

# **FISCAL YEAR 2023 ANNUAL REPORT**

AN OFFICIAL PUBLICATION OF THE GEORGIA FIREFIGHTERS' PENSION FUND



## To the Members of the Georgia Firefighters' Pension Fund

### **BOARD OF TRUSTEES**

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*Chairman of the Board*  
Insurance and Safety Fire  
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#### **David J. Bullard**

*Vice Chairman of the Board*  
Lieutenant  
Columbia County  
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Active Member  
Appointed by the Governor

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### **BOARD COUNSEL**

#### **David C. Will, Esq.**

Special Assistant  
Attorney General  
& Board Counsel  
Founding Partner:  
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The Board of Trustees and the Staff are pleased to present you with the Fiscal Year (FY) 2023 Annual Report. Whether you are an active/inactive member, a retiree, or a beneficiary of the Fund, we encourage you to take the time to read this report. This document contains multiple years of statistical information on the membership of the Fund, the FY 2023 Financial Statement and a breakout of the Fund's Investment Portfolio as of June 30<sup>th</sup>. The FY 2023 numbers provided in this report are unaudited.

**Membership** - Active membership remained mostly flat during FY 2023, growing 1% to 13,761 members. The total number of retirees/beneficiaries grew by 4.0% to 6,960. This growth is very much in line with what the Fund has experienced over the last 15 years. Our expectations are that the growth of retirees should remain in the 4-6% range over the foreseeable future. The number of inactive members grew by 4% to 3,199.

**Benefits** - In FY2023 the Fund paid out to retirees and/or their beneficiaries, over \$65 Million in benefits. This was almost a 6% increase over the prior year. For FY2024, the Fund projects benefit payments to its retired members and their beneficiaries will be around \$68 Million.

**Revenue** - Non-investment revenue was up during the year. Monthly dues receipts shrank a little under 1% to \$4.12 Million for the year. Insurance Premium Tax Receipts grew by 11.5% to \$51.58 Million. Our expectations are that tax revenue to grow, but at a lower growth rate than 2023. Internally, we are forecasting an increase of around 5% for FY24.

**Portfolio** - The investment portfolio generated a 9.7% return for the 2023 Fiscal year. This exceeded the Fund's targeted 5.75% annual rate of return by almost 400 basis points.

The U.S. Domestic Stock Equity Markets FY2023 return was 19% while the International Equity markets (ACWI ex-U.S. Index) returned just over 13.3%. The Fund itself had a domestic equity return of 18.2% and an international equity return of 12.6%. The Alternative Investments (private equity) in the portfolio generated a -3.3% return in FY2023

While the equity portion of the portfolio enjoyed solid double-digit gains, due to a rising rate environment, the same could not be said for the Fund's fixed income investments. Fixed Income investments in the Fund generated a 0.9%. They still outperformed our bond benchmark index by 170 basis points. While the rise in interest rates had a negative impact on the Fund, it's important to note that investment-grade bonds are returning yields quite close to our assumed rate of return (5.75%). And cash is yielding over 5%.

The Fund stayed true to its Investment Policy during 2023. The Board remains focused on exercising their fiduciary duties when it comes to making any decisions affecting the Fund.

Our goal here at the Pension Fund, as always, is to provide our members, retirees and their beneficiaries with excellent customer service and record-keeping, as well as safeguard the assets and invest in a most prudent manner. We thank you all for your service.



**C. Morgan Wurst**



## Key Statistics (Unaudited)

### Members

	<u>06/30/23</u>	<u>06/30/2022</u>	<u>06/30/2021</u>	<u>06/30/2020</u>
Active:				
Full-Time	10,847	10,682	10,721	10,655
Volunteer	2,841	2,842	2,894	2,920
Part-Time	73	93	76	67
Total Active	<b>13,761</b>	<b>13,617</b>	<b>13,691</b>	<b>13,642</b>
% Change from prior year	1.1%	-0.5%	0.4%	0.7%
Inactive:				
Total Inactive	<b>3,199</b>	<b>3,072</b>	<b>2,908</b>	<b>2,774</b>
% Change from prior year	4.1%	5.6%	4.8%	0.7%
Retirees:				
Total Retirees	<b>6,960</b>	<b>6,706</b>	<b>6,420</b>	<b>6,153</b>
% Change from prior year	3.8%	4.5%	4.3%	5.6%
<b>Total Fund Membership</b>	<b>23,920</b>	<b>23,395</b>	<b>23,019</b>	<b>22,569</b>
% Change from prior year	2.2%	1.6%	2.0%	2.0%
Full Benefit (No Options - Age 55, 25 years service)	987	977	949	940
Early Retirement (No Options - Age 50, 15 years service)	415	410	399	395
Average Benefit Payment	791	782	759	749

### Financial

	<u>06/30/23</u>	<u>06/30/22</u>	<u>06/30/21</u>	<u>6/30/2020</u>
Market Value of Portfolio	<b>1,143,135,660</b>	<b>1,057,879,810</b>	<b>1,204,299,800</b>	<b>925,341,208</b>
% Change from Prior Year	8.1%	-12.2%	30.1%	-0.9%
Portfolio Allocation:				
Equity (Includes Private Equity)	66%	68%	70%	63%
Fixed Income	29%	29%	27%	33%
Cash	5%	3%	3%	4%
	100%	100%	100%	100%
Current Yr. Insurance Premium Tax Receipts	<b>51,580,644</b>	<b>46,258,216</b>	<b>42,971,860</b>	<b>40,389,155</b>
% Change from Prior Year	11.5%	7.6%	6.4%	6.6%
Membership Receipts	<b>4,124,614</b>	<b>4,154,253</b>	<b>4,064,666</b>	<b>4,142,928</b>
% Change from Prior Year	-0.7%	2.2%	-1.9%	1.9%
Total Benefits Paid	<b>65,090,233</b>	<b>61,458,268</b>	<b>56,928,934</b>	<b>53,827,050</b>
% Change from Prior Year	5.9%	8.0%	5.8%	6.0%
Dues & Taxes Received less Benefits Paid	<b>(9,384,975)</b>	<b>(11,045,799)</b>	<b>(9,892,408)</b>	<b>(9,294,967)</b>

## Portfolio Allocation & Statistics

June 30, 2023

<u>Domestic Equity Managers</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Fiscal Year Return</u>	<u>Inception Date</u>
Cooke & Bieler	99,054,454	8.7%	14.0%	May 2004
Loomis Large Cap Growth	54,701,374	4.8%	41.4%	March 2020
T. Rowe Price Large Cap	43,885,610	3.8%	28.1%	April 2020
Burgundy Asset Management	84,225,094	7.4%	18.3%	March 2004
Cornerstone Investment Partners DSCC	42,840,414	3.7%	18.6%	January 2020
T. Rowe Price Global Natural Resources	49,419,647	4.3%	12.3%	January 2018
*Cohen & Steers Real Estate Trust	53,651,330	4.7%		June 2023
Heitman (REIT)	738,059	0.1%	-1.5%	December 2009
<b>Total - Domestic Equity Managers</b>	<b>428,515,982</b>	<b>37.5%</b>	<b>18.2%</b>	
 <u>International Equity Managers</u>				
Artisan International Growth	68,038,930	6.0%	17.0%	October 2015
Northern Trust EAFE Fund	84,128,763	7.4%	18.9%	May 2022
Fidelity Select Emerging Markets	43,397,971	3.8%	3.7%	December 2021
William Blair Emerging Markets	40,615,306	3.6%	-1.3%	January 2022
<b>Total - International Equity Managers</b>	<b>236,180,970</b>	<b>20.8%</b>	<b>12.6%</b>	
*since inception return				
<b>TOTAL COMBINED EQUITY</b>	<b>664,696,952</b>	<b>58.3%</b>	<b>16.2%</b>	
 <u>Fixed Income Managers</u>				
DoubleLine Capital	96,595,743	8.5%	-0.3%	December 2007
Voya	40,693,311	3.6%	-0.4%	October 2003
Loomis Sayles	57,753,780	5.1%	2.6%	March 2017
Sage	52,479,257	4.6%	0.3%	March 2009
Victory Capital	58,198,181	5.1%	3.4%	May 2004
Northern Trust 1-10 Yer TIPS Index	20,920,988	1.8%	-0.9%	April 2021
<b>TOTAL FIXED INCOME</b>	<b>326,641,260</b>	<b>28.7%</b>	<b>0.8%</b>	
 <b>Total Invested in Private Equity Fund of Funds</b>	<b>93,165,539</b>	<b>8.1%</b>	<b>-3.3%</b>	June 2011
 <u>Cash</u>				
Northern Trust Money Market	58,631,909	5.1%	4.8%	N/A
<b>TOTAL CASH</b>	<b>58,631,909</b>	<b>5.1%</b>	<b>4.8%</b>	
 <b>TOTAL PORTFOLIO</b>	<b>1,143,135,660</b>	<b>100%</b>	<b>9.7%</b>	



## **Income Statement**

**Fiscal Year Ending June 30, 2023**

(Unaudited)

### **Fund Income**

Membership Receipts	4,124,614
Other Member Income	713,609
Insurance Premium Tax (includes prior years recv'd. late)	51,886,594
Other Income	36,382
<b>Total Fund Receipts</b>	<b>56,761,199</b>

### **Member Expenses**

Benefit Payments to Members	65,090,233
Other Member Expenses*	1,327,276

\*(consists of Member Withdrawals, Volunteer Lost Credit, Member Returns and Dues in refund-available status)

<b>Total Member Expenses</b>	<b>66,417,510</b>
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### **Fund Expenses**

Personnel	1,189,957
Travel, Training, and Development	66,058
Supplies	10,687
Printing and Postage	19,820
Utilities	32,282
Maintenance & Repairs	51,035
Fees and Contracts	161,018
Database Development (one time fee)	55,000
IT Equipment	3,802
Benefit Payment Services and Actuary Fees	157,748
Miscellaneous	13,536
Depreciation	60,624
<b>Total Fund Expenses</b>	<b>1,821,566</b>

<b>Net Operating Income</b>	<b>(11,477,877)</b>
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### **Investment Income**

Total Realized Investment Income	80,420,583
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### **Investment Expenses**

Custodial Services	111,915
Asset Management Fees	4,202,681
Consulting Services	151,250
<b>Total Investment Expenses</b>	<b>4,465,845</b>

<b>Net Realized Investment Income</b>	<b>75,954,738</b>
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<b>NET OF OPERATIONS &amp; REALIZED INVESTMENTS</b>	<b>64,476,861</b>
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**Balance Sheet****June 30, 2023**

(Unaudited)

Operating Cash	497,661	
Accounts Receivable	<u>0</u>	
Total Current Assets		<u>497,661</u>
Land	84,882	
Building & Improvements	1,534,994	
Other Gross Fixed Assets & Supplies	285,186	
less: (accumulated depreciation)	<u>(940,746)</u>	
Net Fixed Assets & Supplies		<u>964,316</u>
Gross Portfolio @ cost	1,054,094,424	
Dividend/Interest/Tax Reclaim Receivable	2,734,533	
less: (net trades payable)	<u>(1,445,905)</u>	
Net Portfolio (at cost)		<u>1,055,383,052</u>
Unrealized Investment Gains	89,384,128	89,384,128
<b>Total Assets</b>		<b><u>1,146,229,157</u></b>
Employee Payables	87,340	
Member Payables	2,077,511	
Operating Accounts Payable	4,674	
Investment/Actuary Fees Payable	<u>1,178,316</u>	
Total Current Liabilities		<u>3,347,842</u>
Surplus - Net Assets/Equity	1,055,714,633	
Change in Market Value	<u>87,166,683</u>	
Total Capital		<u>1,142,881,316</u>
<b>Total Net Equity</b>		<b><u>1,146,229,158</u></b>

## GFPF ANNUAL REPORT

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website at  
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### Reminder for Members and Retirees

- You must notify the Pension Fund Office of any address changes, contact information updates, department transfers and beneficiary changes. If your mail is being returned and we are unable to reach you; your membership or benefit payments may be suspended.
- If you are a retired Firefighter and drawing benefits under the Joint and Survivor option, and your spouse is deceased or you have become divorced; you must notify the Pension Fund Office to obtain the necessary forms to convert your benefits to Regular Retirement. Once the completed forms are received, processed, and approved by the Board; the conversion will go into effect the following month. Note: Conversions are not retroactive.
- All Direct Deposits are deposited on the **LAST** day of the month. If the last day of the month falls on a weekend or a holiday; the deposits will be posted the last business day prior to the end of the month. All checks are mailed approximately 4-5 days prior to the end of the month.

The GFPF ANNUAL REPORT is an official publication of the Georgia Firefighters' Pension Fund, published annually for GFPF participants and retirees. This publication shall accept no advertisement for commercial services or products.



# GFPF CONTACTS

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