and then applies the expected investment rate of return for the year.

(8) Market Conditions

Market volatility has been a key factor in the economy as well as the city's pension plans. Increased market volatility is usually caused by economic or policy factors, including changes in other markets, interest rate hikes, and the Fed's current monetary policy. Political instability and other global events, like a pandemic or a war, can also lead to market volatility.

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

(See Accompanying Independent Auditors' Report)

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Required Supplementary Information
Schedule of Changes in Net Pension Liability
Years ended June 30,
(Dollars in thousands)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability:										
Service cost	\$ 15,504	9,279	11,106	10,814	14,237	11,779	11,773	11,925	12,155	12,013
Interest	81,657	77,765	75,420	70,058	65,646	70,940	68,477	65,668	63,123	62,584
Changes of benefit terms	27,757	—	—	—	—	—	—	—	—	—
Differences between expected and actual experiences	(79,380)	25,738	10,841	62,329	(8,972)	(11,664)	12,391	(10,855)	4,835	(22,794)
Changes of assumptions	(38,343)	—	—	(5,476)	52,742	—	(8,569)	20,135	—	—
Benefit payments, including refunds of member contributions	(62,654)	(61,271)	(58,563)	(56,593)	(53,035)	(51,680)	(49,819)	(46,898)	(44,510)	(44,000)
Net change in total pension liability	(55,459)	51,511	38,804	81,132	70,618	19,375	34,253	39,975	35,603	7,803
Total pension liability – beginning	1,232,763	1,181,252	1,142,448	1,061,316	990,698	971,323	937,070	897,096	861,493	853,690
Total pension liability – ending	\$ 1,177,304	\$1,232,763	\$1,181,252	\$1,142,448	\$1,061,316	\$990,698	\$971,323	\$937,071	\$897,096	\$861,493
Plan fiduciary net position:										
Contributions – employer	\$ 31,398	27,779	25,956	27,626	24,628	15,626	21,194	21,882	17,901	16,454
Contributions – employee	8,510	7,113	6,993	6,331	6,247	6,130	5,980	5,945	5,711	5,667
Net investment income (loss)	99,263	89,391	66,474	(134,870)	235,610	19,489	32,146	68,379	78,247	(9,895)
Other income	3	—	104	1	42	48	—	—	1	150
Benefit payments, including member refunds	(62,654)	(61,271)	(58,563)	(56,593)	(53,035)	(51,680)	(49,819)	(46,898)	(44,510)	(44,000)
Administrative expenses	(747)	(645)	(820)	(996)	(1,181)	(539)	(290)	(683)	(479)	(388)
Net change in plan fiduciary net position	75,773	62,367	40,144	(158,501)	212,311	(10,926)	9,211	48,625	56,871	(32,012)
Plan fiduciary net position – beginning	872,739	810,372	770,228	928,729	716,418	727,344	718,133	669,508	612,637	644,649
Plan fiduciary net position – ending	\$ 948,512	872,739	810,372	770,228	928,729	716,418	727,344	718,133	669,508	612,637
Plan net pension liability – ending	\$ 228,792	360,024	370,880	372,220	132,587	274,280	243,979	218,938	227,588	248,856

See accompanying notes to required supplementary information and accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Required Supplementary Information
Schedule of Net Pension Liability and Related Ratios
Years ended June 30,
(Dollars in thousands)
(Unaudited)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability	\$1,177,304	1,232,763	1,181,252	1,142,448	1,061,316	990,698	971,323	937,070	897,096	861,493
Plan fiduciary net position	948,512	872,739	810,372	770,228	928,729	716,418	727,344	718,133	669,508	612,637
Net pension liability	<u>\$228,792</u>	<u>360,024</u>	<u>370,880</u>	<u>372,220</u>	<u>132,587</u>	<u>274,280</u>	<u>243,979</u>	<u>218,937</u>	<u>227,588</u>	<u>248,856</u>
Plan fiduciary net position as a percentage of the total pension liability	80.57 %	70.80 %	68.60 %	67.42 %	87.51 %	72.31 %	74.88 %	76.64 %	74.63 %	71.11 %
Covered-employee payroll	70,304	59,688	54,452	49,225	50,060	49,940	47,197	46,962	47,479	46,918
Net pension liability as a percentage of covered-employee payroll	325.43 %	603.18 %	681.11 %	756.16 %	264.86 %	549.22 %	516.94 %	466.20 %	479.34 %	530.41 %

See accompanying notes to required supplementary information and accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN

Required Supplementary Information

Schedule of Employer Contributions

Years ended June 30,

(Dollars in thousands)

(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 31,398	27,779	25,956	27,626	24,628	15,626	21,194	21,882	17,901	16,454
Contributions in relation to the actuarially determined contribution	<u>31,398</u>	<u>27,779</u>	<u>25,956</u>	<u>27,626</u>	<u>24,628</u>	<u>15,626</u>	<u>21,194</u>	<u>21,882</u>	<u>17,901</u>	<u>16,454</u>
Contribution deficiency (excess)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Covered-employee payroll	\$ 70,304	59,688	54,452	49,225	50,060	49,940	47,197	46,962	47,479	46,918
Contributions as a percentage of covered-employee payroll	44.66 %	46.54 %	47.67 %	56.12 %	49.20 %	31.29 %	44.91 %	46.60 %	37.70 %	35.07 %

See accompanying notes to required supplementary information and accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Required Supplementary Information
Schedule of Investment Returns

Years ended June 30,

(Dollars in thousands)

(Unaudited)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	11.80 %	11.30 %	8.95 %	(14.72)%	33.28 %	2.74 %	4.75 %	9.85 %	13.15 %	(1.13)%

See accompanying notes to required supplementary information and accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN
Notes to Required Supplementary Information
Year Ended June 30, 2025
(Unaudited)

(1) Schedule of Changes in Net Pension Liability

The total pension liability contained in this schedule was provided by the Plan's actuary, Segal. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the Plan.

(2) Schedule of Employer Contributions

The actuarially determined contributions and comparison to those contributions actually made are presented in the schedule.

(3) Actuarial Methods and Assumptions

Changes of assumptions: For the fiscal year ending June 30, 2024 no assumptions or methods were changed.

For the fiscal year ending June 30, 2025 several assumptions were changed: (1) The discount rate for GASB reporting purposes increased from 6.71% to 7.00% as of June 30, 2025. (2) A new assumption was introduced to adjust salary to use the greater of base salary and annualized salary for participants with less than one year of service as well as participants whose service increased by less than one year from the prior year.

In conjunction with Ordinance 24-O-1377, adopted on July 2, 2024, the following assumptions for participants hired after August 31, 2011 were changed: (1) The vacation pay adjustment was changed from increasing the retirement benefit by 2.25% to increasing it by 4.75%. This change was made to reflect the decrease in the average pay period from 120 months to 60 months. (2) An additional 0.50 years of service is being added to total service prior to the application of the 70% maximum to reflect that unused sick leave is now being included in benefit service. (3) The annual cost-of-living increase assumption was increased from 1% to 2%. This change was made to reflect the increase in the COLA cap from 1% to 2%.

Method and assumptions used in calculations of actuarially determined contributions: The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Valuation date	July 1, 2023
Actuarial-cost method	Entry age normal
Amortization method	Level percentage, closed
Remaining amortization period	18 years
Asset-valuation method	Market value
Inflation rate	2.25%
Salary increases	Age based
Investment rate of return	7.00%