

FISCAL YEAR 2021 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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BOARD COUNSEL

David C. Will, Esq.

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Attorney General
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The Board of Trustees and the Staff are pleased to present you with the Fiscal Year (FY) 2021 Annual Report. As a member of the Pension Fund, it's in your best interest to know what's going on in the Fund and what assets are in the Portfolio. Inside this report, you will find statistical information on the membership of the Fund, the FY 2021 Financial Statements (unaudited) and a breakout of the Fund's Investment Portfolio.

The number of active members remained mostly flat, growing by only 49 members to 13,691. This were an additional 134 inactive members in FY2021 compared to FY2020. The total number of retirees/beneficiaries grew by 267 to 6,420. This represents a growth rate of about 4.3% for the year. This is in line with the growth rates we've experienced over 3-year, 5-year and 10- year timeframes, as well. The retiree growth rate is likely to stay in the 4-6% range in the medium to long-term timeframe.

Benefits paid out to retirees and/or their beneficiaries during the year totaled approximately \$56.9 Million. That is \$3.1 Million more than was paid out to retirees/beneficiaries in FY 2020. For FY2022, the Fund projects almost \$61 Million in benefits will be paid out to its retired members and their beneficiaries.

Non-investment revenue was up during the year. Monthly dues receipts were down 1.9% for the year at just under \$4.1 Million. Insurance Premium Tax Receipts grew by almost 6.5% to \$43 Million. Once again, it was nice to see this increase in premium tax receipts as it makes up over 90% of our non-investment revenue. Growth in this area is usually indicative of growth in the economy of the State. This bodes well for the State of Georgia.

The investment portfolio returned 32.6% for the 2021 Fiscal year, which more than exceeded the Fund's targeted 6.0% rate of return. In June of this year, the Board of Trustees voted to reduce the future assumed rate of return by 25 basis points to 5.75%. As for the breakout of the investment return in FY 2021, Domestic Equities returned 49.5%, International Equities delivered a 34.7% rate of return and the Fixed Income in the portfolio generated a 10% return. In addition, our alternative investments returned 52.6% for the year. 2021 was the best annual investment performance for the Fund in the last 30+ years (our investment return records go back to 1990). As such, the Board was able to grant a full 1.5% cost-of-living adjustment (COLA) effective July 1st in addition to the 1% COLA they granted last November (effective January 1st of this year).

The Fund stayed true to its Investment Policy during 2021. 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>06/30/2021</u>	<u>06/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2018</u>
Active:				
Full-Time	10,721	10,655	10,520	10,364
Volunteer	2,894	2,920	2,964	3,081
Part-Time	76	67	62	57
Total Active	13,691	13,642	13,546	13,502
% Change from prior year	0.4%	0.7%	0.3%	0.3%
Inactive:				
Total Inactive	2,908	2,774	2,756	2,669
% Change from prior year	4.8%	0.7%	3.3%	0.9%
Retirees:				
Total Retirees	6,420	6,153	5,827	5,573
% Change from prior year	4.3%	5.6%	4.6%	5.3%
Total Fund Membership	23,019	22,569	22,129	21,744
% Change from prior year	2.0%	2.0%	1.8%	2.5%
Full Benefit (No Options - Age 55, 25 years service)	949	940	931	913
Early Retirement (No Options - Age 50, 15 years service)	399	395	391	383
Average Benefit Payment	759	749	742	726

Financial

	<u>06/30/21</u>	<u>6/30/2020</u>	<u>06/30/2019</u>	<u>06/30/2018</u>
Market Value of Portfolio	1,204,299,800	925,341,208	933,528,809	897,404,936
% Change from Prior Year	30.1%	-0.9%	4.0%	6.3%
Portfolio Allocation:				
Equity (Includes Private Equity)	70%	63%	66%	65%
Fixed Income	27%	33%	33%	32%
Cash	3%	4%	1%	3%
	100%	100%	100%	100%
Current Yr. Insurance Premium Tax Receipts	42,971,860	40,389,155	37,887,961	35,715,255
% Change from Prior Year	6.4%	6.6%	6.1%	4.7%
Membership Receipts	4,064,666	4,142,928	4,065,670	3,997,873
% Change from Prior Year	-1.9%	1.9%	1.7%	-0.1%
Total Benefits Paid	56,928,934	53,827,050	50,767,748	47,285,284
% Change from Prior Year	5.8%	6.0%	7.4%	6.7%
Dues & Taxes Received less Benefits Paid	(9,892,408)	(9,294,967)	(8,814,117)	(7,572,156)

Portfolio Allocation & Statistics

June 30, 2021

<u>Domestic Equity Managers</u>	<u>Market Value</u>	<u>% of Portfolio</u>	<u>Fiscal Year Return</u>	<u>Inception Date</u>
Cooke & Bieler	92,636,902	7.7%	54.3%	May 2004
Loomis Large Cap Growth	60,670,969	5.0%	37.4%	March 2020
T. Rowe Price Large Cap	57,869,751	4.8%	42.5%	April 2020
SSgA—S&P Mid Cap 400	63,695,615	5.3%	53.2%	April 2011
Burgundy Asset Management	85,122,910	7.1%	46.8%	March 2004
Cornerstone Investment Partners	62,113,059	5.2%	71.8%	January 2020
T. Rowe Price Global Natural Resources	41,203,734	3.4%	46.3%	January 2018
Heitman (REIT)	50,924,618	4.2%	42.2%	December 2009
Total - Domestic Equity Managers	514,237,558	42.7%	49.5%	
International Equity Managers				
Artisan International Growth	75,124,330	6.2%	24.0%	October 2015
Gryphon International EAFE Growth	94,245,521	7.8%	44.6%	October 2015
Burgundy Asset Management	71,115,912	5.9%	35.3%	April 2015
Wellington China Opportunities Fund	16,160,085	1.3%	20.2%	October 2020
Total - International Equity Managers	256,645,848	21.2%	34.7%	
TOTAL COMBINED EQUITY	770,883,406	63.9%	44.7%	
Fixed Income Managers				
DoubleLine Capital - ABS/MBS	106,064,590	8.8%	10.1%	December 2007
Voya	47,966,002	4.0%	1.6%	October 2003
Loomis Sayles	40,589,012	3.4%	3.9%	March 2017
Sage	35,245,520	2.9%	2.7%	March 2009
Victory Capital	66,501,337	5.5%	25.3%	May 2004
Northern Trust 1-10 Yr TIPS Index	33,742,887	2.8%	2.4%	April 2021
TOTAL FIXED INCOME	330,109,348	27.4%	10.0%	
Total Invested in Private Equity Fund of Funds	70,951,264	5.9%	52.6%	June 2011
Cash				
Northern Trust Money Market	32,355,782	2.7%	0.9%	N/A
TOTAL CASH	32,355,782	2.7%	0.9%	
TOTAL PORTFOLIO	1,204,299,800	100%	32.6%	

Income Statement

Fiscal Year Ending June 30, 2021

(Unaudited)

Fund Income

Membership Receipts	4,064,666
Other Member Income	470,250
Insurance Premium Tax (includes prior years recv'd. late)	43,267,802
Other Income	74,650
Total Fund Receipts	47,877,368

Member Expenses

Benefit Payments to Members	56,928,934
Other Member Expenses*	962,948

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

Total Member Expenses	57,891,882
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Fund Expenses

Personnel	1,067,182
Travel, Training, and Development	24,087
Supplies	17,249
Printing and Postage	17,985
Utilities	30,372
Maintenance & Repairs	59,010
Fees and Contracts	110,817
Database Development (one time fee)	50,000
IT Equipment	2,706
Benefit Payment Services and Actuary Fees	118,473
Miscellaneous	11,090
Depreciation	59,350

Total Fund Expenses	1,568,321
Net Operating Income	(11,582,835)

Investment Income

Total Realized Investment Income	89,174,406
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Investment Expenses

Custodial Services	104,196
Asset Management Fees	5,307,013
Consulting Services	146,250
Total Investment Expenses	5,557,459

Net Realized Investment Income	83,616,947
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NET OF OPERATIONS & REALIZED INVESTMENTS	72,034,112
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Balance Sheet**June 30, 2021**

(Unaudited)

Operating Cash	21,001	
Accounts Receivable	<u>0</u>	
Total Current Assets		<u>21,001</u>
Land	84,882	
Building & Improvements	1,534,994	
Other Gross Fixed Assets & Supplies	225,334	
less: (accumulated depreciation)	<u>(823,038)</u>	
Net Fixed Assets & Supplies		<u>1,022,172</u>
Gross Portfolio @ cost	913,631,743	
Dividend/Interest/Tax Reclaim Receivable	2,609,315	
less: (net trades payable)	<u>(1,690,531)</u>	
Net Portfolio (at cost)		<u>914,550,527</u>
Unrealized Investment Gains	289,839,655	289,839,655
Total Assets		<u>1,205,433,355</u>
Employee Payables	79,740	
Member Payables	1,803,671	
Operating Accounts Payable	2,397	
Investment/Actuary Fees Payable	<u>1,284,063</u>	
Total Current Liabilities		<u>3,169,871</u>
Surplus - Net Assets/Equity	924,905,112	
Change in Market Value	<u>277,358,372</u>	
Total Capital		<u>1,202,263,484</u>
Total Net Equity		<u>1,205,433,355</u>

GFPF ANNUAL REPORT

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*Visit us on our
website at
www.gfpf.org*



Reminder for Retirees

- 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.
- You must notify the Pension Fund Office of any address changes. If your mail is being returned and we are unable to reach you; your benefit payments will be suspended until written notice of your correct address is received in the office.
- 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.



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