

GERP Administrative Staff

Steven Shanks	Pension Plan Administrator
Aaron D. Kahn	Benefit Administrator
Becky Schiller	Administrative Coordinator

Professional Service Providers

Certified Public Accountants
Forvis Mazars Denver, CO

Custodian and Benefit Payment Provider
The Northern Trust Company Chicago, IL

Investment Consultant
Callan Associates, Inc. Denver, CO

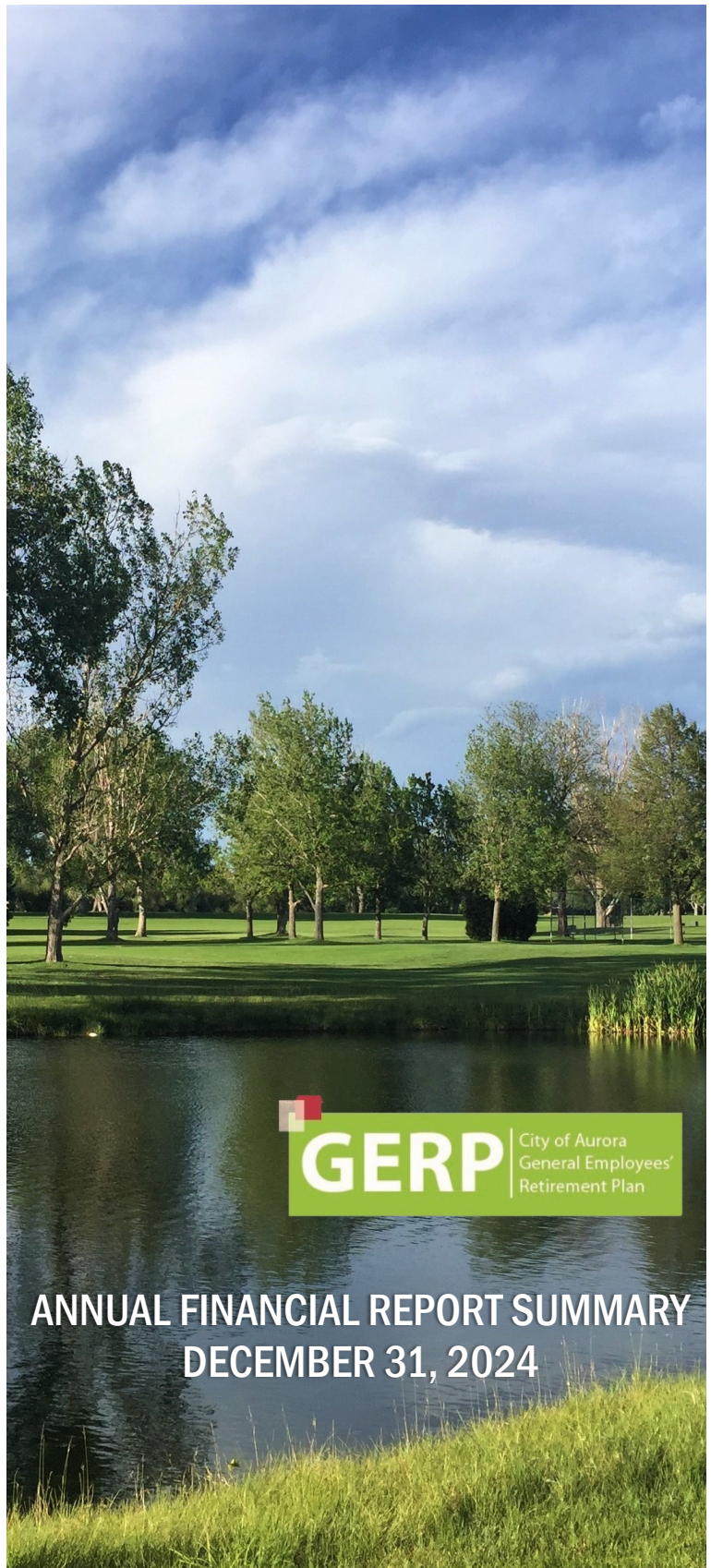
Legal Advisor for Tax and Regulatory Issues
Reinhart Boerner Van Deuren SC Milwaukee, WI

Pension Actuary
Milliman Denver, CO



City of Aurora
General Employees' Retirement Plan
12100 East Iliff Avenue, Suite 108
Aurora, CO 80014

Phone: (303) 368-9160 Fax: (303) 368-9181
Email: info@auroragerp.org
Website: www.auroragerp.org



ANNUAL FINANCIAL REPORT SUMMARY
DECEMBER 31, 2024

Plan Overview

The General Employees' Retirement Plan ("GERP") is a defined benefit pension plan created by the Aurora City Council in 1967. The Plan is designed to provide lifetime retirement income to City employees and their families.

For 2025, employees participating in GERP will continue to contribute 7% of their gross earnings to the Plan each pay period. The City of Aurora makes a matching employer contribution to the Plan. Contributions are held in trust and are invested under the direction of the Retirement Board.

To qualify for a monthly pension benefit, participants must earn at least five years of credited service or work until their normal retirement age, if sooner. Normal retirement age is 65 for employees who were hired before January 1, 2012, and 67 for those hired after that date.

Instead of a pension, participants may choose to receive a lump sum refund of their contributions, interest and their vested portion of the City's contributions when their employment ends. The interest rate credited on employee account balances is 4% for 2025.

GERP publishes a *Participant's Retirement Plan Benefit Guide* to help employees understand the many benefits and options available to them. Questions may be directed to GERP's administrative staff at the address below.

Retirement Board

The Plan is managed by seven voting trustees, with input from four non-voting representatives of the City administration. The Board has hired an administrative staff to carry out the day to day operations of the Plan. The Board also contracts with investment managers, professional advisors and consultants as needed.

The Retirement Board meets at 8:00 a.m. on the third Thursday of each month (second Thursday in December only) at the address below. Participants are invited to attend these meetings and may speak during the public comment session.

GERP's administrative office is located at

**12100 East Iliff Avenue, Suite 108
Aurora, CO 80014**

Phone: (303) 368-9160 Fax: (303) 368-9181

**Plan information is also available on the website
www.auroragerp.org**

Trustees

Cliff Haight

- Vehicle and Equipment Coordinator, Aurora Water
- Elected by employees in 2016
- Current term expires 12/31/2026

Andrew Jamison

- Senior Analyst - Debt, Treasury & Investments, City of Aurora Finance Department
- Elected by employees in 2019
- Current term expires 12/31/2025

David L. McConico (Chair)

- Executive Director, The Financial Education and Economic Transformation Center
- First appointed by City Council in 1994
- Current term expires 12/31/2026

Michelle Reding

- Owner and CFO, Dry Dock Brewing Company and The Brew Hut
- Appointed by City Council in 2012
- Current term expires 12/31/2027

Sue Sandstrom (Vice Chair)

- Arapahoe County Treasurer
- Selected by the Board in December 2011
- Previously served as GERP trustee, 1997-2003
- Current term expires 12/31/2027

Tom Tobiassen

- Systems Engineer, Cyber Security, Zeta Associates, Inc.
- Appointed by City Council in 2020
- Current term expires 12/31/2025

Trevor C. Vaughn

- Manager of Tax and Licensing, City of Aurora Finance Department
- Elected by employees in 2015
- Current term expires 12/31/2027

Non-Voting Board Members

City Manager - **Jason Batchelor** (*represented by Sheree Van Buren*)

Director of Finance - **Terri L. Velasquez**

Director of Human Resources - **Ryan Lantz**

Assistant City Attorney - **Hanosky Hernandez**
is the Board's legal advisor

Investments

Investment Policy Statement

The Retirement Board has adopted an investment policy statement which requires that assets be invested and managed with consideration to the purposes, terms, distribution requirements and other circumstances of the Plan. The Board and its advisors must exercise the reasonable care, skill and caution of a prudent investor.

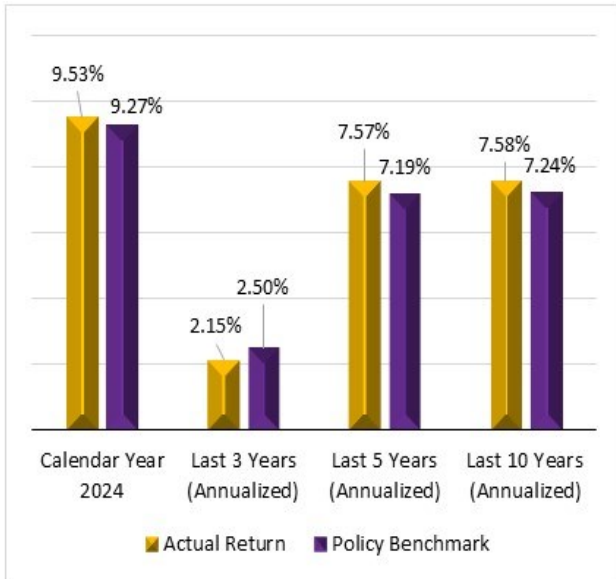
Assets are managed for the exclusive purpose of providing benefits to participants, retirees and beneficiaries, and to defray the reasonable costs of administering the Plan.

Investments are diversified so as to minimize the risk of large losses. The policy sets a strategic asset allocation for the Plan, with performance expectations and risk tolerances for each asset class.

The investment policy sets guidelines, performance benchmarks and peer groups for each investment manager. The Board reviews investment results and adherence to guidelines each calendar quarter and meets with each investment manager annually.

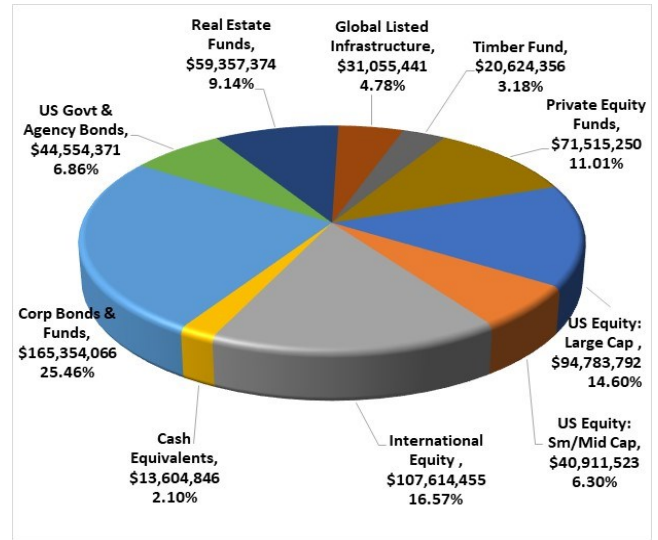
GERP's investment portfolio increased by 9.53% in 2024, mostly due to the Plan's investments in domestic equities which were bolstered by tech stocks. The S&P 500 Index gained 25.02% in 2024.

Recent Investment Performance



GERP's returns are calculated by Callan, an independent investment consulting firm.

Asset Allocation as of 12/31/2024



Market Value of Investments by Manager

<u>U.S. Equity: Large Cap</u>	
BlackRock Institutional Trust Co.	\$94,783,792
<u>U.S. Equity: Small & Mid Cap</u>	
Smith, Graham & Company.	40,911,523
<u>Private Equity</u>	
Abbott Capital Management.....	26,013,991
HarbourVest Partners	39,090,527
Pantheon.....	6,410,732
	71,515,250
<u>International Equity</u>	
American Century Investments	21,446,206
Capital Group	42,905,606
Dodge & Cox	43,262,643
	107,614,455
<u>Fixed Income</u>	
Segall Bryant & Hamill	104,343,151
Fidelity Institutional Asset Management ...	105,565,286
	209,908,437
<u>Real Estate</u>	
Cohen & Steers Capital Management	11,975,577
Heitman	21,548,818
Morgan Stanley	25,832,979
	59,357,374
<u>Global Listed Infrastructure</u>	
Cohen & Steers Capital Management.....	31,055,441
<u>Timber</u>	
Molpus Woodlands Group.....	20,624,356
<u>Cash Equivalents</u>	
	13,604,846
TOTAL	\$649,375,474

Financial Statements

The condensed financial statements presented below were derived from the complete financial statements which were audited by Forvis Mazars, LLP. The condensed financial statements below do not contain important information, such as the summary of significant accounting policies and notes to the financial statements, which are included in the complete financial statements.

In their report dated May 6, 2025, Forvis Mazars, LLP expressed an unmodified opinion (which is the highest level opinion) on the complete 2024 and 2023 financial statements. A copy of the complete financial statements, including the Independent Auditors' Report, is available from the City of Aurora General Employees' Retirement Plan offices in Aurora, Colorado upon request.

STATEMENTS OF FIDUCIARY NET POSITION DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash	\$ 259,459	\$ 170,862
Receivables		
Contributions	1,163,186	874,909
Interest and dividends	1,214,160	750,158
Securities sold	0	0
Other	23,203	27,206
Total receivables	<u>2,400,549</u>	<u>1,652,273</u>
Prepaid expenses	53,614	48,662
Investments, at fair value		
Short-term cash investments	13,604,846	9,431,822
Equity securities and funds	243,309,770	292,293,586
U.S. government and U.S. govt. agency obligations	44,554,371	20,061,676
Corporate and government bonds and funds	165,354,066	105,718,709
Real estate funds	59,357,374	54,091,777
Alternative investments	123,195,047	131,435,049
Total investments	<u>649,375,474</u>	<u>613,032,619</u>
Lease asset, net	<u>13,747</u>	<u>54,986</u>
Total assets	<u>652,102,843</u>	<u>614,959,402</u>
LIABILITIES		
Accounts payable and accrued expenses	268,793	257,210
Benefits and refunds payable	193,904	199,177
Securities purchased	0	679,775
Lease liability.....	<u>14,416</u>	<u>57,305</u>
Total liabilities	<u>477,113</u>	<u>1,193,467</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS	<u>\$651,625,730</u>	<u>\$613,765,935</u>

Financial Statements (continued)

GERP also publishes a **Comprehensive Annual Financial Report**, which is prepared in accordance with Government Finance Officers Association guidelines. That report is also available upon request.

STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

	2024	2023
ADDITIONS TO NET POSITION ATTRIBUTED TO:		
Contributions		
City of Aurora	\$ 11,939,169	\$ 10,522,608
Plan members	<u>11,974,924</u>	<u>10,554,519</u>
Total contributions	23,914,093	21,077,127
Investment income		
Net appreciation (depreciation) in fair value of investment	48,218,863	45,702,573
Interest	3,052,505	2,525,574
Dividends	<u>4,817,363</u>	<u>5,437,837</u>
Less investment expenses	<u>(2,288,582)</u>	<u>(2,380,941)</u>
Net investment income (loss)	53,800,149	51,285,043
Other income	<u>7,500</u>	<u>0</u>
Total additions (reductions) to net position	77,721,742	72,362,170
DEDUCTIONS TO NET POSITION ATTRIBUTED TO:		
Benefits paid to participants	36,267,475	34,720,297
Refunds of contributions	2,930,507	2,282,084
Administrative expenses	<u>663,965</u>	<u>657,739</u>
Total deductions to net position	<u>39,861,947</u>	<u>37,660,120</u>
NET INCREASE (DECREASE) IN PLAN NET POSITION	37,859,795	34,702,050
NET POSITION RESTRICTED FOR PENSION BENEFITS AT BEGINNING OF YEAR	<u>613,765,935</u>	<u>579,063,885</u>
NET POSITION RESTRICTED FOR PENSION BENEFITS AT END OF YEAR	<u>\$651,625,730</u>	<u>\$613,765,935</u>

Actuarial Summary

Each year GERP's actuary prepares a valuation report which measures the present value of benefits earned, the Plan's funded status and the contribution rate required to keep it actuarially sound.

The Board has a fiduciary responsibility to use accurate and up to date actuarial assumptions. The Cost Of Living Adjustment (COLA) for Tier II participants is at the Board's discretion, and the COLAs granted Tier II participants to date have only increased the actuarial accrued liability minimally. However, in 2025 an actuarial assumption of a 1% COLA was added to better reflect the Board's propensity to award a Tier II COLA. This increased the actuarial accrued liability by \$8.3 million.

The January 1, 2025 report prepared by Milliman showed a three-year smoothed actuarial value of assets of \$640.3 million and an actuarial accrued liability of \$741.5 million. GERP's unfunded liability was \$101.2 million with a funded ratio of 86.3%. Based on current assumptions, the Plan's normal cost was 11.3% of eligible participant pay. The total required contribution necessary to cover normal cost and amortize the unfunded liability was 16.1% of eligible participant pay.

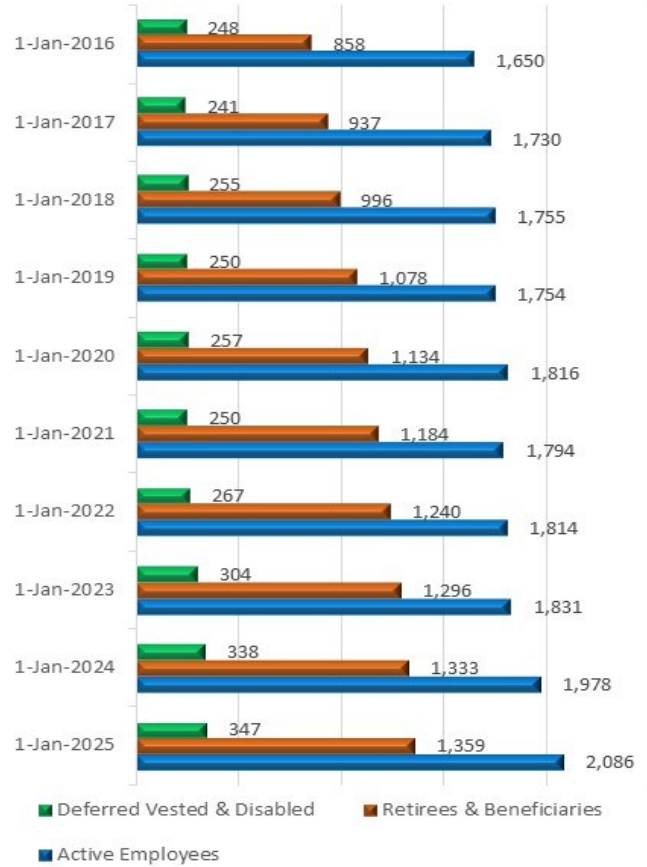
Detailed actuarial information and analysis is presented in GERP's **2024 Annual Comprehensive Financial Report**.

The chart below shows the long-term funded status of the Plan. Investment losses in 2008 caused GERP's assets to fall below its liabilities after which several Plan changes were implemented. Milliman's January 1, 2025 Actuarial Valuation projects that the current contribution rate would eventually fund the plan and pay off the unfunded liability.

GERP covers full and part-time career service and Council-appointed employees other than police officers, firefighters, elected officials, certain executive personnel and temporary employees.

As of January 1, 2025, the Plan had 3,792 participants, shown below by membership type for the last ten years.

Trend in GERP Membership by Category



(in \$Millions)

