



ANNUAL REPORT

JUNE 30, 2008

MISSION STATEMENT

As a supplementary pension benefit, it is the mission of the Georgia Firefighters' Pension Fund to supplement the welfare and well being of Georgia firefighters and their surviving beneficiaries when they, the firefighters, retire from the fire service and to provide prudent stewardship to the assets held in trust that support this mission.

Board of Trustees

Chief Michael H. Buice
Gwinnett County Fire & Emergency Services (Retired)
Chairman of the Board

Captain Rita D. Smith
Rome Fire Department
Vice Chair of the Board

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Fitzgerald and Ben Hill Co.
Volunteer Fire Departments
Trustee

Alan Shuman
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Insurance and Safety Fire
Commissioner's Designee
Trustee

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Spalding County Fire Department
Trustee

James R. Meynard, CFA
Executive Director

David C. Will
Special Assistant Attorney General
& Board Counsel
Royal-Washburn-Will

To the Members of the Georgia Firefighters' Pension Fund:

Your Board of Trustees and Staff are pleased to present to you this Annual Report for Fiscal Year 2008. While we are equally pleased to report that the Pension Fund is healthy, both financially and operationally, we note that we have not been immune to the economic issues affecting the financial community. Nonetheless, so far, our revenues (taxes and dues) have continued to keep pace with our disbursements (benefits and expenses), and the membership continues to grow. The assets, while diminished, are somewhat protected by a well-diversified, defensive and closely monitored investment plan. In the pages that follow, we provide to you a summary of the condition of the fund. The following paragraphs summarize some of our major accomplishments this year and plans for the future.

Fiscal Year 2008 was, in many ways, another milestone year for the Pension Fund. We implemented a new mortality study that recognizes our people and provides specifically for gender differences in lifespan. We developed and made available a modest computer system to aid volunteer departments with their record keeping for training and fire calls, which we expect to improve reporting and processing for creditable service in the fund. We added a full-time field coordinator, who in a very short time, is having a significant impact in helping departments, mainly volunteer, understand pension requirements and the benefits of pension participation. With the hard work of our staff members, we completed a detailed audit of our insurance tax receipts. Your Pension Fund Staff went back to the limit of the statute of limitations, and recovered a substantial amount of revenue previously missed due to miscalculations and misinterpretations by some insurance companies.

While your Trustees and Staff have worked very hard this year for the betterment of the Fund, there is still more to come. Shortly, you will be receiving a member identification card, which we hope will help you and the staff with your personal information related to your pension participation. Following that and related to it, we are planning to introduce online access and updating of certain portions of your member record. We are working diligently to update our Rules and Regulations and get these issued to the membership, followed closely by a Member Handbook.

We, the Trustees, feel very blessed to have the staff we do and for the job they have done for you in fiscal year 2008. We are constantly amazed at the hard work and dedication of your Pension Fund Staff, and we would encourage each of you to let them know how much you appreciate the job they do when you have the opportunity. It continues to be our honor and privilege to work with such a fine staff and of course to serve you during this past year. May God continue to bless and keep each of you safe as you serve the people in your communities.

Sincerely,

Board of Trustees

KEY MEMBER STATISTICS

	06/30/08	06/30/07	06/30/06
	<u>Class 1-9</u>	<u>Class 1-9</u>	<u>Class 1-8</u>
Active			
Full-Time	9,124	8,943	8,675
Volunteer	3,115	3,027	2,680
Part-Time	23	20	-
Inactive	2,051	1,857	1,556
Retirees	3,298	3,085	2,889
Total Membership	17,611	16,932	15,800
	<u>Class 9</u>	<u>Class 9</u>	<u>Class 9</u>
Active			
Full-Time	merged 7/1/06	merged 7/1/06	2
Volunteer	merged 7/1/06	merged 7/1/06	221
Inactive	merged 7/1/06	merged 7/1/06	59
Retirees	merged 7/1/06	merged 7/1/06	-
Total Membership	merged 7/1/06	merged 7/1/06	282
Total Fund Membership	17,611	16,932	16,082

INCOME STATEMENT
FISCAL YEAR ENDING JUNE 30, 2008

OPERATING RECEIPTS

Dues Receipts (Class 1-9)	2,523,675.68
Insurance Premium Tax (Class 1-9)	23,764,652.19
Other Income	1,673,442.55
Total Operating Receipts	27,961,770.42

DISBURSEMENTS

Benefits	26,378,356.63
Other Member Expenses	506,831.31
Total Disbursements	26,885,187.94

OPERATING EXPENSES

Personnel	611,718.09
Travel, Training, & Development	72,298.82
Supplies	16,300.08
Fees & Contracts	158,924.57
Printing & Postage	63,901.99
Prior Yr Insurance Tax Refunds	1,577.00
Benefit Payment Fees	53,987.90
Utilities	29,140.34
Maintenance & Repairs	29,392.89
Depreciation	100,061.62
Miscellaneous	9,699.05
Total Operating Expense	1,147,002.35

NET OPERATING INCOME **(70,419.87)**

INVESTMENT INCOME

Total Realized Investment Income	61,229,371.29
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INVESTMENT EXPENSES

Custodial Services	253,041.30
Asset Management Fees	3,421,004.71
Consulting Services	100,000.00
Total Investment Expense	3,774,046.01

NET REALIZED INVESTMENT INCOME **57,455,325.28**

NET OF OPERATIONS & REALIZED INVESTMENTS **57,384,905.41**

KEY FINANCIAL STATISTICS

	06/30/08	06/30/07	6/30/06
	<u>Class 1-9</u>	<u>Class 1-9</u>	<u>Class 1-8</u>
Market Value of Portfolio	607,589,675	651,354,555	558,183,428
Dues Receipts	2,523,676	2,268,841	2,080,051
Insurance Premium Tax Receipts	23,764,652	22,537,822	20,449,544
	<u>Class 9</u>	<u>Class 9</u>	<u>Class 9</u>
Market Value of Portfolio	merged 7/1/06	merged 7/1/06	3,312,828
Dues Receipts	merged 7/1/06	merged 7/1/06	36,189
Insurance Premium Tax Receipts	merged 7/1/06	merged 7/1/06	584,002
	<u>Total Fund</u>	<u>Total Fund</u>	<u>Total Fund</u>
Market Value of Portfolio	607,589,675	651,354,555	561,496,256
Dues Receipts	2,523,676	2,268,841	2,116,240
Insurance Premium Tax Receipts	23,764,652	22,537,822	21,033,546
Benefit Payments	26,378,357	23,949,940	21,555,072
Average Benefit Payment	\$690	\$670	\$650

Portfolio Allocation 06/30/08

			Fiscal	Incpt.
Domestic Equity Managers	6/30/2008	% Total	Year ROI	Date
Atalanta Sosnoff	23,250,483	4%	na	5/08
Sawgrass Capital Mgmt	24,583,377	4%	na	5/08
Cooke & Bieler	49,483,999	8%	-16.6%	5/04
Sector Capital	40,822,989	7%	-6.8%	11/05
Private Capital Management	31,642,952	5%	-30.4%	6/04
Burgundy Asset Management	25,059,638	4%	-21.0%	2/04
Orleans Capital	71,599,650	12%	49.9%	9/06
Total Domestic Equity Managers	266,443,089	44%	-6.8%	na
Int'l Equity Managers				
Victory Capital Int'l	24,377,042	4%	na	2/08
Invesco International	63,021,885	10%	-12.3%	11/03
Total Int'l Equity Managers	87,398,927	14%	-12.4%	na
Total Combined Equity	353,842,016	58%	-8.2%	na
Fixed Income Managers				
ING Core Plus	69,869,171	11%	2.0%	10/03
Commonwealth Advisors	42,502,377	7%	na	12/07
Hyperion Capital	40,281,520	7%	-26.5%	5/04
Total Fixed Income	152,653,068	25%	-5.3%	na
Alternative Managers				
Victory Capital	44,788,025	7%	-1.1%	5/04
Lord Abbett & Co.	43,832,866	7%	-2.2%	6/04
Total Alternatives	88,620,891	15%	-1.7%	na
Cash *				
State Street Money Market	12,473,700	2%	na	7/02
Total Cash	12,473,700	2%	na	na
Total Portfolio (net)	607,589,675	100%	-7.1%	7/02+

* does not include \$518,113 in operating cash @ FYE