CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN

Financial Statements and Supplemental Schedules

June 30, 2016 and 2015

(With Independent Auditors' Report Thereon)

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN

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Independent Auditors' Report

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, 2016 and 2015. This overview compares the years ended June 30, 2016 and 2015 and the years ended June 30, 2015 and 2014. Readers are encouraged to read the notes to the financial statements in conjunction with the financial statements presented following this narrative.

The Plan is administered as a single employer plan by the Board of Trustees (the Board), which includes an appointee of the Mayor, the City's Chief Financial Officer, a member of City Council, two representatives elected by the retired membership, and three representatives elected by active City membership.

Financial Highlights

- At June 30, 2016, the assets of the Plan exceeded its liabilities by $612.6 million. At June 30, 2015, the assets of the Plan exceeded its liabilities by $644.6 million. This amount represents the Plan's net position.
- The Plan's total net position decreased in 2016 by (32.0) million or 5.0% as compared with net position at June 30, 2015. The Plan's total net position decreased in 2015 by 13.9 million or 2.1% as compared with net position at June 30, 2014.
- Net investment loss in fiscal year 2016 was $(9.9) million million. This is a $12.5 million decrease compared to fiscal year 2015 when net investment income was $2.7 million. Net investment income decreased in 2015 by $109.5 million compared to fiscal year 2014.
- Contributions received from employer and employees totaled $22.1 million in 2016 as compared to $26.5 million in fiscal year 2015.
- Benefit payments in 2016 totaled $44.0 million, an increase of $1.4 million or 3.3% when compared with fiscal year 2015. Benefits payments in 2015 totaled $42.6 million, an increase of $1.3 million or 3.2% when compared with fiscal year 2014.

Fiduciary funds. The Plan is considered a fiduciary fund of the City of Atlanta, Georgia (City) and its financial statements are included in the City's Comprehensive Annual Financial Report (CAFR) as part of the Pension Trust Fund. The City's most recent CAFR for the years ended June 30, 2016 and 2015 should be read in conjunction with these financial statements.

Fiduciary funds are used to account for resources held for the benefit of parties outside the 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 discussion are the *basic financial statements*. The basic financial statements and required disclosures are prepared in accordance with accounting principles and reporting guidelines as set forth by the Governmental Accounting Standards Board (GASB).

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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, employer contributions, and the Plan's money-weighted investment rate of return. Required supplementary information can be found following the notes to the financial statements in this report.

Financial Analysis

As noted earlier, net position may serve over time as an indicator of financial stability. In the case of the Plan, assets exceeded liabilities by $612.6 million and $644.6 million at the close of the years ended June 30, 2016 and 2015, respectively. Table 1 summarizes the major categories of assets, liabilities, and net position. Table 2 summarizes the changes in the Plan's net position for the years ended June 30, 2016, 2015 and 2014.

Table 1. Firefighters' Pension Plan Net Position, as of June 30, 2016 and June 30, 2015 and June 30, 2015 and June 30, 2014 (dollars in thousands):

	June 30 2016	June 30 2015	Amount change	Percentage change
Assets:				
Cash and deposits	5,433	3,140	2,293	73.0 %
Receivables	3,711	2,050	1,661	81.0
Investments	608,017	640,916	(32,899)	(5.1)
Total assets	617,161	646,106	(28,945)	(4.5)
Liabilities:				
Due to brokers for securities purchased	3,906	1,023	2,883	281.8
Other	618	434	184	42.4
Total liabilities	4,524	1,457	3,067	210.5
Net position restricted for pensions	612,637	644,649	(32,012)	(5.0)%

	June 30 2015	June 30 2014	Amount change	Percentage change
Assets:				
Cash and cash equivalents	$ 3,140	7,156	(4,016)	(56.1)%
Receivables	2,050	4,325	(2,275)	(52.6)
Investments	640,916	649,961	(9,045)	(1.4)
Total assets	646,106	661,442	(15,336)	(2.3)
Liabilities:				
Due to brokers for securities purchased	1,023	2,161	(1,138)	(52.7)
Other	434	773	(339)	(43.9)
Total liabilities	1,457	2,934	(1,477)	(50.3)
Net position restricted for pensions	$ 644,649	658,508	(13,859)	(2.1)%

The net position of the Plan decreased by $32.0 million or 5.0% during 2016 when compared to fiscal 2015. This is primarily attributable to a decrease in investments when compared to fiscal year 2015. Total assets for the Plan decreased by $28.9 million or 4.5% compared to fiscal year 2015. Total cash and deposits increased by $2.3 million compared to fiscal year 2015. Cash and investments represent 99.4% of total assets as of June 30, 2016, as compared to 99.7% as of June 30, 2015. The plan liabilities do not include future benefits payable to plan participants, but an

(continued)

actuarially determined estimate of this amount is included in the Required Supplementary Information section of this report.

Table 2. Firefighters' Pension Plan Changes in Net Position, years ended June 30, 2016, June 30, 2015, and June 30, 2014 (dollars in thousands):

	June 30 2016	June 30 2015	Amount change	Percentage change
Additions to plan net position:				
Investment (loss) income:				
Net (depreciation) appreciation in fair value of investments	$ (18,709)	(5,768)	(12,941)	224.4%
Interest and dividends	11,401	11,197	204	1.8
Less investment expenses	(2,587)	(2,778)	191	(6.9)
Net investment (loss) income	(9,895)	2,651	(12,546)	(473.3)

	June 30 2016	June 30 2015	Amount change	Percentage change
Employee contributions	$ 5,667	5,637	30	0.5%
Employer contributions	16,454	20,866	(4,412)	(21.1)
Other income	150	4	146	3,650
Total additions	12,376	29,158	(16,782)	(57.6)
Deductions from plan net position:				
Benefit payments	44,000	42,590	1,410	3.3
Administrative expense	388	427	(39)	(9.1)
Total deductions	44,388	43,017	1,371	3.2
(Decrease) increase in net position restricted for pensions	$ (32,012)	(13,859)	(18,153)	131.0%
Net position restricted for pensions:				
Beginning of year	$ 644,649	658,508		
(Decrease) increase	(32,012)	(13,859)		
End of year	$ 612,637	644,649		

(continued)

	June 30 2015	June 30 2014	Amount change	Percentage change
Additions to plan net position:				
Investment (loss) income:				
Net (depreciation) appreciation in fair value of investments	$ (5,768)	103,894	(109,662)	(105.6)%
Interest and dividends	11,197	11,661	(464)	(4.0)%
Less investment expenses	(2,778)	(3,184)	406	(12.8)
Net investment (loss) income	2,651	112,371	(109,720)	(97.6)
Employee contributions	5,637	5,670	(33)	(0.6)
Employer contributions	20,866	20,656	210	1.0
Other income	4	3	1	33.3
Total additions	29,158	138,700	(109,542)	(79.0)
Deductions from plan net position:				
Benefit payments	42,590	41,268	1,322	3.2
Administrative expense	427	374	53	14.2
Total deductions	43,017	41,642	1,375	3.3
(Decrease) increase in net position restricted for pensions	$ (13,859)	97,058	(110,917)	(114.3)%
Net position restricted for pensions:				
Beginning of year	$ 658,508	561,450		
(Decrease) increase	(13,859)	97,058		
End of year	$ 644,649	658,508		

Financial Analysis of June 30, 2016 to June 30, 2015

Total additions to the Plan net position decreased by $16.8 million or 57.6% compared to fiscal year 2015. This decrease is primarily attributed to the decline in the fair value of investments. Net investment income decreased to $9.9 million for 2016, a decrease of $12.5 million compared to fiscal year 2015. The investment portfolio comprises 68.2% equities, 25.7% fixed income, 3.3% alternative investments including real estate, and 2.8% short term investments of cash and cash equivalents as of June 30, 2016, compared to 73.0% equities, 22.2% fixed income, 2.8% alternative investments including real estate, and 2.1% of short term investments of cash and cash equivalents in 2015. The overall portfolio returned (1.13%) for the 12 months ended June 30, 2016, compared with 0.45% for the same time period in 2015. The S&P 500 index rose 3.99% and 7.42% at the close of the years ended June 30, 2016 and 2015, respectively.

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Employee contributions to the Plan remained relatively flat at $5.7 million in fiscal year 2016. Employer contributions decreased by $4.4 million or 21.1% to $16.5 million due to a decreased actuarially determined contribution (ADC) for fiscal 2016. Benefit payments increased by $1.4 million or 3.3% to $44.0 million. The increase in benefit payments is primarily the result of increased payments to members.

Financial Analysis of June 30, 2015 to June 30, 2014

As noted earlier, net position may serve over time as a useful indicator of financial stability. In the case of the Plan, assets exceeded liabilities by $644.6 million and $658.5 million at the close of the years ended June 30, 2015 and 2014, respectively. Table 1 summarizes the major categories of assets, liabilities, and net position. Table 2 summarizes the changes in the Plan's net position for the years ended June 30, 2015 and 2014.

The net position of the Plan decreased by $13.9 million or 2.1% when compared to 2014. This is mainly attributable to the decrease in net investment income, which was related to investment market performance during fiscal year 2015. Total assets for the Plan decreased by $15.3 million or 2.3 compared to 2014. Total cash and investments decreased by $13.1 million compared to fiscal 2014. Cash and investments represent 99.7% of total assets as of June 30, 2015, as compared to 99.3 as of June 30, 2014. The plan liabilities do not include future benefits payable to plan participants, but an actuarially determined estimate of this amount is in the Required Supplementary Information of this report.

Total additions to the Plan net position decreased by $109.5 million or 79.0% compared to 2014. As mentioned earlier, this decrease is primarily attributed to the decline in the fair value of investments. Net investment income was $2.7 million for 2015, a decrease of $109.7 million compared to 2014. The investment portfolio comprises 73.0% equities, 22.2% fixed income, 2.8% alternative investments including real estate, and 2.1% short term investments of cash and cash equivalents as of June 30, 2015, compared to 74.5% equities, 17.3% fixed income, 1.2% alternative investments and 7.0% short term investments of cash and cash equivalents in 2014. The overall portfolio returned 0.45% for the 12 months ended June 30, 2015, compared with 20.98% for the same time period in 2014. The S&P 500 index rose 7.42% and 24.62% for the years ended June 30, 2015 and 2014, respectively.

Employee contributions to the Plan remained relatively constant at $5.6 million in fiscal year 2015, compared to $5.7 million in fiscal year 2014. Employer contributions increased by $210.0 thousand or 1.0% to $20.9 million due to a slightly higher actuarially determined contribution (ADC) for fiscal year 2015. Benefit payments increased by $1.3 million or 3.2% to $42.6 million. The increase in benefit payments is primarily the result of increased payments to members.

Requests for Information

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

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CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN

Statements of Fiduciary Net Position

June 30, 2016 and 2015

(Dollars in thousands)

	2016	2015
Assets		
Cash and deposits	$ 5,433	3,140
Receivables:		
Contributions receivable from employer	1,005	—
Contributions receivable from employees	174	237
Due from brokers for investments sold	1,622	181
Investment income	825	1,614
Other	85	18
Total receivables	3,711	2,050
Investments:		
Short term investments	16,874	13,220
Domestic fixed income securities	153,756	140,642
Domestic equities	387,848	434,277
International fixed income securities	2,477	1,333
International equities	26,856	33,314
Real estate	4,646	4,323
Alternative investments	15,560	13,807
Total investments	608,017	640,916
Total assets	617,161	646,106
Liabilities		
Due to brokers for investments purchased	3,906	1,023
Other	618	434
Total liabilities	4,524	1,457
Net position restricted for pensions	$ 612,637	644,649

See accompanying notes to financial statements.

CITY OF ATLANTA, GEORGIA
FIREFIGHTERS' PENSION PLAN

Statements of Changes in Fiduciary Net Position

June 30, 2016 and 2015

(Dollars in thousands)

	2016	2015
Additions:		
Contributions:		
Employer	$ 16,454	20,866
Employee	5,667	5,637
Total contributions	22,121	26,503
Investment (loss) income:		
Net appreciation (depreciation) in fair value of investments	(18,709)	(5,768)
Interest and dividends	11,401	11,197
Less investment expenses	(2,587)	(2,778)
Net investment (loss) income	(9,895)	2,651
Other	150	4
Total additions	12,376	29,158
Deductions:		
Benefit payments, including refunds of member contributions	44,000	42,590
Administrative expense	388	427
Total deductions	44,388	43,017
Net increase (decrease) in net position	(32,012)	(13,859)
Net position restricted for pensions:		
Beginning of year	644,649	658,508
End of year	$ 612,637	644,649

See accompanying notes to financial statements.

See accompanying notes to financial statements.

(1)

(2) 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 (the City) 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 under the principle of Home Rule. The types of benefits offered by the Plan are; retirement, disability, and preretirement 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 Code of Ordinances, Section 6, the Board of Trustees (Board) has the authority to establish and amend benefit terms and contributions.

The Plan is considered a fiduciary fund of the City and its financial statements are included in the City of Atlanta, Georgia's Comprehensive Annual Financial Report (CAFR) as part of the Pension Trust Funds. The City's most recent CAFR for the years ended June 30, 2016 and 2015 should be read in conjunction with these financial statements.

(a) Administration of the Plan

The Plan is administered as a single-employer defined-benefit plan by the Board of Trustees of the City of Atlanta, Georgia Firefighters' Pension Board (the Board), which includes an appointee of The Mayor or his designee, the City's Chief Financial Officer, a member of City Council, two active employee representatives and one retired employee representative. All modifications to the plan must be supported by actuarial analysis and receive the recommendations of the City Attorney, the Chief Financial Officer, and the Board of Trustees. Each pension law modification must be adopted by at least two-thirds vote of the City Council and approved by the Mayor.

(b) Contribution Requirements

Under the Georgia Legislature principle of Home Rule and the Atlanta Code of Ordinances, Section 6, the Pension 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 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 8% of base pay, if hired after August 31, 2011, 12% of base pay if hired 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). Where an Actuarial Valuation anticipates that the City's actuarially determined contribution for the next fiscal year will exceed 35% of the total payroll, contributions may be increased, by no more than 5% of compensation, in order to fund the overage.

Employees hired on or after September 1, 2011 who are sworn members of the fire department are required to participate in a hybrid defined benefit plan with a mandatory defined contribution component (see discussion below regarding Amendments to Defined Contribution Plan). The defined benefit portion of this 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 52 for hires after September 1, 2011. Upon retirement, these participants will receive an annually calculated cost of living increase to their pension benefit that may not exceed 1% and is based upon the Consumer Price Index. Sick and vacation leave are no longer applied to retirement benefits for hires after September 1, 2011.

(c) Description of the Benefit Terms

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

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

Normal retirement age:	Age 65 with at least five years of service
	Age 57 with at least 15 years of service
	Age 55 with at least 15 years of service (hired before September 1, 2011)
	Age 55 with at least 10 years of service (hired before July 1, 2010)
	Any age with at least 30 years of service

For early retirement, there is an adjustment of the retirement benefit being reduced by 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:	Age 47 with at least 15 years of service (hired after August 31, 2011) Any age with at least 15 years of service (hired during the period July 1, 2010 through August 31, 2011) Any age with at least 10 years of service (hired before July 1, 2010)

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 such that the combination of payments does not 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 such that the combination of payments does not exceed 75% of the participant's salary at the time of disability (payable until the earlier of recovery from disability or Normal Retirement Age).

Preretirement 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 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).

Amendments to Defined Contribution Plan

Employees hired on or after September 1, 2011 who are either sworn members of the police department or fire department are required to participate in the mandatory defined contribution component. The defined contribution element is governed and accounted for separately, and includes a mandatory employee contribution of 3.75% of salary, which is matched 100% by the City. Additionally, these employees may voluntarily contribute up to an additional 4.25% of salary, which is also matched 100% by the City. Employees vest in the amount of the City's contributions at a rate of 20% per year and become fully vested in the City's contribution after 5 years of participation.

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(d) Plan Membership

As of the beginning of the fiscal year ended June 30, 2016 and 2015, participation in the Plan was as follows:

	2016	2015
Inactive plan members or beneficiaries currently receiving benefits	$ 992,000	1,004,000
Inactive plan members entitled to, but not yet receiving benefits	21,000	12,000
Active plan members	1,042,000	1,043,000
	$ 2,055,000	2,059,000

(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 plan net position when due and payable.

(b) New Accounting Pronouncements

Effective during fiscal year 2016, Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, was implemented. This Statement addresses accounting and financial reporting issues related to fair value measurements. This statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to fair value measurements. The impact to the Plan is expanded footnote disclosures around fair value including the fair value hierarchy and valuation techniques. This standard has been applied retrospectively.

Effective during fiscal year 2016, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*, was also implemented. This statement establishes standards of accounting and financial reporting for defined benefit pensions and defined contributions pensions that are provided to employees not within the scope of GASB 68. There was no impact to the Plan.

(c) 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.

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(d) 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, without further adjustment. 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 (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 plan net position date. Investment income is recognized on the accrual basis as earned by the Plan.

(e) 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 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.

(f) Reclassifications

Certain items in the 2015 financial statements have been reclassified to conform to the presentation adopted in 2016.

(3) Pension Plan Investments

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

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

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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 investments options. The below asset classes were selected to achieve the plan objectives: Domestic Equities, International Equities, Domestic Fixed Income, International Fixed Income, Alternative Investments, and cash equivalents.

The Firefighters' Pension Plan's Investment Policy did not change during the fiscal year. The policy may be amended by the Board by a majority vote of its members. The below asset allocation mix implemented in fiscal year 2015 remained in effect during fiscal year 2016:

	Fiscal years 2016 and 2015		
	Minimum	**Target**	**Maximum**
Domestic equity:			
All/Flex Cap	5%	7%	10%
Large Cap	25	30	35
Mid Cap	10	15	20
Small Cap	4	9	14
International equity	4	9	14
Total equity	48%	70%	93%
Alternative investments	—	5%	5%
Fixed income:			
Core	10%	14%	19%
Intermediate	5%	10%	15%
Cash equivalents	—	1%	2%
Total fixed income and cash equivalents	15%	25%	36%

Identified below are the investment types that are authorized by the Board for the Plan. The investment policy also identifies certain provisions that address interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk.

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, 2016 and 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was (1.13%) and 0.79%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(a) Investment Risk Disclosures

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

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

As of June 30, 2016 and 2015, the Plan had the following fixed income investments (dollars in thousands), with the corresponding credit ratings and maturities:

	June 30, 2016						
		Maturity					
Type of investments	Credit rating	Under 1 year	1–3 years	3–5 years	5–10 years	Over 10 years	Fair value
U.S. treasury securities	NR	$ 838	9,859	6,732	12,130	3,929	33,488
U.S. government agencies	AAA/AA+	—	9,666	1,780	1,061	1,695	14,202
U.S. government agencies	NR-AGY	—	89	19	5,493	15,489	21,090
Corporate bonds	AAA/A-	1,010	6,153	3,565	10,160	3,477	24,365
Corporate bonds	B+/BBB	178	2,876	699	5,148	3,194	12,095
Asset-backed securities	AAA	—	1,240	2,533	209	—	3,982
Asset-backed securities	NR	—	243	657	—	—	900
CMOs	AAA/A	—	—	—	—	1,592	1,592
CMOs	NR	—	—	—	—	2,115	2,115
State and local obligations	AAA/A-	—	—	—	694	999	1,693
State and local obligations	B+/BBB	—	—	—	85		85
Other fixed income	NR	39,017	243	1,367	—	—	40,627
		$ 41,043	30,369	17,352	34,980	32,490	156,234

	June 30, 2015						
		Maturity					
Type of investments	Credit rating	Under 1 year	1–3 years	3–5 years	5–10 years	Over 10 years	Fair value
U.S. treasury securities		$ 1,713	11,974	5,278	19,794	6,062	44,821
U.S. government	AAA/AA	—	—	2,484	4,775	2,290	9,549
U.S. government	A/AA-	1,320	—	1,083	—	—	2,403
U.S. government	NR-AGY	—	—	1,608	6,153	19,184	26,945
Corporate bonds	AAA/A-	638	7,507	7,105	11,755	3,399	30,404
Corporate bonds	B+/BBB	886	872	1,587	4,366	4,373	12,084
Asset-backed securities	AAA	254	686	2,068	311	—	3,319
Asset-backed securities	NR	—	446	1,796	—	—	2,242
Automotive Loan							—
Receivable	NR	—	—	243	—	—	243
CMOs	AAA/A	—	—	—	—	4,100	4,100
CMOs	NR	—	—	—	—	1,297	1,297
State and local	AAA/A-	—	—	—	807	903	1,710
Other fixed income	NR	—	1,799	907	152	—	2,858
		$ 4,811	23,284	24,159	48,113	41,608	141,975

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

The 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 risks as of June 30, 2016 and 2015.

Concentration of Credit Risk. The Plan does not have a policy regarding the concentration of credit risk. Investments in any one issuer representing 5% or more of the net position restricted for pensions at June 30, 2016 and 2015 are as follows (dollars in thousands):

Issuer	Type	2016	2015
BlackRock Growth Index Fund	Commingled Equity Fund	$ 94,622	—
BlackRock Value Index Fund	Commingled Equity Fund	65,561	—
Colchester	Commingled Bond Fund	39,017	—
Johnston	Commingled Equity Fund	30,195	32,899
Rhumbline	Commingled Equity Fund	—	98,538
Ishares MSCI EAFE ETF	Equity Exchange Traded Fund	30,202	92,236

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

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

The following table provides the value in U.S. dollars by foreign currency denominations and investment type for the Plan investments denominated in foreign currencies at June 30, 2016 and 2015 (dollars in thousands):

	June 30, 2016		
	Fixed income	Equities	Total
Currency:			
Australia	$ 103	—	103
Belgium	949	764	1,713
Canada	650	3,814	4,464
China	—	1,920	1,920
Denmark	—	779	779
France	158	—	158
Germany	241	713	954
India	—	240	240
International Region	—	4,650	4,650
Ireland	—	1,252	1,252
Israel	—	2,029	2,029
Japan	—	2,154	2,154
Korea	—	851	851
Netherlands	—	345	345
Switzerland	—	734	734
Taiwan	—	1,556	1,556
United Kingdom	376	5,055	5,431
Total securities subject to foreign currency risk	$ 2,477	26,856	29,333

	June 30, 2015			
	Short term	Fixed income	Equities	Total
Currency:				
Australia	$ —	104	—	104
Canada	—	508	405	913
China	246	—	1,294	1,540
Europe/Far East Region	—	—	30,202	30,202
France	—	153	—	153
Ireland	—	—	450	450
Israel	—	—	963	963
United Kingdom	—	568	—	568
Total securities subject to foreign currency risk	$ 246	1,333	33,314	34,893

(b) Fair Value of Investments

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

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

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

The Plan also has investments held through limited partnerships and commingled vehicles for which fair value is estimated using the 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 statement of fiduciary net position.

The following tables present the financial assets carried at fair value by level within the valuation hierarchy as of June 30, 2016 and 2015 (in thousands):

	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
Short term investments:				
Cash and cash equivalents	$ 16,874	—	—	16,874
Debt securities:				—
Asset backed securities	$ —	29,678	—	29,678
Corporate and municipal bonds	—	39,848 —	—	39,848
U. S. Agency securities	—	14,202	—	14,202
U. S. Treasury securities	33,488	—	—	33,488
Total debt securities	$ 33,488	83,728	—	117,216
Equity securities:				
Commingled equity fund	$ —	160,183	—	160,183
Common stock	184,859	—	—	184,859
Exchange traded funds	39,466	—	—	39,466
Total equity securities	224,325	160,183	—	384,508
Total investments at fair value	$ 274,687	243,911	—	518,598
Investments measured at NAV:				
Commingled bond funds				39,017
Commingled equity funds				30,196
Private equity funds				15,560
Real estate fund				4,646
Total investments measured at NAV				89,419
Total investments				$ 608,017

	2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Short term investments:				
Cash and cash equivalents	$ 13,220	—	—	13,220
Debt securities:				
Asset backed securities	$ —	36,290	—	36,290
Corporate and municipal bonds	—	47,298	—	47,298
U. S. Agency securities	—	13,566	—	13,566
U. S. Treasury securities	44,821	—	—	44,821
Total debt securities	$ 44,821	97,154	—	141,975
Equity securities:				
Common stock	213,715	—	—	213,715
Exchange traded funds	122,438	—	—	122,438
Total equity securities	336,153	—	—	336,153
Total investments at fair value	$ 394,194	97,154	—	491,348
Investments measured at NAV:				
Commingled equity funds				131,438
Private equity funds				13,807
Real estate fund				4,323
Total investments measured at NAV				149,568
Total investments				$ 640,916

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

Debt securities classified in Level 2 are valued using either a bid evaluation or a matrix pricing technique. Bid evaluations may include market quotations, yields, maturities, call features and ratings. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. These securities have nonproprietary 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.

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, 2016. The monthly or quarterly values of the partnership investments provided from the

(continued)

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, 2016 and 2015, 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, 2016 and 2015, the Plan had an alternative investment in one limited partnership totaling $15.6 million and $13.8 million, 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, 2016, 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)	Rdemptions notice period
Private equity fund	$ 3,868	not eligible	not eligible

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

(e) Real Estate Investments

Real estate investments may include 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, 2016 and 2015, a total of $4,646,000 and $4,323,000, respectively, are included in alternative investments as part of the partnership agreement.

(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, 2016 and 2015 and the actual contribution made are as follows (dollars in thousands):

		2016
Service cost		25.61%
Amortization of the unfunded actuarial accrued liability		24.09
Total required contributions as a percentage of covered payroll		49.70%
Actual employee contributions:		
Dollar amount	$	5,667
Percent of covered payroll		12.08%
Actual employer contributions:		.
Dollar amount	$	16,454
Percent of covered payroll		35.07%
		46,918

		2015
Service cost		26.73%
Amortization of the unfunded actuarial accrued liability		25.16
Total required contributions as a percentage of covered payroll		51.89%
Actual employee contributions:		
Dollar amount	$	5,637
Percent of covered payroll		11.95%
Actual employer contributions:		
Dollar amount	$	20,866
Percent of covered payroll		44.23%

The annual covered payroll for City Firefighters' was $46,918,000 and $47,181,000 for the years ended June 30, 2016 and 2015, 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.

(5) Contributions Receivable

(a) Employer

Employer contributions receivable represents Annual Required Contributions owed but not yet remitted to the Plan by the City. There were $1,005,000 of contributions receivable from the employer at June 30, 2016 and no contributions receivable at June 30, 2015.

(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. Total contributions receivable from employees were $174,000 and $237,000 as of June 30, 2016 and 2015, respectively.

(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 February 11, 2013 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.

(7) Net Pension Liability of the Plan

The components of the net pension liability at June 30, 2016 and 2015 were as follows (in thousands):

	2016	2015
Total pension liability	$ 861,493	853,690
Fiduciary net position	612,637	644,649
Net pension liability	$ 248,856	209,041
Fiduciary net position as a percentage of total pension liability	71.11%	75.51%

(a) Actuarial Assumptions

The total pension liability was determined by the actuarial valuation as of July 1, 2015 for 2016 and as of July 1, 2014 for 2015, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	4%
Investment rate of return	7.41%, net of pension plan investment expense, including inflation

Mortality rates were based on the sex-distinct rates set forth in the RP-2000 Mortality Table projected to 2015 by Scale AA, as published by the Internal Revenue Service (IRS) for purposes of Internal Revenue Code (IRC) section 430; future generational improvements in mortality have not been reflected.

The Plan provides for an annual cost-of-living adjustment based on the CPI limited to 1% per year for employees hired after August 31, 2011, or 3% per year for employees hired before September 1, 2011.

The latest experience study was through June 30, 2011. 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, 2016 and 2015 are summarized in the following table:

	2016	
Asset class	**Target allocation**	**Expected long-term real rate of return**
Domestic equity	7%	6.01%
Domestic large-cap equity	30	6.91
Domestic mid-cap equity	15	8.91
Domestic small-cap equity	9	5.01
International equity	9	3.31
Fixed income and cash equivalents	25	0.81
Alternative investments	5	7.51
	100%	

(continued)

	2015	
Asset class	Target allocation	Expected long-term real rate of return
Domestic equity	7%	6.01%
Domestic large-cap equity	30	6.91
Domestic mid-cap equity	15	8.91
Domestic small-cap equity	9	5.01
International equity	9	3.31
Fixed income and cash equivalents	25	0.81
Alternative investments	5	7.51
	100%	

(b) *Discount Rate*

A discount rate of 7.41% was applied in the measurement of the total pension liability as of June 30, 2016 and June 30, 2015. 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.

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

The following presents the net pension liability as of June 30, 2016 and 2015, calculated using the discount rate of 7.41%, as well as what the plan net pension liability would be if it were calculated using a discount rate that is one-percentage point lower (6.41%) or one-percentage point higher (8.41%) than the current rate (dollars in thousands):

	2016		
	1% Decrease 6.41%	Current discount rate 7.41%	1% Increase 8.41%
Total pension liability	$ 970,048	861,493	771,685
Less fiduciary net position	612,637	612,637	612,637
Net pension liability	$ 357,411	248,856	159,048

	2015		
		Current	
	1% Decrease 6.41%	discount rate 7.41%	1% Increase 8.41%
Total pension liability	962,567	853,690	763,749
Less fiduciary net position	644,649	644,649	644,649
Net pension liability	317,918	209,041	119,100

(d) Actual Valuation Date

The total pension liability at June 30, 2016 is based on the July 1, 2015 actuarial valuation and the pension liability at June 30, 2015 is based on the July 1, 2014 actuarial valuation. The expected total pension liabilities were determined as of June 30, 2016 and 2015 using standard rollforward techniques. The rollforward 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.

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

(See Accompanying Independent Auditors' Report)

CITY OF ATLANTA, GEORGIA
FIRE FIGHTERS' PENSION PLAN

Required Supplementary Information

Schedule of Changes in Net Pension Liability

Year ended June 30, 2016

(Dollars in thousands)

(Unaudited)

	2016	2015	2014
Total pension liability:			
Service cost	$ 12,013	12,612	13,044
Interest	62,584	60,396	111,009
Changes of benefit terms		—	—
Differences between expected and actual experiences	(22,794)	(23,053)	—
Changes of assumptions	—	—	(21,655)
Benefit payments, including refunds of member contributions	(44,000)	(42,590)	(41,268)
Net change in total pension liability	7,803	7,365	61,130
Total pension liability – beginning	853,690	846,325	785,195
Total pension liability – ending	861,493	853,690	846,325
Plan fiduciary net position:			
Contributions – employer	16,454	20,866	20,656
Contributions – employee	5,667	5,637	5,670
Net investment income	(9,895)	2,651	112,371
Other income	150	4	3
Benefit payments, including member refunds	(44,000)	(42,590)	(41,268)
Administrative expenses	(388)	(427)	(374)
Net change in plan fiduciary net position	(32,012)	(13,859)	97,058
Plan fiduciary net position – beginning	644,649	658,508	561,450
Plan fiduciary net position – ending	612,637	644,649	658,508
Plan net pension liability – ending	$ 248,856	209,041	187,817

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
FIRE FIGHTERS' PENSION PLAN

Required Supplementary Information

Schedule of Net Pension Liability and Related Ratios

Year ended June 30, 2016

(Dollars in thousands)

(Unaudited)

	2016	2015	2014
Total pension liability	$ 861,493	853,690	846,325
Plan fiduciary net position	612,637	644,649	658,508
Net pension liability	$ 248,856	209,041	187,817
Plan fiduciary net position as a percentage of the total pension liability	71.11%	75.51%	77.81%
Covered-employee payroll	$ 46,918	47,181	44,508
Net pension liability as a percentage of covered-employee payroll	530.41%	443.06%	421.98%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report.

CITY OF ATLANTA, GEORGIA
FIRE FIGHTERS' PENSION PLAN

Required Supplementary Information

Schedule of Employer Contributions

Year ended June 30, 2016

(Dollars in thousands)

(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	$ 16,454	20,866	20,656	17,491	21,092	24,912	25,865	28,752	26,373	25,727
Contributions in relation to the actuarially determined contribution	16,454	20,866	20,656	17,491	21,092	24,912	25,865	28,752	26,373	25,727
Contribution deficiency (excess)	$ —	—	—	—	—	—	—	—	—	—
Covered-employee payroll	$ 46,918	47,181	44,508	42,797	39,482	42,963	43,910	43,275	45,561	45,686
Contributions as a percentage of covered-employee payroll	35.07%	44.23%	46.41%	40.87%	53.42%	57.98%	58.90%	66.44%	57.89%	56.31%

See accompanying independent auditors' report

CITY OF ATLANTA, GEORGIA
FIRE FIGHTERS' PENSION PLAN

Required Supplementary Information

Schedule of Investment Returns

Year ended June 30, 2016

(Dollars in thousands)

(Unaudited)

	2016	2015	2014	2013	2012	2011	2010	2009
Annual money-weighted rate of return, net of investment expense	(1.13)%	0.79%	21.01%	15.34%	1.68%	25.58%	14.40%	(13.86)%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

See accompanying independent auditors' report

(1) Schedule of Changes in Net Pension Liability

The total pension liability contained in this schedule was provided by the Plan's actuary, Southern Actuarial Services. 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: There were no changes in assumption since the last measurement date.

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, one year 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, 2015
Actuarial-cost method	Entry age normal
Amortization method	Level percentage, closed
Remaining amortization period	26 years
Asset-valuation method	Market value
Inflation rate	2.25%
Salary increases	4.0
Investment rate of return	7.41