



JUNE 30, 2010 ANNUAL REPORT

AN OFFICIAL PUBLICATION OF THE GEORGIA FIREFIGHTERS' PENSION FUND



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& Board Counsel
Founding Partner:
Royal Will**James R. Meynard, CFA**

Executive Director

www.gfpf.org**To the Members of the Georgia Firefighters' Pension Fund**

The Board of Trustees and the Staff are proud to present to you this Annual Report for Fiscal Year 2010. Each year has its challenges and opportunities, and 2010 was no different from the prior years. We did our best to turn our challenges into opportunities and our opportunities into victories. We had some real successes this year amidst the uncertainty of the economic environment and the volatility of the capital markets. The Staff is continuing to provide excellent service as we improve our internal systems and controls and seek ways to garner efficiencies without sacrificing that quality of service. The following paragraphs discuss some of our accomplishments and the status of the Pension Fund as of the end of the Fiscal Year 2010.

Last year, we noted that we broke through the milestone of 18,000 in total membership, including active, retired and inactive members of the Fund. We continue to receive new member applications as the Fund grows in total size. As you will note in the data presented in the report, our pension benefit payments exceed our insurance tax receipts, and we are dipping into the asset base to meet our benefit obligation. This means that, for the foreseeable future, we will be dependent upon the growth of the assets to improve our funding ratio and provide future benefit improvements.

Along those lines, we have been working to pursue solid

returns in the portfolio through an improved structure in these difficult markets. The portfolio has performed very well, achieving a 14.1% total return for the Fiscal Year 2010. We have added real estate investment trusts, international equities and more small stocks and reduced our bonds. We are ahead of our benchmarks and, for the most part consistent with the actuarial expected return on the assets (long term 5.6% vs. 6.0%). While we are "under funded" as a result of the recent market meltdown, we are on the road to recovery and quite pleased with our progress.

Within the workings of the Fund, we held another Chief's Symposium to explore the practices of fire departments regarding volunteer reporting of training and fire calls, and we plan another this fall. This is a difficult issue with combination departments in that we want to be inclusive, but we do want to be sure this benefit is properly earned.

David Luther, our Field Coordinator, spends a lot of time with departments demonstrating reporting requirements and explaining rules. These Symposia provide a voice to the Chiefs to help us understand their issues in this regard. Similarly, we have started a program in our newsletters of explaining a Rule, or a segment of a Rule, each issue to help the members understand our Fund a little better and dispel the myriad of myths that tend to lead members astray. That, coupled with monthly "Reminders" has helped keep members aware of the responsibility and importance of accurate records when it comes to pension benefits and beneficiaries.

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Key Statistics

Members

		<u>6/30/2010</u>	<u>6/30/2009</u>	<u>6/30/2008</u>
Active:				
	Full-Time	9,569	9,544	9,124
	Volunteer	3,240	3,103	3,115
	Part-Time	33	26	23
	Total Active	12,842	12,673	12,262
	% Change from prior year	1%	3%	2%
Inactive:				
	Total Inactive	2,204	2,053	2,051
	% Change from prior year	7%	0%	10%
Retirees:				
	Total Retirees	3,750	3,507	3,298
	% Change from prior year	7%	6%	7%
	Total Fund Membership	18,796	18,233	17,611
	% Change from prior year	3%	4%	4%
	Full Benefit (No Options - Age 55, 25 years service)	882	882	875
	Early Retirement (No Options - Age 50, 15 years service)	370	370	368
	Average Benefit Payment	699	699	690

Financial

		<u>6/30/2010</u>	<u>6/30/2009</u>	<u>6/30/2008</u>
Market Value of Portfolio		479,792,257	428,044,443	607,589,675
	% Change from Prior Year	12%	-30%	-7%
Portfolio Allocation:				
	Equity	48%	27%	58%
	Fixed Income	51%	55%	40%
	Cash	1%	18%	2%
		100%	100%	100%
Current Yr. Insurance Premium Tax Receipts		24,991,047	24,544,127	23,764,652
	% Change from Prior Year	2%	3%	5%
Member Revenues		2,677,434	2,470,375	2,523,676
	% Change from Prior Year	8%	-2%	11%
Total Benefits Paid		30,578,723	28,699,853	26,378,357
	% Change from Prior Year	7%	9%	10%

Income Statement

Fiscal Year Ending June 30, 2010

Operating Receipts

Member Revenues	2,677,434
Current Year Insurance Premium Tax	24,991,047
Other Income	335,931

Total Operating Receipts	28,004,412
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Disbursements

Benefits	30,578,723
Other Member Expenses	519,635

Total Member-Related Disbursements	31,098,358
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Operating Expenses

Personnel	731,456
Travel, Training, and Development	58,573
Supplies	19,143
Printing and Postage	37,670
Utilities	27,003
Maintenance & Repairs	49,476
Fees and Contracts	60,634
Benefit Payment and Actuary Fees	125,035
Depreciation	104,484
Miscellaneous	4,405

Total Operating Expenses	1,217,879
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Net Operating Income	(4,311,825)
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Investment Income

Total Realized Investment Income	18,947,665
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Investment Expenses

Custodial Services	324,365
Asset Management Fees	2,485,348
Consulting Services	99,996

Total Investment Expenses	2,909,709
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Net Realized Investment Income	16,037,956
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NET OF OPERATIONS & REALIZED INVESTMENTS	11,726,131
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Balance Sheet

June 30, 2010

Operating Cash	503,521	
Accounts Receivable	4,433	
Total Current Assets		507,954
Land	84,882	
Building & Improvements	1,534,994	
Other Gross Fixed Assets & Supplies	545,403	
less: (accumulated depreciation)	(430,357)	
Net Fixed Assets & Supplies		1,734,922
Gross Portfolio @ cost	523,509,882	
less: (net trades payable)	(8,391,423)	
Net Portfolio (at cost)		515,118,459
Total Assets		517,361,334
Employee Payables	31,078	
Member Payables	758,744	
Operating Accounts Payable	8,174	
Investment Payable	854,770	
Total Current Liabilities		1,652,766
Surplus - Prior Years	503,982,437	
Surplus - Current Year	11,726,131	
Total Capital		515,708,568
Total Equities		517,361,334

Portfolio Allocation & Statistics**June 30, 2010**

<u>Domestic Equity Managers</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Fiscal Year Return</u>	<u>Inception Date</u>
Atalanta Sosnoff	36,424,746	7.6%	9.1%	May 2008
Sawgrass Capital Management	23,243,116	4.9%	13.2%	May 2008
Cooke & Bieler	32,825,850	6.8%	15.9%	May 2004
Scott & Stringfellow	21,639,787	4.5%	-13.4%	April 2010
Burgundy Asset Management	36,260,129	7.6%	28.8%	February 2004
Energy Opportunities	23,729,944	4.9%	11.0%	September 2006
Heitman	16,731,800	3.5%	11.7%	December 2009

Total - Domestic Equity Managers	190,855,372	39.8%	17.3%
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International Equity Managers

Artio Global International Equity II	38,356,468	8.0%	-2.5%	September 2009
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Total - International Equity Managers	38,356,468	8.0%	-2.5%
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TOTAL COMBINED EQUITY	229,211,840	47.8%	15.9%
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Fixed Income Managers

Commonwealth Advisors	45,469,699	9.5%	40.5%	December 2007
ING Core Plus	51,691,894	10.8%	14.4%	October 2003
Brookfield Asset Management	35,432,445	7.4%	39.4%	May 2004
Orleans Capital	23,731,004	4.9%	11.4%	March 2009
Sage	22,262,886	4.6%	9.2%	March 2009
Victory Capital	41,431,972	8.6%	12.8%	May 2004
Lord Abbett & Co.	27,573,244	5.8%	10.8%	June 2004

TOTAL FIXED INCOME	247,593,144	51.6%	19.7%
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Cash (does not include \$503,521 in Operating Income)

State Street Money Market	2,987,273	0.6%	N/A	N/A
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TOTAL CASH	2,987,273	0.6%	N/A
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TOTAL PORTFOLIO	479,792,257	100.0%	14.1%
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GFPF 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 provide prudent stewardship to the assets held in trust that support this mission.

Continued from Page 2...TO THE MEMBERS...

Another initiative we have undertaken is the development of the history of the Pension Fund. We have found bits and pieces of our story, here and there, and we are now researching the legislature and news clippings and interviewing some of the folks who may have been around back when the Fund was started to document its origins. It is an interesting and colorful story.

Our plans for the coming year are modest and focused primarily on improvements on the margin. We have no major legislative initiatives on the table, nor do we plan any significant changes to our Rules and Regulations. We do plan some investment initiatives in the private markets in keeping with the legislative initiatives achieved this year for our Fund. These investments will be established to serve the long-term goals of the Fund.

We, the Trustees, believe we are well poised for the coming year with a staff that has served you very well and will continue to serve you as this benefit program was intended. We sincerely invite you to visit and enjoy our facility, and let the staff know how much you appreciate the work they do for you.

It has been our honor and privilege to serve you during this past year. May God continue to bless you and keep each of you safe as you serve the people in your communities.



Sincerely,
Board of Trustees

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2171 East View Parkway
Conyers, Georgia
30013-5756

770-388-5757
678-413-4227 Fax
866-374-0788 Toll Free

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GFPP CONTACTS

Georgia Firefighters' Pension Fund

2171 East View Parkway, Conyers, GA 30013-5756

Phone: 770-388-5757 Toll Free: 866-374-0788 Fax: 678-413-4227

Office Hours: 8:00 a.m.— 5:00 p.m., Monday — Friday

James R. Meynard, CFA

Executive Director

execdir@gfpp.org

C. Morgan Wurst

Assistant Treasurer

finance@gfpp.org

Juanita Whetzel

Executive Assistant

exec.assistant@gfpp.org

Sharon Drake

Operations Manager

operations@gfpp.org

David Luther

Field Coordinator

field.coordinator@gfpp.org

Cindy Cannon

Retirement Specialist

retirement@gfpp.org

Darlene McMillan

Accountant

accounting@gfpp.org

Leanna Johnson

Membership Records Specialist

membership@gfpp.org

Paula Manning

Receptionist

pensions@gfpp.org

Andrea Brown

Clerk

admin.assistant@gfpp.org

Donna Sherwood

Dues & Revenue Specialist

dues@gfpp.org

www.gfpp.org

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Conyers, Georgia 30013-5756

