
New York City Fire Pension Fund



**Comprehensive Annual Financial Report
A Pension Trust Fund of the City of New York
For The Fiscal Year Ended**

June 30, 2011

**Salvatore J. Cassano
Fire Commissioner
and Chairperson of the Board of Trustees
City of New York**

New York City Fire Pension Fund

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Comprehensive Annual Financial Report A Pension Trust Fund of the City of New York For Fiscal Year Ended June 30, 2011

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John C. Liu
Comptroller of the City of New York

TABLE OF CONTENTS

<u>INTRODUCTORY SECTION</u>	<u>Page</u>
Certificate of Achievement for Excellence In Financial Reporting.....	9
Chairperson Report.....	11
Letter of Transmittal.....	13
Administrative Organization.....	18
Members of the Board of Trustees.....	19
Pension Fund Administration and Reporting.....	20
Summary of Plan Benefits.....	21
<u>FINANCIAL SECTION</u>	
Report of Independent Auditors.....	26
Management's Discussion and Analysis (Unaudited).....	28
<u>Financial Statements</u>	
Statements of Plan Net Assets Held in Trust for Pension Benefits.....	33
Statements of Changes in Plan Net Assets Held in Trust for Pension Benefits.....	34
Notes to Financial Statements.....	35
<u>Required Supplementary Information (Unaudited):</u>	
Foreign Currency Risk.....	42
Schedule -1 Schedule of Funding Progress.....	51
Schedule -2 Schedule of Employer Contributions.....	53
Schedule -3 Schedule of Actuarial Methods and Assumptions.....	54
<u>Additional Supplementary Information:</u>	
Schedule -4 Schedule of Investment Expenses.....	55

(Continued)

INVESTMENT SECTION

Page

Outline of Investment Policies and Objectives.....	65
Summary of Investment Results for fiscal year 2011.....	67
Asset Allocation.....	68
Investment Results:	
Graphic representation of Asset Mix and Allocation.....	68
Graphic representation of Total multi-year Investments.....	69
Graphic representation of Total multi-year Investment Income.....	70
Schedule of Portfolio returns.....	71
Schedule of Largest Bond Holdings.....	72
Schedule of Largest Stock Holdings.....	73
Schedule of Largest Alternative Investment Holdings.....	74
Schedule of Broker Commission Report.....	75
Investment Summary.....	86

ACTUARIAL SECTION

Actuary's Certification Letter.....	89
Summary of Actuarial Assumptions and Methods.....	93
Table 1 - Deaths Among Service and Disability Pensioners.....	97
Table 2 - Withdrawals from Active Service	
Due to Death or Disability.....	98
Table 3 - Withdrawals from Active Service.....	99
Table 4 - Withdrawals from Active Service (for Service Retirement).....	99
Table 5 - Salary Scale.....	100
Salary Scale Graph.....	101
Schedule of Active Members Valuation Data.....	102
Summary of Plan Membership.....	103
Schedule of Retirants and Beneficiaries Added to and Removed from Rolls.....	104
Schedule of Statutory vs. Annual Required Contributions.....	105
Funded Status Based on Entry Age Actuarial Cost Method.....	106
Schedule of Solvency Test.....	107
Solvency Test Notes.....	108
Other Measures of Funded Status.....	109
Table of Asset and Obligation Values.....	112
Table of Funded Ratios.....	113
Acknowledgement of qualification.....	116
Appendix A Census Data For Active Members.....	117
Appendix B Census Data For Pensioners.....	123

(Continued)

Statistical Narrative.....	129
Table of Benefit Expenses by Type	130
Table of Retired Members and Beneficiaries by Type of Benefit	131
Table of Retired Members and Beneficiaries by Type of Option Selected	132
Exhibit 4 Retired Members by Type of Benefit	133
Exhibit 5 Average Benefit Payments.....	134
Exhibit 6 Benefit and Deductions from Net Assets by Type	135
Explanation of Options.....	136
Schedule of Average Annual Benefit Payment Amounts.....	139
Graphic Representation of Total Current Investments.....	140
Schedule of Changes in Net Assets.....	141
Schedule of Revenues by Source.....	142
Graphic Representation of Sources of Current Investment Income.....	143
Schedule of Expenses by Type.....	144
Table of Compensation to Administrative Officials and Commissions and Payments to Brokers and Consultants.....	145

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New York City Fire Pension Fund

Comprehensive Annual Financial Report

A Pension Trust Fund of the City of New York



Introductory Section

Part I

Fiscal Year Ended June 30, 2011

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

New York City Fire Department
SubChapter Two Pension Fund

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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FIRE DEPARTMENT

9 METROTECH CENTER

BROOKLYN, N.Y. 11201-3857

SALVATORE J. CASSANO
Fire Commissioner

Suite 8W-6

December 15, 2011

TO: ALL MEMBERS OF THE NEW YORK CITY FIRE PENSION FUND

**RE: PENSION FUND COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR 2011**

I am pleased to present the New York City Fire Pension Fund Comprehensive Annual Financial Report for the fiscal year ended June 30, 2011. Our report includes financial, investment, actuarial and statistical information disclosing the results of operations and the financial position of the Pension Fund.

The external auditors, Deloitte & Touche LLP, confirm in their Independent Auditors' Report on the financial condition of the Fund for fiscal year 2011, that we have adhered to required standards in all material respects. Our members and their beneficiaries can therefore be assured that their Pension Fund is well-managed and that their retirement benefits are secure.

Fiscal year 2011 provided many challenges, including ongoing work on the planned development and implementation of a new administrative pension system. The new system, expected to be fully operational in fiscal year 2012, will result in many improvements and is evidence of our strong commitment to educate members as to their benefits and provide them with the best information available for retirement planning.

As Fire Commissioner and Chairperson of the Board of Trustees, I wish to express our sincere appreciation to all active and retired uniformed members for their valuable contributions to the Fire Department and the City of New York.

Sincerely,



Salvatore J. Cassano
Chairperson of the Board of Trustees

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F I R E D E P A R T M E N T
9 METROTECH CENTER, 6TH FLOOR BROOKLYN N. Y. 11201-3857

Mary E. Basso
Director
Pension Bureau

December 15, 2011

TO: Board of Trustees
New York City Fire Pension Fund

I am pleased to present the Comprehensive Annual Financial Report of the New York City Fire Pension Fund ("Fire" or the "Plan"), also known as the New York City Fire Department Subchapter Two Pension Fund, for the fiscal year ended June 30, 2011. Management is responsible for the preparation, accuracy and completeness of this presentation. We believe that the data in this report is a fair representation of the financial position and results of operations of the Fund and to the best of our knowledge, the information is accurate and includes all required disclosures. Our report is organized into the Introductory, Financial, Investment, Actuarial and Statistical sections. Users of the financial statements are encouraged to review the Management's Discussion and Analysis (MD&A) presented in the financial section.

Profile of the Fund

The New York City Fire Pension Fund, also known as The New York City Fire Department Subchapter Two Pension Fund (formerly Article 1-B), was established pursuant to Local Law No. 53, enacted July 14, 1941. On that date all participants covered under Article 1-A and those subsequently appointed to the Fire Department were granted the option of membership in either Article 1-A or Subchapter Two, in accordance with the legislation. At that time, all members of the Article 1-A Fund became participants in the Fund established under Subchapter Two and, with one exception, all new appointees elected membership in the Subchapter Two Fund.

Effective July 1, 1980, the Article 1-A Fund was terminated and its assets transferred to the Subchapter Two Fund. Prior to July 1, 1980, each member contributed by salary deduction an amount determined to provide approximately 25% of the cost of their benefits, while the City contributed the remaining 75%. The total contributions under this arrangement proved inadequate to fund the benefits, and the Pension Fund became actuarially unsound.

Pursuant to an increased take home pay (ITHP) provision established under Section 13-326 of the New York City Administrative Code, members' contributions were reduced by 2½ % of their earnings. The ITHP rate has since been increased from 2½ % to 5%, under the provisions of Chapter 373 of the laws of 2000. Additional City funding made up the reduction in the amount of member contributions.

New State laws, effective July 1, 1980, July 1, 1981, and July 1, 1982, amended the benefit provisions of the Fund by establishing a new Plan known as the Improved Benefits Plan (IBP). The IBP provides increased benefits along with higher member and City contributions. The Original Plan (OP) was closed to new entrants on July 1, 1981. Membership in the IBP is mandatory for employees hired on or after that date. Members of the OP have the option, during specified time periods each year, to transfer to the IBP. The new laws were expected to correct the previous under-funding of the Pension Fund. The provisions of these laws increased City contributions each year to provide an amount deemed sufficient to cover benefits, excluding annuities and refunds from member contribution accounts. This amount covers the normal cost of operation each year.

Current Initiatives

Management's goal is to administer the Plan in a manner that will ensure accurate and timely payment of benefits to retirees and beneficiaries and provide members with the best information available so that they may plan for a secure retirement. The highlights of our accomplishments during the past year demonstrate our commitment to deliver exemplary member services.

During fiscal year 2011, the Pension Bureau and the Fire Department Bureau of Technology Development and Systems (BTDS), in conjunction with the selected vendor, continued work on the development and implementation of the new administrative pension system expected to replace our existing systems. The new system will integrate and modernize key processes in member services such as pension computations, loan processing and member self-service. Work has progressed to the implementation phase and it is projected that the new system will be fully operational during fiscal year 2012. Modernizing our internal work processes will streamline our operations and improve the level of services provided to our members.

The Retirement Counseling unit advised many prospective retirees and processed new retirement applications for over 400 members during fiscal year 2011. These applicants are now receiving 90% of their expected retirement benefit, pending finalization.

In addition, the Pension Payroll and Calculations Units were able to finalize approximately 550 retirees and beneficiaries who were previously receiving 90% of their benefits. These retirees and beneficiaries are now receiving the full amount of their benefits.

Financial Information

Economic Conditions in Fiscal Year 2011 and Outlook for Fiscal Year 2012

Investment revenue is a major source in the financing of pension obligations. Economic conditions at both the national and local levels greatly impact financial markets and investment revenues. The U.S. economy, as measured by the change in real Gross Domestic Product (GDP), grew modestly at an annual rate of 2.6% in fiscal year 2011. This level of growth was however, not sufficient for a sustained recovery. GDP, which had risen to an annual rate of 3.8% during the final quarter of fiscal year 2010, grew by only 1.3% in the final quarter of 2011. The modest growth in the economy was accompanied by weak job creation. The unemployment rate, which had risen to a high of 9.8% in November 2010, improved only modestly and remained at 9.2% through June 2011. In addition, the prospects for a rebound in the housing market continued to be hampered by foreclosures and weaknesses in home prices. During the fiscal period, the European sovereign debt crisis added to increased volatility in global financial markets and the fear of a new recession. The Federal Reserve bolstered the economy with a second round of quantitative easing (QE 2) announced in August 2010. Also, the target range for the Federal Funds short term interest rate was held at levels between 0% and 0.25% for the period. However, despite government actions, the initial growth in the national economy appears to have lost momentum, as the economy grew minimally at an annual rate of 0.7% in the final half of fiscal year 2011.

The City's economy grew by 4% during fiscal year 2011, after contracting by 1.9% in fiscal year 2010. The modest national recovery and anxiety over high unemployment rates continued to negatively impact growth in the City's economy. During fiscal year 2011, the City suffered a total loss of 140,000 jobs, or 3.7% of its peak job base from August 2008 to the bottom of the recession in September 2009. The City's unemployment rate stood at 10% in January 2010 but had improved modestly to 8.7% by July 2011. Although the jobs situation was mixed, improvement in tourism and other key sectors of the City's economy had a positive impact on growth.

While the Fund benefited from favorable markets during the current period, market volatility continues and the outlook for recovery in the national economy for fiscal year 2012 remains uncertain. Many factors impede sustained growth in the national economy, including the European sovereign debt crisis currently overshadowing global financial markets, the slow pace of domestic jobs recovery and the high level of foreclosures in the housing market. The pervasive sentiment is fear that the economy is on the verge of a new recession. The Bureau of Economic Analysis indicates that GDP increased at an annual rate of 2.5 % in the third quarter of 2011 (advance estimate). Additionally, the Bureau of Labor Statistics shows the unemployment rate unchanged at 9.1% at the end of September 2011. The City's economy, however, appears to be slowly emerging from the recession and there are signs of expansion in some sectors. The Comptroller's Office foresees a slow and fragile recovery for both the national and the local economies.

Accounting and Reporting

This report was prepared to conform to principles of governmental accounting and reporting as promulgated by the Governmental Accounting Standards Board (GASB) and according to guidelines adopted and published by the Government Finance Officer's Association of the United States and Canada (GFOA). The requirements of GASB Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans," have been adhered to in determining the information in the financial statements.

The accrual basis of accounting is used to record all transactions executed by the Pension Fund. Under this method, revenue is recognized when earned and expenses are recognized when the fund incurs an unconditional obligation to pay. The accrual basis of accounting provides a more realistic picture of the financial activity and performance of the Pension Fund for each period.

Internal Control

The management of the Pension Fund is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Fund are protected from loss, theft, or misuse. The control structure should also ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. Our internal control structure is designed to provide reasonable assurance that these objectives are met.

Independent Audit

The Fire Pension Fund is required to undergo an annual audit by independent certified public accountants in accordance with generally accepted auditing standards. The accounting firm of Deloitte & Touche was selected to perform the annual audits for the fiscal years ended June 30, 2010 through June 30, 2013. The Independent Auditor's Report on the general-purpose financial statements and schedules of historical information required by the Governmental Accounting Standard Board (GASB) is presented in the financial section of this report. As required under GASB pronouncement 34, adopted in fiscal year 2001, the financial section also contains Management's Discussion and Analysis (MD&A) with comparative data for fiscal years 2009, 2010 and 2011. The contents of this letter should be considered along with additional information contained in the MD&A.

Funding

Adequate funding is essential for the financial soundness of a pension plan. If funding levels are adequate, the total amount of accumulated assets will be comparable to the total amount of benefit obligations of the Plan. The goal is to fund members' future retirement benefits over their working careers. A well-funded plan gives members the assurance that the pension benefits promised are secure. The Plan's funded ratio, which is the ratio of Actuarial Asset Value to the Actuarial Accrued Liability stands at 99.7% (Funded status - Note 5 of Notes to Financial Statements) for fiscal year 2011. Funding is further addressed in the actuarial section of our report, which details the actuarial methods and assumptions used in the determination of the required funding for the Plan.

Investments

The Comptroller of the City of New York is the designated custodian of the Fund's investment portfolio, subject to the direction, control and approval of the Board of Trustees. The investment policy adopted by the Board is one that promotes growth through increasing returns. The strategy used to implement this policy is the allocation of assets, which are diversified into a broad array of instruments to minimize overall risk, maintain liquidity and generate competitive returns.

The Fund's portfolio is comprised largely of holdings in domestic, international and private equities and fixed income securities. Equity investments, although historically volatile, provide superior performance and growth over time, while fixed income investments provide predictable cash flow to meet the Fund's obligations. For fiscal year 2011, the Fund's investment portfolio posted gains of 23.2%. A detailed discussion of investment policy, activities and results is presented in the Investment Section of our report.

Other Information**Awards**

The Government Finance Officers' Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the New York City Fire Department Subchapter Two Pension Fund, for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to conform to the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for fiscal year 2011.

Professional Services

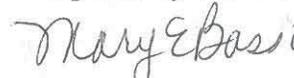
The Comptroller of the City of New York provides investment services through independent advisors. The Chief Actuary of the City's pension systems provides actuarial services to the Fund, while the Corporation Counsel provides legal services to the Fund. The City of New York defrays the expenses associated with these services.

Acknowledgements

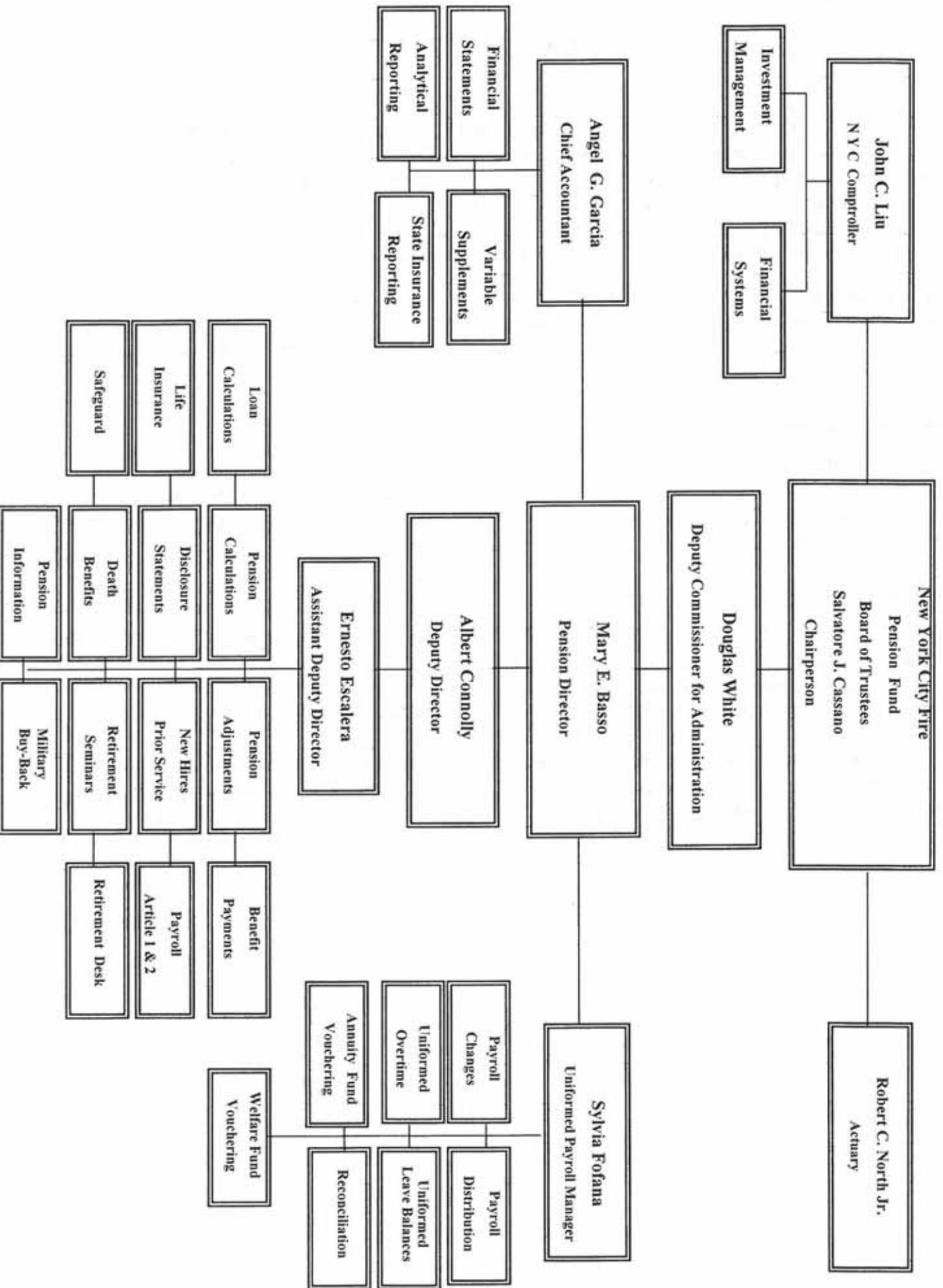
The compilation of this annual report represents the endeavors of the management and staff of the Pension Accounting Unit, whom we commend for their outstanding work. Our report presents complete and reliable information to provide a basis for making management decisions, to comply with legal provisions and to assure responsible stewardship of the assets of the Fund.

I wish to thank the staff of the Pension Bureau for their hard work and dedication, our management team for their leadership and the Board of Trustees for their guidance and support during this period. I am also grateful to the Office of the Actuary and the Office of the Comptroller, for the wide range of valuable information and assistance they provide for our unit. Together, we will continue to work diligently to assure the successful operation of the Fire Pension Fund.

Respectfully submitted,



Mary E. Basso
Director of Pensions



MEMBERS OF THE BOARD OF TRUSTEES

As of June 30, 2011

Michael R. Bloomberg	Mayor, City of New York.
Salvatore J. Cassano	Fire Commissioner and Chairperson.
John C. Liu	Comptroller, City of New York.
David M. Frankel	Commissioner, of Finance.
Stephen J. Cassidy	President of the Uniformed Firefighters Association of Greater New York.
James Slevin	Vice-President of the Uniformed Firefighters Association of Greater New York.
Robert Straub	Treasurer of the Uniformed Firefighters Association of Greater New York.
John Kelly	Chairperson of the Board of Trustees Uniformed Firefighters Association of Greater New York.
James Lemonda	Chiefs' Representative of the Uniformed Fire Officers' Association of Greater New York.
John Dunne	Captains' Representative of the Uniformed Fire Officers' Association of Greater New York.
James McGowan	Lieutenants' Representative of the Uniformed Fire Officers' Association of Greater New York.
Sean O'Connor	Representative of the Uniformed Pilots' and Marine Engineers' Association of Greater New York.

PENSION FUND ADMINISTRATION AND REPORTING

Douglas White
Deputy Commissioner for Administration

Lei Tian
Director Legal Affairs

Mary E. Basso
Pension Director

Albert Connolly
Deputy Director

Ernesto Escalera
Assistant Deputy Director

Angel G. Garcia
Chief Accountant

SUMMARY OF PLAN BENEFITS

I. Service Retirement

A member may retire after having completed 20 years of service in the Fire Department.

1. Under the Original Plan, upon retirement at any time after having become eligible for service retirement but not later than age 65, the member received a retirement allowance which is the sum of:
 - a) 50% of final salary, and
 - b) for all years of service other than the minimum required service, 1/60 of the pensionable earning for the period of service after the completion of the member's minimum required service.

2. Under the Improved Benefits Plan, upon retirement after having become eligible for service retirement but no later than the attainment of age 65, the member will receive an allowance, which is the sum of:
 - a) 50% of final salary, reduced by an annuity which is the actuarial equivalent of the minimum accumulation.
 - b) an annuity which is the actuarial equivalent of the accumulated excess deductions, above the minimum required.
 - c) for all years of service other than the minimum required service i)1/60 of the pensionable earnings for the period of service after the completion of the member's minimum required service for each year of such service; and, (ii) a pension for increased-take-home-pay, ("ITHP") which is the actuarial equivalent of the accumulated contributions for ITHP made in each year after member's 20th anniversary.

II. Ordinary Disability Retirement

An ordinary disability retirement allowance is paid upon the disablement of a member from causes other than by an accident in the actual performance of duty.

Under both plans, the ordinary disability retirement allowance is equal to 1/40 of final salary multiplied by the number of years of service. However, the benefit is at least 1/2 of final year salary if the member completed 10 or more years of City service, or 1/3 of final salary if the member completed less than 10 years of City service. Under the improved benefits plan, the above is reduced by a benefit actuarially equivalent to any unpaid contribution rate deficiency.

III. Accidental Disability Retirement

Upon the occurrence of disability caused by an accident in the actual performance of duty, a member is granted a retirement allowance.

1. Under the Original Plan, the allowance is the sum of:
 - a) 75% of final salary
 - b) If eligible for service retirement, for all years of service other than the minimum required service, 1/60 of pensionable earnings for the period of service after the completion of the member's minimum required service for each year of such service;
 - c) the accumulated contributions, which are paid in a lump sum.
2. Under the Improved Benefits Plan, the allowance is the sum of:
 - a) 75% of final salary
 - b) an annuity which is the actuarial equivalent of the accumulated deductions
 - c) a pension-for-increased-take-home-pay which is the actuarial equivalent of the accumulated contributions for increased-take-home-pay made in each year since January 1, 1963, and
 - d) for all years of service other than the minimum required service, 1/60 of pensionable earnings after the completion of the members' minimum required service for each year of such service;

IV. Ordinary Death Benefit

Upon the death of a member in active service from causes other than for an accident in the actual performance of duty, a benefit is paid to the member's estate or to the member's designated beneficiary.

The benefit payable on account of such a member who at the time of death would have been eligible for service retirement is the amount equal to the reserve on the retirement allowance, which would have been payable had the member retired on the day preceding death, whichever is larger.

A member with less than 20 years is covered for a death benefit upon completion of 90 days of service. The amount of the death benefit is equal to three times the member's salary raised to the next higher multiple of \$1,000. In addition, the member's accumulated contributions or deductions are returned.

The Rules and Regulations adopted by the Board of Trustees in accordance with Chapter 581 of the Laws of 1970, provide that the first \$50,000.00 of each benefit on account of death in active service is payable from the Group Term Life Insurance Plan. Only the amount in excess of \$50,000.00, if any, is payable by the Pension Fund.

V. Accidental Death Benefit

Upon the death of a member which occurs as the result of an accident sustained in the performance of duty, a death benefit is payable.

Under the Original Plan, the benefit is a lump sum payment of the accumulation for increased-take-home-pay and a pension equal to one-half of the member's final salary but not less one-half of the full salary of a first grade firefighter, payable to the surviving spouse until death, or if there is no surviving spouse, to a child or children until the youngest attains age 18 or age 23 if still a student, or if there is no surviving spouse or child, to a dependent parent. In addition, the member's accumulated contributions and the City's obligation on account of military service, if any, are paid to his estate or designated beneficiary

Under the Improved Benefits Plan, the benefit is a lump sum payment of the reserve for increased-take-home-pay and a pension equal to one-half of the average salary in the five years immediately preceding death, but not less than one-half of the full salary of a first grade firefighter, payable to the surviving spouse until death, or if there is no surviving spouse, to a child or children until the youngest attains age 18 or age 23 if still a student or if there is no surviving spouse or child, to a dependent parent. In addition, the member's accumulated deductions and the City's obligation on account of military service, if any, are paid to the member's estate or designated beneficiary

VI. Withdrawal Benefit

Under the Original Plan, a member who either resigns or is dismissed receives a benefit equal to the member's accumulated contributions. Under the Improved Benefits Plan, such a member receives a benefit equal to the member's accumulated deductions. Members with at least five years of service may make application for vested retirement, in lieu of a return of the member's accumulated deductions. The allowance is deferred to the earliest date on which the member could have been eligible for service retirement. Should a member who elected to receive a service retirement allowance die during the period of deferment, the benefit will be the accumulated deductions, if the member dies during the period of deferment with 10 or more years of vested service, the benefit will be one half of the ordinary death benefit.

VII. Supplemental Retirement Allowance (Cost of Living Adjustment)

Supplemental Retirement Allowances are payable to members who retired prior to calendar year and who were retired for disability or have attained the age of 62. The benefit is equal to a percentage, depending on the calendar year of retirement, of the first \$18,000 of the retirement allowance that the member was entitled to receive, had the member not elected any optional form of benefit. The benefit to spouses is equal to one-half the benefit that the pensioner would received if living, where such pensioner had elected one of the options under the Administrative Code which provided that benefits are to be continued for the life of such spouse after the death of the pensioner.

New York City Fire Pension Fund

Comprehensive Annual Financial Report **A Pension Trust Fund of the City of New York**



Financial Section

Part II

Fiscal Year Ended June 30, 2011

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees of the
New York City Fire Department Pension Fund

We have audited the accompanying statements of plan net assets of the New York City Fire Department Pension Fund (the "Plan") as of June 30, 2011 and 2010, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets of the Plan as of June 30, 2011 and 2010, and the changes in plan net assets for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Management's Discussion and Analysis and the supplemental schedules, Schedule 1, Schedule 2, and Schedule 3, listed in the table of contents are not a required part of the financial statements, but are supplementary information required by the Governmental Accounting Standards Board ("GASB"). This supplementary information is the responsibility of Plan Management. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of such required supplementary information. However, we did not audit this information and express no opinion on it.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of the Plan. The accompanying additional supplementary information listed in the accompanying table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements. This additional supplementary information is the responsibility of management. The additional supplementary information has been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Introductory, Investment, Actuarial, and Statistical Sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements of the Plan. This supplementary information is also the responsibility of Plan management. Such supplementary information has not been subjected to the auditing procedures applied in our audit of the basic financial statements and, accordingly, we express no opinion on it.

Deloitte & Touche LLP

October 27, 2011

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) JUNE 30, 2011 AND 2010

This narrative discussion and analysis of the New York City Fire Department Pension Fund's ("Fire" or the "Plan"), also known as the New York City Fire Department Subchapter Two Pension Fund, financial performance provides an overview of the Plan's financial activities for the fiscal years ended June 30, 2011 and 2010. It is meant to assist the reader in understanding the Plan's financial statements by providing an overall review of the financial activities during the two years and the effects of significant changes, as well as a comparison with the prior years' activity and results. This discussion and analysis is intended to be read in conjunction with the Plan's financial statements.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

The following discussion and analysis are intended to serve as an introduction to the basic financial statements. The basic financial statements are:

- **The Statement of Plan Net Assets** — presents the financial position of the Plan at each fiscal year end. It indicates the assets available for payment of future benefits and any liabilities that are owed as of the statement date. Investments are shown at fair value. All assets and liabilities are determined on an accrual basis.
- **The Statement of Changes in Plan Net Assets** — presents the results of activities during the fiscal year. All changes affecting the assets and liabilities of the Plan are reflected on an accrual basis when the activity occurred, regardless of the timing of the related cash flows. In that regard, changes in the fair values of investments are included in the year's activity as net appreciation (depreciation) in fair value of investments.
- **The Notes to Financial Statements** — provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes present information about the Plan's accounting policies, significant account balances and activities, material risks, obligations, contingencies, and subsequent events, if any.

Other information as required by the Governmental Accounting Standards Board (GASB) is presented after the Notes to the Financial Statements.

The financial statements are prepared in accordance with GASB Pronouncements.

FINANCIAL HIGHLIGHTS

For fiscal year ended June 30, 2011, the Plan's net assets held in trust for pension benefits increased by \$1,517 million (23.6%) to approximately \$8.0 billion, compared to the Plan's net assets for fiscal year 2010. The increase for fiscal year 2011 can be attributed primarily to the increase in fair value of equity investments.

For fiscal year ended June 30, 2010, the Plan's net assets held in trust for pension benefits increased by \$862 million (15.5%) to \$6.4 billion compared to the Plan's net assets for fiscal year 2009. The increase for fiscal year 2010 can be attributed to the net appreciation in the fair value of the Plan's investment portfolio, primarily the increase in value of equity investments.

Changes in Plan Net Assets
Years Ended June 30, 2011, 2010 and 2009
(In thousands)

	2011	2010	2009
Additions:			
Member contributions	\$ 94,893	\$ 89,223	\$ 84,357
Employer contributions	890,706	874,331	843,751
Net investment income (loss)	1,472,892	818,201	(1,282,917)
Other	41,887	34,990	42,729
Total	<u>2,500,378</u>	<u>1,816,745</u>	<u>(312,080)</u>
Deductions:			
Benefit payments and withdrawals	<u>983,474</u>	<u>954,773</u>	<u>928,453</u>
Net increase (decrease)	1,516,904	861,972	(1,240,533)
Plan net assets held in trust for pension benefits:			
Beginning of year	<u>6,438,764</u>	<u>5,576,792</u>	<u>6,817,325</u>
End of year	<u>\$ 7,955,668</u>	<u>\$ 6,438,764</u>	<u>\$ 5,576,792</u>

For fiscal year ended June 30, 2011, member contributions were approximately \$94.9 million or an increase of \$5.7 million (6.4%) compared to member contributions for fiscal year 2010. Member contributions were approximately \$89.2 million or an increase of \$4.8 million (5.8%), compared to member contributions for fiscal year 2009. The increases in member contributions are primarily due to increases in the number of active Plan members making voluntary contributions in addition to their required contributions and increases in the average annual pay of Plan members.

Employer contributions are made on a statutory basis determined by the actuarial valuations performed as of June 30, 2009, 2008 and 2007. Employer contributions for fiscal year 2011 totaled \$890.7 million, an increase of \$16.4 million (1.9%) over employer contributions for fiscal year 2010. Employer contributions for fiscal year 2010 totaled \$874.3 million, an increase of \$30.6 million (3.6%) over employer contributions for fiscal year 2009.

For fiscal year ended June 30, 2011, the Plan had a net investment gain of \$1,472.9 million, an increase of 80% compared to the net investment gain of \$818.2 million recorded for fiscal year 2010. The gain for fiscal year 2011 can be attributed to the net appreciation in the fair value of the Plan's investment portfolio, primarily the increase in value of equity investments.

For fiscal year ended June 30, 2010, the Plan had a net investment gain of \$818.2 million, an increase of 163.8% compared to the net investment loss of \$1,282.9 million recorded for fiscal year 2009. The gain for fiscal year 2010 can be attributed to the net appreciation in the fair value of the Plan's investment portfolio, primarily the increase in value of equity investments.

Benefit payments and withdrawals recorded were \$983.5 million for the period ended June 30, 2011; this was an increase of 3.0% over benefit payments and withdrawals recorded in fiscal year 2010. Benefit payments and withdrawals recorded were \$954.8 million for the period ended June 30, 2010; this was an increase of 2.8% over benefit payments and withdrawals recorded in fiscal year 2009. Increases in benefit payments and withdrawals are primarily due to changes in the number of new retirees and the amount of payments made to

beneficiaries. In addition, legislatively enacted cost of living increase for certain retirees and beneficiaries also serves to increase benefit payments each year.

PLAN NET ASSETS

For fiscal year 2011, Fire's plan net assets held in trust for benefits increased by 23.6% to approximately \$8.0 billion, compared to plan net assets of \$6.4 billion in fiscal year 2010. The increase can be attributed to the net appreciation in the fair value of the Plan's investment portfolio, primarily the increase in value of equity investments.

For fiscal year 2010, Fire's plan net assets held in trust for benefits increased by 15.5% to \$6.4 billion, compared to plan net assets of \$5.6 billion in fiscal year 2009. The increase can be attributed to the net appreciation in the fair value of the Plan's investment portfolio, primarily the increase in value of equity investments.

Outstanding member loans for fiscal year 2011 were \$34.7 million, a slight increase over member loans reported in fiscal year 2010. Outstanding member loans for fiscal year 2010 were \$34.4 million, an increase of \$7.5 million compared to outstanding member loans reported in fiscal year 2009. Increase in member loans can be attributed to increases in the number and amounts of new loans disbursed. Members are permitted to borrow up to 75% (for certain members up to 90%) of their required contributions, including accumulated interest.

Plan Net Assets
June 30, 2011, 2010 and 2009
(In thousands)

	2011	2010	2009
Cash	\$ 2,331	\$ 182	\$ 989
Receivables	213,733	354,823	262,379
Investments — at fair value	8,325,700	6,710,573	5,772,760
Collateral from securities lending	746,949	604,956	804,297
Other assets	<u>3,545</u>	<u>76,190</u>	<u>2,518</u>
Total assets	<u>9,292,258</u>	<u>7,746,724</u>	<u>6,842,943</u>
Accounts payable	28,201	38,761	18,643
Payables for investments purchased	543,353	646,837	426,605
Accrued benefits payable	14,658	13,977	13,177
Payables for securities lending transactions	<u>750,378</u>	<u>608,385</u>	<u>807,726</u>
Total liabilities	<u>1,336,590</u>	<u>1,307,960</u>	<u>1,266,151</u>
Plan net assets held in trust for benefits	<u>\$ 7,955,668</u>	<u>\$ 6,438,764</u>	<u>\$ 5,576,792</u>

The Plan's receivables and payables are primarily generated through the timing difference between the trade and settlement dates for investment securities purchased or sold.

INVESTMENT SUMMARY

Investment Summary
June 30, 2011, 2010 and 2009
(In thousands)

Type of Investment (Fair Value)	2011	2010	2009
Short-term investments	\$ 774,441	\$ 407,652	\$ 263,027
U.S. debt securities	1,839,397	1,746,428	1,667,791
Yankee bonds	6,634	6,278	12,669
U.S. equity securities	3,271,136	2,746,864	2,282,396
Mutual funds	1,677,960	1,243,461	1,106,496
Collateral from securities lending	746,949	604,956	804,297
Promissory notes	3,628	2,852	2,729
Private equity	<u>752,504</u>	<u>557,038</u>	<u>437,652</u>
Total	<u>\$ 9,072,649</u>	<u>\$ 7,315,529</u>	<u>\$ 6,577,057</u>

INVESTMENTS

The table above summarizes the Plan's investment portfolio including collateralized securities lending. Due to the long-term nature of the Plan's benefit obligations, the Plan's assets are invested with a long-term investment horizon. Assets are invested in a diversified portfolio of capital market securities. Investments in these assets are expected to produce higher returns, but are also subject to greater volatility and may produce negative returns. For example, the Russell 3000 index, a broad measure of the United States stock market posted gains of 32.4% in fiscal year 2011, compared to gains posted of 15.7% in fiscal year 2010. The Investment results for fiscal year 2011 were generally consistent with related benchmarks, within asset classes. Overall, the most significant gains were posted within the equity asset classes during the fiscal period. The Plan's investment portfolio posted gains of 23.2% for fiscal years 2011 compared to the gain of 14.7% for fiscal year 2010. For the three-year period ended June 30, 2011, the overall rate of return on the Plan's investment portfolio was 4.7%.

CONTACT INFORMATION

This financial report is designed to provide a general overview of the New York City Fire Department Pension Fund's finances. Questions concerning any data provided in this report or requests for additional information should be directed to Chief Accountant, New York City Fire Department Pension Fund, 9 Metrotech Center, 6W-03-K, Brooklyn, NY 11201-3751.

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NEW YORK CITY FIRE DEPARTMENT PENSION FUND

STATEMENTS OF PLAN NET ASSETS

JUNE 30, 2011 AND 2010

(In thousands)

	2011	2010
ASSETS:		
Cash	\$ 2,331	\$ 182
Receivables:		
Investment securities sold	158,461	298,303
Member loans (Note 6)	34,691	34,391
Accrued interest and dividends	<u>20,581</u>	<u>22,129</u>
Total receivables	<u>213,733</u>	<u>354,823</u>
Investments — at fair value (Notes 2 and 3):		
Short-term investments:		
Short-term investment fund	184,090	236,905
Commercial paper	590,351	170,747
Debt securities:		
U.S. Government	1,028,655	860,846
Corporate	810,742	885,582
Yankee bonds	6,634	6,278
Equities:		
Domestic	3,271,136	2,746,864
Private equity	576,310	446,855
Private equity real estate	176,194	110,183
Mutual fund:		
International — equity	1,383,278	1,011,471
Domestic — equity	62,511	15,078
Mortgage — debt security	46,143	43,385
Treasury inflation protected securities	186,028	173,527
Promissory notes	3,628	2,852
Collateral from securities lending	<u>746,949</u>	<u>604,956</u>
Total investments	<u>9,072,649</u>	<u>7,315,529</u>
Other assets	<u>3,545</u>	<u>76,190</u>
Total assets	<u>9,292,258</u>	<u>7,746,724</u>
LIABILITIES:		
Accounts payable	28,201	38,761
Payables for investment securities purchased	543,353	646,837
Accrued benefits payable (note 1)	14,658	13,977
Securities lending (note 2)	<u>750,378</u>	<u>608,385</u>
Total liabilities	<u>1,336,590</u>	<u>1,307,960</u>
Plan net assets held in trust for benefits	<u>\$ 7,955,668</u>	<u>\$ 6,438,764</u>

See notes to financial statements.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

STATEMENTS OF CHANGES IN PLAN NET ASSETS YEARS ENDED JUNE 30, 2011 AND 2010

(In thousands)

	2011	2010
ADDITIONS:		
Contributions:		
Member contributions	\$ 94,893	\$ 89,223
Employer contributions	<u>890,706</u>	<u>874,331</u>
Total contributions	<u>985,599</u>	<u>963,554</u>
Investment income (Note 2):		
Interest income	91,695	96,958
Dividend income	100,972	79,139
Net appreciation in fair value of investments	<u>1,304,444</u>	<u>666,775</u>
Total investment income	1,497,111	842,872
Less:		
Investment expenses	<u>28,242</u>	<u>28,377</u>
Net income	<u>1,468,869</u>	<u>814,495</u>
Securities lending transactions:		
Securities lending income	4,756	4,430
Securities lending fees	<u>(733)</u>	<u>(724)</u>
Net securities lending income	<u>4,023</u>	<u>3,706</u>
Net investment income	<u>1,472,892</u>	<u>818,201</u>
Other:		
Net receipts from other retirement systems	40,745	32,699
Litigation income	<u>1,142</u>	<u>2,291</u>
Total additions	<u>2,500,378</u>	<u>1,816,745</u>
DEDUCTIONS		
Benefit payments and withdrawals	<u>983,474</u>	<u>954,773</u>
Total deductions	<u>983,474</u>	<u>954,773</u>
INCREASE IN PLAN NET ASSETS	1,516,904	861,972
PLAN NET ASSETS HELD IN TRUST FOR BENEFITS:		
Beginning of year	<u>6,438,764</u>	<u>5,576,792</u>
End of year	<u>\$ 7,955,668</u>	<u>\$ 6,438,764</u>

See notes to financial statements.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND QUALIFIED PENSION PLAN

NOTES TO FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2011 AND 2010

1. PLAN DESCRIPTION

The City of New York ("The City") maintains a number of pension systems providing benefits for employees of its various agencies (as defined within New York State ("State") statutes and City laws). The City's five major actuarially-funded pension systems are the New York City Fire Department Pension Fund (the "Plan"), the New York City Employees' Retirement System (NYCERS), the Teachers' Retirement System of the City of New York - Qualified Pension Plan (TRS), the New York City Board of Education Retirement System - Qualified Pension Plan (BERS) and the New York City Police Pension Fund (POLICE). Each pension system is a separate Public Employee Retirement System (PERS) with a separate oversight body and is financially independent of the others.

The New York City Fire Department, Subchapter Two Pension Fund is generally being referred to herein as the New York City Fire Department Pension Fund as set forth in Administrative Code of The City of New York Section 13-313.1.

The Plan is a single-employer PERS. The Plan provides pension benefits for full-time uniformed employees of the New York City Fire Department (the "Employer"). All full-time uniformed employees of the New York City Fire Department become members of the Plan upon employment.

The Plan functions in accordance with existing State statutes and City laws. It combines features of a defined benefit pension plan with those of a defined contribution pension plan. Contributions are made by the Employer and the members.

In June 1991, the Governmental Accounting Standards Board (GASB) issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Plan considered whether its officials appoint a voting majority of an organization's governing body and is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Plan. The Plan also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Plan.

The Plan is included in the Pension and Other Employee Benefit Trust Funds section of The City's Comprehensive Annual Financial Report (CAFR).

At June 30, 2009 and June 30, 2008, the dates of the Plan's most recent actuarial valuations, the Plan's membership consisted of:

	2009	2008
Retirees and beneficiaries receiving benefits	17,263	17,404
Terminated vested members not yet receiving benefits	34	32
Other inactives *	30	53
Active members receiving salary	<u>11,460</u>	<u>11,574</u>
Total	<u>28,787</u>	<u>29,063</u>

* Represents members who are no longer on payroll but not otherwise classified.

Under the One-Year Lag Methodology (OYLM) in effect for Fiscal Years beginning 2006, the actuarial valuation determines the Employer Contribution for the second following Fiscal Year. June 30, 2009 and June 30, 2008 are the dates used for calculating Fiscal Years 2011 and 2010 Employer Contributions, respectively.

There are two benefit structures: The Original Plan (old program) covering members hired prior to July 1, 1981 and the Improved Benefits Plan (new program) covering members hired on and after July 1, 1981 and members hired prior to July 1, 1981 who elected the Improved Benefits Plan. The Plan pays the benefits for both programs.

The Plan provides three main types of retirement benefits: service retirements, ordinary disability retirements (non job-related disabilities) and accident disability retirements (job-related disabilities). For Tier I (Tier 1) and Tier II (Tier 2) members, the Plan generally provides:

- A service retirement benefit, in both programs, provides an allowance of one-half of "final salary" after 20 years or 25 years of service (as elected), with additional benefits equal to a specified percentage per year of service (currently approximately 1.67%) of "average salary" times the number of years of service in excess of the 20-year or 25-year minimum. Under the new program, these additional benefits are increased, where applicable, by an annuity attributable to employee contributions accumulated with interest with respect to service over the 20-year or 25-year minimum and an annuity attributable to the Increased-Take-Home-Pay (ITHP) contributions accumulated after required member qualifying service. ITHP represents amounts contributed by The City in lieu of members' own contributions. These amounts reduce the contributions that the members would have to make to the Plan during their service and thereby increases their take-home pay. Members have the choice of waiving their ITHP reduction, which would reduce their take-home pay, but provide them with additional benefits upon retirement.
- An ordinary disability retirement benefit generally provides a pension equal to 1/40 of "final salary" times the number of years of service but not less than one-half of "final salary" if 10 or more years of service were completed, or one-third of "final salary" if less than 10 years of service were completed. Members of the Improved Benefits Plan with years of service in excess of 20 years receive the actuarial equivalent of their Annuity Savings Fund balance.
- An accident disability retirement benefit provides a pension of three-fourths of "final salary" plus an increment, as described above based on years of service in excess of the 20-years or 25-years minimum plus, (i) under the Original Plan, accumulated employee contributions without interest as a lump sum or an actuarially equivalent annuity, (ii) under the Improved Benefits Plan, an annuity

based on the member's contributions and ITHP contributions both of which are accumulated with interest.

Annuities attributable to member contributions are reduced on an actuarial basis for any loans with unpaid balances outstanding at the date of retirement.

Chapter 659 of the Laws of 1999 reduced the amount of service credit needed for vesting purposes to five years, subject to certain conditions. In addition, the Plan includes provisions for death benefits.

During the Spring 2000 session, the State Legislature approved and the State Governor (Governor) signed laws that provide automatic Cost-of-Living Adjustments (COLA) for certain retirees and beneficiaries (Chapter 125 of the Laws of 2000), an increase of the ITHP contributions rate to 5.0% from 2.5% for certain Tier 1 and Tier 2 members (Chapter 373 of the Laws of 2000) and a revised definition of salary to be used for the computation of certain Tier 2 benefits (Chapter 372 of the Laws of 2000).

Finally, certain service retirees also receive supplemental benefits under the New York City Fire Department Variable Supplements Funds, which are not included in these financial statements.

The State Constitution provides that the pension rights of public employees are contractual and shall not be diminished or impaired. In 1973, amendments were made to the New York State Retirement and Social Security Law (RSSL) to modify certain benefits for employees joining the Plan on or after the effective date of such amendments. These amendments, which affect employees who joined the Plan on or after July 1, 1973, established certain benefit limitations relating to eligibility for retirement, the salary base for benefits and maximum benefits. Recent laws, including but not limited to Chapter 372 of the Laws of 2000 which provides a revised definition of salary base to be used in the computation of certain benefits for Tier 2 members of the Plan and Chapter 589 of the Laws of 2001 which eliminated the Tier 2 maximum 30 years of service limitation, have lessened these limitations.

Tier III (Tier 3) – In June of 2009 the Governor vetoed legislation that would have extended Tier II (Tier 2) to members hired after June 30, 2009. As a result of the Governor's veto, FIRE members hired on and after July 1, 2009 are covered under Tier III (Tier 3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

Basis of Accounting — The Plan uses the accrual basis of accounting where the measurement focus is on the flow of economic resources. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Contributions from members are recognized when the Employer makes payroll deductions from Plan members. Employer contributions are recognized when due and the Employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investment Valuation — Investments are reported at fair value. Securities purchased pursuant to agreements to resell are carried at the contract price, exclusive of interest, at which the securities will be resold. Fair value is defined as the quoted market value on the last trading day of the period, except for the Short-Term Investment Fund (STIF) (a money market fund), International Investment funds (IIF) and Alternative Investment funds (ALTINVF). The IIF are private funds of publicly traded securities which are managed by various investment managers on behalf of the Plan. Fair value is determined by Plan management based on information provided by the various investment managers. The investment managers determine fair value using the last available quoted price for each security owned adjusted by any contributions to or withdrawals from the fund during the period. The ALTINVF are Investments for

which exchange quotations are not readily available and are valued at estimated fair value as determined in good faith by the General Partner (GP). These investments are initially valued at cost with subsequent adjustments that reflect third party transactions, financial operating results and other factors deemed relevant by the GP. Fair value is determined by plan management based on information provided by the various GP's after review by an independent consultant and the custodian bank for the fund.

Purchases and sales of securities are reflected on the trade date. Dividend income is recorded on the ex-dividend date. Interest income is recorded as earned on an accrual basis.

No investment in any one security represents 5% or more of the Plan net assets held in trust for benefits.

Income Taxes — Income earned by the Plan is not subject to Federal income tax.

Accounts Payable — Accounts payable is principally comprised of amounts owed to the Plan's banks for overdrawn bank balances. The Plan's practice is to fully invest cash balances in most bank accounts on a daily basis. Overdrawn balances result primarily from outstanding benefit checks that are presented to the banks for payment on a daily basis, and these balances are routinely settled each day.

Securities Lending Transactions — State statutes and Board policies permit the Plan to lend its investments to broker-dealers and other entities for collateral, with a simultaneous agreement to return the collateral for the same securities in the future. The Plan's custodian lends the following types of securities: short-term securities, common stock, long-term corporate bonds, U.S. Government and U.S. Government agencies' bonds, asset-backed securities and international equities and bonds held in collective investment funds. In return, it receives collateral in the form of cash and U.S. Treasury and U.S. Government agency securities at 100 percent to 105 percent of the principal plus accrued interest for reinvestment. At June 30, 2010, management believes the Plan had no credit risk exposure to borrowers because the amounts the Plan owed the borrowers equaled or exceeded the amounts the borrowers owed the Plan. The contracts with the Plan's custodian require borrowers to indemnify the Plan if the borrowers fail to return the securities and if the collateral is inadequate to replace the securities loaned or fail to pay the Plan for income distributions by the securities' issuers while the securities are on loan. All securities loans can be terminated on demand within a period specified in each agreement by either the Plan or the borrowers. Cash collateral is invested in the lending agents' short-term investment pools, which have a weighted-average maturity of 90 days. The underlying fixed income securities in these pools have an average maturity of ten years.

During Fiscal Year 2003, the value of certain underlying securities became impaired because of the credit failure of the issuer. Accordingly, the carrying amount of the collateral reported in the Plan's statements of plan net assets for fiscal year 2003 was reduced by \$10 million to reflect this impairment and reflect the net realizable value of the securities purchased with collateral from securities lending transactions. In fiscal years 2004 through 2007, the Plan received \$2.6 million from distribution in bankruptcy proceedings from the defaulted issuers. During the same period, the Plan also received \$3.9 million from litigation settlements. For fiscal years 2009 and 2008, the Plan received securities totaling \$102.4 thousand from distributions in bankruptcy proceedings. There were no recoveries for the defaulted security in fiscal years 2011 and 2010.

The securities lending program in which the Plan participates only allows pledging or selling securities in the case of borrower default.

GASB Statement No. 28, *Accounting and Financial Reporting for Securities Lending Transactions*, requires that securities loaned as assets and related liabilities be reported in the statements of Plan net assets. Cash received as collateral on securities lending transactions and investments made with that cash are reported as assets. Securities received as collateral are also reported as assets if the government

entity has the ability to pledge or sell them without a borrower default. Accordingly, the Plan recorded the investments purchased with the cash collateral as collateral from securities lending with a corresponding liability for securities lending.

Securities on loan are carried at market value and the value as of June 30, 2011 is \$818.4 million. As of the balance sheet date the maturities of the investments made with cash collateral on average exceed the maturities of the securities loans by approximately 30 days.

New Accounting Standard Adopted — In fiscal year 2011, the Plan adopted one new statement on financial accounting standards issued by the Governmental Accounting Standards Board (“GASB”). GASB Statement No. 59, *Financial Instruments Omnibus*, updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The Plan has determined that GASB Statement No. 59 had no impact on the Plan’s financial statements as a result of the implementation.

3. INVESTMENTS AND DEPOSITS

The Comptroller of The City of New York (the “Comptroller”) acts as an investment advisor to the Plan. In addition, the Plan employs an independent investment consultant as an investment advisor. The Plan utilizes several investment managers to manage the long-term debt and equity portfolios. The managers are regularly reviewed, with regard to both their investment performance and their adherence to investment guidelines.

Concentration of Credit Risk

The Plan does not have any investments in any one entity that represent 5% or more of plan net assets.

The legal requirements for Plan investments are as follows:

- a. Fixed income, equity and other investments may be made as permitted by New York State RSSL §§ 176-178(a) and Banking Law § 235, the New York City Administrative Code, and the Legal Investments for New York Savings Banks list as published by The New York State Banking Department, subject to Note 3(b).
- b. Investments up to 25% of total pension fund assets may be made in instruments not expressly permitted by the State RSSL.

Bank of New York Mellon (BNYM) is the primary custodian for substantially all of the securities of the Plan.

Cash deposits are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per Plan member and are, therefore, fully insured.

Credit Risk — Portfolios other than U.S. Government and related portfolios have credit rating limitations. Investment Grade portfolios are limited to mostly ratings of BBB and above except that they are also permitted a 10% maximum exposure to BB & B rated securities. While non-investment grade managers are primarily invested in BB & B rated securities, they can also invest up to 7% of their portfolio in securities rated CCC. Non-rated securities are considered to be non-investment grade. The quality ratings of investments, by percentage of the rated portfolio, as described by nationally recognized statistical rating organizations, are as follows:

Investment Type*	S&P Quality Ratings									
	AAA	AA	A	BBB	BB	B	CCC & Below	Short term	Not Rated	Total
June 30, 2011										
U.S. Government	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Corporate bonds	1.27	3.05	11.06	15.17	8.85	9.56	2.68	-	2.65	54.29
Yankee bonds	0.02	0.01	0.10	0.10	-	-	-	-	0.12	0.35
Short-term:										
Commercial paper	-	-	-	-	-	-	-	33.06	-	33.06
Pooled fund	-	-	-	-	-	-	-	-	12.30	12.30
U.S. Agencies	-	-	-	-	-	-	-	-	-	-
U.S. Treasuries	-	-	-	-	-	-	-	-	-	-
Percent of rated portfolio	<u>1.29 %</u>	<u>3.06 %</u>	<u>11.16 %</u>	<u>15.27 %</u>	<u>8.85 %</u>	<u>9.56 %</u>	<u>2.68 %</u>	<u>33.06 %</u>	<u>15.07 %</u>	<u>100.00 %</u>
Investment Type*	S&P Quality Ratings									
June 30, 2010	AAA	AA	A	BBB	BB	B	CCC & Below	Short term	Not Rated	Total
U.S. Government	- %	- %	- %	- %	- %	- %	- %	- %	- %	- %
Corporate bonds	1.90	3.73	12.62	18.22	13.33	15.76	4.66	5.35	-	75.57
Yankee bonds	0.04	0.02	0.13	0.19	-	-	-	-	0.15	0.53
Short-term:										
Commercial paper	-	-	-	-	-	-	-	3.74	-	3.74
Pooled fund	-	-	-	-	-	-	-	-	20.16	20.16
U.S. Agencies	-	-	-	-	-	-	-	-	-	-
U.S. Treasuries	-	-	-	-	-	-	-	-	-	-
Percent of rated portfolio	<u>1.94 %</u>	<u>3.75 %</u>	<u>12.75 %</u>	<u>18.41 %</u>	<u>13.33 %</u>	<u>15.76 %</u>	<u>4.66 %</u>	<u>9.09 %</u>	<u>20.31 %</u>	<u>100.00 %</u>

*U.S. Treasury Bonds, Notes and Treasury-inflation protected securities are obligations of the U.S. government or explicitly guaranteed by the U.S. government and therefore not considered to have credit risk and are not included above.

Custodial Credit Risk — Deposits are exposed to custodial credit risk if they are uninsured and uncollateralized. Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

Consistent with the Plan's investment policy, the investments are held by the Plan's custodian and registered in the Plan's name.

All of the Plan's deposits are insured and or collateralized by securities held by a financial institution separate from the Plan's depository financial institution.

All of the Plan's securities are held by the Plan's custodial bank in the Plan's name.

Interest Rate Risk — Interest rate risk is the risk that the fair value of investments could be adversely affected by the change in interest rates. Duration limits are used to control the portfolios exposure to interest rate changes. Duration is limited to a range of -1 to .75 years. Duration range is a measure of the overall portfolio, while statements of the stated maturity reflect the specific maturities of the individual securities held. The lengths of investment maturities (in years), as shown by the percent of the rated portfolio, are as follows:

Years to Maturity June 30, 2011	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. Government	39.17 %	- %	2.07 %	6.08 %	31.02 %
Corporate bonds	31.03	0.86	9.32	13.50	7.35
Yankee bonds	0.20	0.04	0.08	0.06	0.02
Short-term:					
Commercial paper	18.87	18.87	-	-	-
Pooled fund	7.02	7.02	-	-	-
U.S. Agencies	3.71	3.71	-	-	-
U.S. Treasuries	-	-	-	-	-
Percent of rated portfolio	<u>100.00 %</u>	<u>30.50 %</u>	<u>11.47 %</u>	<u>19.64 %</u>	<u>38.39 %</u>

Years to Maturity June 30, 2010	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. Government	39.76 %	- %	1.58 %	6.84 %	31.34 %
Corporate bonds	41.09	2.59	12.40	17.53	8.57
Yankee bonds	0.28	0.00	0.19	0.05	0.04
Short-term:					
Commercial paper	2.04	2.04	-	-	-
Pooled fund	10.96	10.96	-	-	-
U.S. Agencies	0.53	0.53	-	-	-
U.S. Treasuries	5.34	5.34	-	-	-
Percent of rated portfolio	<u>100.00 %</u>	<u>21.46 %</u>	<u>14.17 %</u>	<u>24.42 %</u>	<u>39.95 %</u>

Foreign Currency Risk — Foreign currency risk is the risk that changes in the exchange rates will adversely impact the fair value of an investment. Currency risk is present in underlying portfolios that invest in foreign stock and/or bonds. The currency markets have proven to be good diversifiers in a total portfolio context; therefore, the Plan has numerous managers that invest globally. In general, currency exposure is viewed as a benefit for its diversification reasons and not as an inherent risk within the portfolio.

Foreign Currency Holdings — As of June 30, 2011 and 2010 (amounts in U.S. dollars, in thousands):

Trade Currency	2011	2010
Euro Currency	\$ 242,778	\$ 160,589
British Pnd Sterling	185,149	106,572
Japanese Yen	150,665	144,655
Hong Kong Dollar	97,033	43,367
South Korean Won	85,097	9,925
Swiss Franc	68,292	33,228
New Taiwan Dollar	52,581	5,745
Brazilian Real	47,054	4,428
Australian Dollar	44,503	66,234
South African Rand	32,087	3,076
Indian Rupee	31,370	1,755
Canadian Dollar	21,237	28,541
Singapore Dollar	18,280	2,574
Mexican Nuevo Peso	14,179	1,999
Indonesian Rupiah	13,549	3,813
Swedish Krona	13,412	3,386
Thai Baht	12,053	978
Polish Zloty	10,102	855
Danish Krone	9,952	7,545
Norwegian Krone	9,643	805
Malaysian Ringgit	7,926	592
Turkish Lira	5,332	3,335
Russian Ruble	4,277	2,652
Czech Koruna	3,359	1,046
Egyptian Pound	2,620	1,380
Philippines Peso	2,254	667
Renminbi Yuan	2,113	38
Chilean Peso	1,844	-
Hungarian Forint	1,780	164
Israeli Shekel	1,138	1,047
Colombian Peso	850	222
New Zealand Dollar	555	129
Pakistan Rupee	395	-
Moroccan Dirham	89	-
Bermudian Dollar	-	70
Totals	<u>\$ 1,193,548</u>	<u>\$ 641,412</u>

Securities Lending Transactions:

Credit Risk — The quality ratings of investments held as collateral for Securities Lending are as follows:

Investment Type and Fair Value of Securities Lending Transactions (In Thousands)

	S&P Quality Ratings									
	AAA	AA	A	BBB	BB	B	CCC & Below	Short Term	Not Rated	Total
June 30, 2011										
U.S. Government Corporate bonds	\$ 146,629	\$ 209,243	\$ 182,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 538,121
Yankee bonds	-	-	-	-	-	-	-	-	-	-
Short-term:										
Repurchase agreements	-	-	-	-	-	-	-	-	-	-
Reverse repurchase agreements	-	-	-	-	-	-	-	-	156,121	156,121
Certificate of deposits	-	-	14,771	-	-	-	-	-	-	14,771
Commercial paper	-	-	14,515	-	-	-	-	-	-	14,515
Money market	-	-	-	-	-	-	-	-	473	473
Bank notes	-	-	-	-	-	-	-	-	-	-
U.S. Agencies	-	-	-	-	-	-	-	-	-	-
Time deposit	-	-	22,948	-	-	-	-	-	-	22,948
Total	\$146,629	\$209,243	\$234,483	\$ -	\$156,594	\$746,949				
Percent of securities lending portfolio	19.63 %	28.01 %	31.39 %	- %	- %	- %	- %	- %	20.97 %	100.00 %

S&P Quality Ratings

	S&P Quality Ratings									
	AAA	AA	A	BBB	BB	B	CCC & Below	Short Term	Not Rated	Total
June 30, 2010										
U.S. Government Corporate bonds	\$ 138,005	\$ 157,384	\$ 62,336	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ 3,870	\$ 361,713
Yankee bonds	-	-	-	-	-	-	-	-	-	-
Short-term:										
Repurchase agreements	-	-	-	-	-	-	-	1,643	-	1,643
Reverse repurchase agreements	-	-	-	-	-	-	-	-	85,640	85,640
Certificate of deposits	-	38,535	80,759	-	-	-	-	4,389	-	123,683
Commercial paper	-	-	8,955	-	-	-	-	696	-	9,651
Money market	-	-	-	-	-	-	-	-	379	379
Bank notes	-	-	-	-	-	-	-	606	-	606
U.S. Agencies	-	-	-	-	-	-	-	40	-	40
Time deposit	-	-	21,577	-	-	-	-	24	-	21,601
Total	\$138,005	\$195,919	\$173,627	\$ -	\$ -	\$ 19	\$ -	\$7,497	\$ 89,889	\$604,956
Percent of securities lending portfolio	22.81 %	32.38 %	28.70 %	- %	- %	0.01 %	- %	1.24 %	14.86 %	100.00 %

Interest Rate Risk — The lengths of investment maturities (in years) of the collateral for Securities Lending are as follows:

Years to Maturity Investment Type (In Thousands)	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
June 30, 2011					
U.S. Government Corporate bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Yankee bonds	538,121	296,134	241,987	-	-
Short-term:					
Repurchase agreements	-	-	-	-	-
Reverse repurchase agreements	156,121	156,121	-	-	-
Certificate of deposits	14,771	14,771	-	-	-
Commercial paper	14,515	14,515	-	-	-
Money market	473	473	-	-	-
Bank notes	-	-	-	-	-
U.S. Agencies	-	-	-	-	-
Time deposits	22,948	22,948	-	-	-
Total	<u>\$746,949</u>	<u>\$504,962</u>	<u>\$241,987</u>	<u>\$-</u>	<u>\$-</u>
Percent of securities lending portfolio	<u>100.00 %</u>	<u>67.60 %</u>	<u>32.40 %</u>	<u>- %</u>	<u>- %</u>

(In Thousands) June 30, 2010	Investment Maturities				
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	More Than Ten Years
U.S. Government Corporate bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Yankee bonds	361,713	251,619	110,094	-	-
Short-term:					
Repurchase agreements	1,643	1,643	-	-	-
Reverse repurchase agreements	85,640	85,640	-	-	-
Certificate of deposits	123,683	73,620	50,063	-	-
Commercial paper	9,651	9,651	-	-	-
Money market	379	379	-	-	-
Bank notes	606	606	-	-	-
U.S. Agencies	40	40	-	-	-
Time deposits	21,601	21,601	-	-	-
Total	<u>\$604,956</u>	<u>\$444,799</u>	<u>\$160,157</u>	<u>\$-</u>	<u>\$-</u>
Percent of securities lending portfolio	<u>100.00 %</u>	<u>73.53 %</u>	<u>26.47 %</u>	<u>- %</u>	<u>- %</u>

4. DUE TO VARIABLE SUPPLEMENTS FUNDS (VSFS)

The Administrative Code of The City of New York (ACNY) provides that the Plan transfer to the Firefighters' Variable Supplements Fund (FFVSF) and the Fire Officers' Variable Supplements Fund (FOVSF) amounts equal to certain excess earnings on equity investments of the Plan, if any. These excess earnings are defined as the amount by which earnings on equity investments of the Plan exceed what the earnings would have been had such funds been invested at a yield comparable to that available from fixed income securities, less any cumulative deficiencies of prior years' excess earnings that fell below the yield of fixed income investments. In addition, such transfers from the Plan to the FFVSF and FOVSF are limited to the unfunded Accumulated Benefit Obligation (ABO) of these VSFs.

For Fiscal Year 2011, the excess earnings of the Plan, inclusive of prior years' cumulative deficiencies, are estimated to be equal to zero and therefore, no transfers were due from the Plan to the VSFs as of June 30, 2011.

For Fiscal Year 2010, the excess earnings of the Plan, inclusive of prior years' cumulative deficiencies, were equal to zero and therefore, no transfers were due from the Plan to the VSFs as of June 30, 2010.

5. CONTRIBUTIONS AND ACTUARIAL ASSUMPTIONS

The financial objective of the Plan is to fund members' retirement benefits during their active service and to establish Employer contribution rates which, expressed as a percentage of annualized covered payroll, will remain approximately level from year to year. Under current law, the Employer contributes statutorily-required contributions (Statutory Contributions) that together with Member Contributions, and investment income would ultimately be sufficient to accumulate assets to pay benefits when due.

Member Contributions – Tier I (Tier 1) and Tier II (Tier 2) members contribute by salary deductions on the basis of a normal rate of contribution which is assigned by the Plan at membership. This member normal rate, which is dependent upon age and actuarial tables in effect at the time of membership, is determined so as to provide approximately one-fourth of the service retirement allowance at the earliest age for service retirement. For Tier 1, the average member normal rate is approximately 7.4%. For Tier 2, the average member normal rate is approximately 6.8%.

These member contributions are reduced by 5.0% under the ITHP program.

Members may voluntarily increase their rates of contribution by 50% for the purpose of purchasing an additional annuity. Members are permitted to borrow up to 90% of their own contributions including accumulated interest.

Tier III (Tier 3) – In June of 2009 the Governor vetoed legislation that would have extended Tier II (Tier 2) to members hired after June 30, 2009. As a result of the Governor's veto, FIRE members hired on and after July 1, 2009 are covered under Tier III (Tier 3).

Tier III (Tier 3) members contribute 3.0% of salary until they have 25 years of credited service.

Employer Contributions — Statutory Contributions to the Plan, determined by the Plan's Chief Actuary of the Office of the Actuary (the "Actuary") in accordance with State statutes and City laws, are generally funded by the Employer within the appropriate fiscal year.

The June 30, 2009 (Lag) actuarial valuation was used to determine the Fiscal Year 2011 Employer Contribution. There were no changes in actuarial assumptions and methods from the prior actuarial valuation.

The June 30, 2008 (Lag) actuarial valuation was used to determine the Fiscal Year 2010 Employer Contribution. There were no changes in actuarial assumptions and methods from the prior actuarial valuation.

The Frozen Initial Liability Actuarial Cost Method is utilized by the Actuary to calculate the contributions from the Employer. Under this actuarial cost method, the Initial Liability was reestablished by the Entry Age Actuarial Cost Method as of June 30, 1999, but with the Unfunded Actuarial Accrued Liability (UAAL) not less than zero. The excess of the Actuarial Present Value (APV) of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value (AAV) plus

UAAL, if any, and the APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on the payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

Chapter 85 of the Laws of 2000 (Chapter 85/00) reestablished the UAAL and eliminated the Balance Sheet Liability (BSL) for actuarial purposes as of June 30, 1999. The schedule of payments toward the reestablished UAAL provides that the UAAL be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.

The obligations of the Plan to the FFVSF and the FOVSF are recognized through the Liability Valuation Method.

Under this method the APV of Future SKIM from the Plan to the FFVSF and FOVSF is included directly as an actuarial liability to the Plan. SKIM is all or a portion of the excess earnings on equity securities of the Plan which are transferable to the FFVSF and FOVSF. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the FFVSF and FOVSF offset by the AAV of the FFVSF and FOVSF, respectively.

Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method (AAVM) was changed to a method which reset the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns (UIR) for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

The UIR for Fiscal Years 2000 to 2004 under the revised AAVM was set equal to the UIR under the prior AAVM.

For determining employer contributions for Fiscal Years 2000 through 2004 inclusive, the AAVM was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan. This AAVM recognized expected investment returns immediately and phased in UIR.

Under this prior AAVM, any UIR for Fiscal Years 2000 through 2004 inclusive were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

Chapter 125 of the Laws of 2000 (Chapter 125/00) provided eligible retirees and eligible beneficiaries with increased Supplementation as of September 2000 and with automatic COLA beginning September 2001. Chapter 125/00 also provided for a five-year phase-in schedule for funding the additional actuarial liabilities created by the benefits provided by this law. Chapter 278 of the Laws of 2002 (Chapter 278/02) required the Actuary to revise the methodology and timing for determining the Statutory Contributions on account of the additional actuarial liabilities attributable to the benefits provided under Chapter 125/00 by extending the phase-in period for funding these liabilities from five years to ten years.

The impact of the ten-year phase-in of Chapter 278/02 was to postpone funding of the additional actuarial liabilities attributable to Chapter 125/00 resulting in greater Employer Contributions in later years.

Chapter 152 of the Laws of 2006 (Chapter 152/06) eliminated the ten-year phase-in. All actuarial liabilities attributable to Chapter 125/00 are now recognized in the actuarial valuation.

Statutory Contributions for Fiscal Years 2011 and 2010 were equal to the amounts calculated by the Actuary.

Funded Status and Funding Progress — One measure of the funded status of the Plan as of June 30, 2009, the most recent actuarial valuation date, based on the Frozen Initial Liability Actuarial Cost Method, the plan’s funding method, is as follows (dollar amounts in thousands):

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
\$ 7,304,758	\$ 7,327,560	\$ 22,802	99.7 %	\$ 1,079,682	2.1 %

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits under the Plan’s Actuarial Cost Method.

An additional schedule of funding progress, presented as supplementary information following the notes to the financial statements, presents multiyear trend information about whether actuarial values of plan assets are increasing or decreasing over time relative to AALs for benefits under the Entry Age Actuarial Cost Method.

Additional information as of the latest actuarial valuation follows:

Valuation Date	June 30, 2009 (Lag)
Actuarial Cost Method	Frozen Initial Liability
Amortization Method Initial Unfunded	Increasing Dollar
Remaining Amortization Period Initial Unfunded	0
Asset Valuation Method	6-Year Smoothed Market
Actuarial Assumptions Projected Salary Increases *	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum.
Investment Rate of Return *	8.0% per annum
COLAs *	1.3% per annum

* Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

6. MEMBER LOANS

Members are permitted to borrow up to 90% (for certain members, the 75% has been increased to 90% effective July 20, 2004) of their own accumulated contributions including accumulated interest. The balance of member loans receivable at June 30, 2011 and 2010 is \$34.7 and \$34.4 million, respectively. Upon termination of employment before retirement, certain members are entitled to refunds of their own contributions including, for new program members, accumulated interest less any loans outstanding. Certain prior year loans to retirees were removed from member loans receivables. Such balances should be reduced at the effective date of retirement as a result of payoff or future benefit reductions.

7. RELATED PARTIES

The Comptroller has been appointed by law as custodian for Fixed Annuity Program assets with revocable discretionary authority. Securities are held by certain banks under custodial agreements with the Comptroller. The Comptroller also provides cash receipt and cash disbursement services to the Plan. Actuarial services are provided to the Plan by the Office of the Actuary employed by the Boards of Trustees of The City's main pension systems. The City's Corporation Counsel provides legal services to the Plan. Other administrative services are also provided by The City. The cost of providing such services amounted to \$ 1,742,426 and \$2,133,181 in Fiscal Years 2011 and 2010, respectively.

8. ADMINISTRATIVE AND INVESTMENT EXPENSES

There are no administrative expenses paid out of the Plan because they are paid for by related parties. Investment expenses charged to the investment earnings of the Plan, exclusive of expenses relating to securities-lending transactions amounted to approximately \$28.2 and \$28.4 in 2011 and 2010, respectively.

9. CONTINGENT LIABILITIES AND OTHER MATTERS

Contingent Liabilities — The Plan has a number of claims pending against it and has been named as a defendant in a number of lawsuits. The Plan also has certain other contingent liabilities. Management of the Plan, on the advice of legal counsel, believes that such proceedings will not have a material effect on the Plan net assets or changes in Plan net assets. Under the existing State statutes and City laws that govern the functioning of the Plan, increases in the obligations of the Plan to members and beneficiaries ordinarily result in increases in the obligations of The City to the Plan.

Other Matters — During Fiscal Years 2011 and 2010, certain events described below took place which, in the opinion of Plan management, could have the effect of increasing benefits to members and/or their beneficiaries. The effect of such events has not been fully quantified. However, it is the opinion of Plan management that such developments would not have a material effect on the statements of Plan net assets held in trust for pension benefits or cause changes in Plan net assets held in trust for pension benefits.

Actuarial Audit — Pursuant to Section 96 of the New York City Charter, studies of the actuarial assumptions used to value liabilities of the five actuarially-funded New York City Retirement Systems (NYCRS) are conducted every two years. The most recently completed study was published by The Segal Company (Segal) dated November 2006 and analyzed experience for Fiscal Years 2002 through 2005. Segal made recommendations with respect to the actuarial assumptions and methods based on their analysis.

Currently, the Hay Group (“Hay”) is conducting a study of actuarial assumptions and analyzing experience for Fiscal Years 2006 through 2009. Hay has generally completed their study and prepared draft reports that are expected to be finalized by December 2011.

The Actuary is currently reviewing results from the Segal and Hay studies in preparation for recommending revised actuarial assumptions and methods.

Revised Actuarial Assumptions and Methods — In accordance with the ACNY and with appropriate practice, the Boards of Trustees of the five actuarially-funded NYCERS are to periodically review and adopt actuarial assumptions as proposed by the Actuary for use in the determination of Employer Contributions.

Based in part upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company (GRS), the Actuary issued an August 31, 2005 Report entitled “Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Fire Pension Fund” (“August 2005 Report”).

Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor have enacted Chapter 152/06 to provide for those changes to the actuarial assumptions and methods that required legislation, including the AIR assumption of 8.0% per annum.

New York State Legislation (only significant laws included) — Chapter 104 of the Laws of 2005, as amended by Chapter 93 of the Laws of 2005, created a presumptive eligibility for accidental disability in connection with the World Trade Center attack on September 11, 2001.

Chapter 105 of the Laws of 2005 states that a member killed in the US Armed Forces on and after June 14, 2005 is deemed a Line-of-Duty death while on active payroll.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability (FIL) Actuarial Cost Method and the existing Unfunded Actuarial (Accrued) Liability (UAL). In addition, Chapter 152/06 provides for elimination of the use of the ten-year phase-in of Chapter 278/02 for funding the additional actuarial liabilities created by the benefits provided by Chapter 125/00.

Chapter 445 of the Laws of 2006 (Chapter 445/06) created a presumptive eligibility for accidental death benefits in connection with the World Trade Center attack on September 11, 2001.

Chapter 654 of the Laws of 2006 expanded presumptive eligibility for Line-of-Duty accidental disability and accidental death benefits to include strokes effective from January 1, 2002.

Chapter 713 of the Laws of 2006 provides that FIRE members retired from the Fire Marshall title who are appointed to the Office of NYC Marshall will have no reduction or suspension of retirement allowance.

Chapter 5 of the Laws of 2007 amended Chapter 445/06 to clarify the World Trade Center accidental disability benefits payable to retirees who die in the first 25 years of retirement. It also amended Chapter 445/06 to include World Trade Center deaths as presumptive accidental death benefits in the Line-of-Duty.

Chapter 637 of the Laws of 2007 deems prior EMT service and service in certain other job titles as qualifying time for all pension purposes.

Chapter 489 of the Laws of 2008 expanded and redefined the eligibility provisions of the accidental disability and accidental death benefits that arise in connection with the World Trade Center attack on September 11, 2001.

Chapter 211 of the Laws of 2009 continued the valuation and other interest rates for one year to June 30, 2010 from June 30, 2009.

Chapter 265 of the Laws of 2010 continued the valuation and other interest rates for one year to June 30, 2011 from June 30, 2010.

Chapter 180 of the Laws of 2011 continued the valuation and other interest rates for one year to June 30, 2012 from June 30, 2011.

Tier III (Tier 3) – In June of 2009 the Governor vetoed legislation that would have extended Tier II (Tier 2) to members hired after June 30, 2009. As a result of the Governor's veto, FIRE members hired on and after July 1, 2009 are covered under Tier III (Tier 3).

* * * * *

**NEW YORK CITY FIRE DEPARTMENT PENSION FUND
QUALIFIED PENSION PLAN**

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF FUNDING PROGRESS
(IN CONFORMITY WITH THE PLAN'S FUNDING METHOD)
(In Thousands)

Actuarial Valuation Date June 30	(1) Actuarial Asset Value (AAV)	(2) Actuarial Accrued Liability (AAL)*	(3) Unfunded AAL (UAAL)	(4) Funded Ratio	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll
	(A)	(A) & (B)	(C) (2) - (1)	(1) ÷ (2)		(3) ÷ (5)
2009 (Lag)	\$7,304,758	\$7,327,560	\$ 22,802	99.7 %	\$1,079,682	2.1 %
2008 (Lag)	6,942,992	6,986,243	43,251	99.4	1,051,592	4.1
2007 (Lag)	6,459,130	6,520,670	61,540	99.1	1,000,383	6.2
2006 (Lag)	6,174,111	6,251,960	77,849	98.8	932,730	8.3
2005 (Lag)	6,169,209	6,261,550	92,341	98.5	908,261	10.2
2004 (Lag) [#]	6,277,298	6,382,468	105,170	98.4	864,824**	12.2
2004	6,185,754	6,290,924	105,170	98.3	804,974	13.1

* Based on the Frozen Initial Liability Actuarial Cost Method.

[#] Reflects revised actuarial assumptions and methods based on experience review.

** The annualized covered payroll under the One-Year Lag Methodology used for the Fiscal Year 2006 Employer Contribution differs from that as of June 30, 2004 to compute Fiscal Year 2005 Employer Contribution due to changes in actuarial assumptions and methods and more recent information on labor contract settlements.

Notes:

- A. Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method (AAVM) was changed to a method which reset the AAV to Market Value (i.e., "Market Value Restart") as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns (UIR) for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at rates of 15%, 15%, 15%, 15%, 20% and 20% per year (i.e., cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

(Schedule of Funding Progress Continued)

The UIR for Fiscal Years 2000 to 2004 under the revised AAVM was set equal to the UIR under the prior AAVM.

The prior AAVM was changed as of June 30, 1999 to reflect a market basis for investments held by the Plan.

Under the AAVM used for the June 30, 1999 to June 30, 2004 actuarial valuations, any UIR for Fiscal Years 2000 and later were phased into the AAV beginning the following June 30 at a rate of 10%, 15%, 20%, 25% and 30% per year (i.e., cumulative rates of 10%, 25%, 45%, 70% and 100% over a period of five years).

- B. To effectively assess the funding progress of the Plan, it is necessary to compare the AAV and the AAL calculated in a manner consistent with the Plan's funding method over a period of time. The AAL is the portion of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Employer normal costs and future Member Contributions.
- C. The UAAL is the excess of the AAL over the AAV. This is the same as the unfunded frozen AAL, which is not adjusted from one actuarial valuation to the next to reflect actuarial gains and losses.

(Schedule of Funding Progress Concluded)

**NEW YORK CITY FIRE DEPARTMENT PENSION FUND
QUALIFIED PENSION PLAN**

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF EMPLOYER CONTRIBUTIONS
(In thousands)**

Fiscal Years Ended June 30	Annual Required Contribution (ARC)	Percentage of ARC Contributed	Net Pension Obligation
2011	\$890,706	100.0 %	\$185,874
2010	874,331	100.0	193,030
2009	843,751	100.0	199,928
2008	780,202	100.0	206,676
2007	683,193	100.0	213,374
2006	608,771	100.0	220,119

Under the requirements of Governmental Accounting Standards Board Statement Number 25 (GASB25) as amended by GASB Statement No. 50 (GASB50), the Annual Required Contribution (ARC) is determined through an actuarial valuation reflecting all liabilities of the Plan. The Employer Contribution to the Plan is determined in accordance with statute (i.e., Statutory Contribution).

NEW YORK CITY FIRE DEPARTMENT PENSION FUND QUALIFIED PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) SCHEDULE OF ACTUARIAL METHODS AND ASSUMPTIONS

The information presented in the required supplementary schedules was determined as part of the actuarial valuations as of June 30, 2009 (Lag) and June 30, 2008 (Lag). These actuarial valuations were used to determine Employer Contributions for Fiscal Years 2011 and 2010, respectively. Additional information as of the last two actuarial valuations follows:

	June 30, 2009 (Lag) ¹	June 30, 2008 (Lag) ¹
Actuarial cost method	Frozen Initial Liability. ²	Frozen Initial Liability. ²
Amortization method for Unfunded Actuarial Accrued Liabilities	Increasing dollar ³	Increasing dollar ³
Remaining amortization period	All outstanding components of UAAL are being amortized over closed periods. ³ 0 years for reestablished UAAL. ³	All outstanding components of UAAL are being amortized over closed periods. ³ 1 year for reestablished UAAL. ³
Actuarial asset valuation method	Modified 6-year moving average of market values with a "market value restart" as of June 30, 1999.	Modified 6-year moving average of market values with a "market value restart" as of June 30, 1999.
Actuarial assumptions: Investment rate of return	8.0% per annum. ⁴	8.0% per annum. ⁴
Post-retirement mortality	Tables adopted by Board of Trustees during Fiscal Year 2006.	Tables adopted by Board of Trustees during Fiscal Year 2006.
Active service: withdrawal, death, disability, service retirement	Tables adopted by Board of Trustees during Fiscal Year 2006.	Tables adopted by Board of Trustees during Fiscal Year 2006.
Salary increases	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum. ⁴	In general, merit and promotion increases plus assumed general wage increases of 3.0% per annum. ⁴
Cost-of-Living adjustments	1.3% per annum. ⁴	1.3% per annum. ⁴

- Under the One-Year Lag Methodology, the actuarial valuation determines the Employer Contribution for the second following Fiscal Year.
- Under this Actuarial Cost Method, the Initial Liability was reestablished as of June 30, 1999 by the Entry Age Actuarial Cost Method but with the UAAL not less than \$0. The financial results using this Frozen Initial Liability Actuarial Cost Method are the same as those that would be produced using the Frozen Entry Age Actuarial Cost Method.
- In conjunction with Chapter 85/00, there is an amortization method. It reestablished UAAL as of June 30, 1999. The schedule of payments toward the reestablished UAAL (referred to in the ACNY as the Fire Department Pension Fund (FPF) 1999 UAL and elsewhere as the UAAL) provides that the UAAL be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first equals 103% of its preceding annual payment.
- Developed assuming a long-term Consumer Price Inflation assumption of 2.5% per annum.

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Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

	Average assets under management (\$MMS)	Total Fees
U.S. Equities		
Active		
Small Cap		
Small Cap Growth		
Brown AM	19.69	189,339.00
Perimeter	54.61	344,587.89
Total Small Cap Growth	74.30	533,926.89
Small Cap Value		
Dalton Greiner	70.82	401,232.87
Total Small Cap Value	70.82	401,232.87
Total Small Cap	145.12	935,159.76
Small/Mid Cap Value		
Security Global Inv SMDV	51.79	230,546.92
Total Small/Mid Cap	196.91	1,165,706.68
Mid Cap		
Mid Cap Growth		
Timesquare Capital MCG	100.70	681,819.54
Total Mid Cap Growth	100.70	681,819.54
Mid Cap Value		
Iridian Asset MCV	50.98	314,208.06
Total Mid Cap Value	50.98	314,208.06
Mid Cap Core		
Wellington Mgmt MCC	61.19	317,687.00
Total Mid Cap Core	61.19	317,687.00
Total Mid Cap	212.87	1,313,714.60
Large Cap		
Large Cap Growth		
Profit Investment Mgmt	31.40	111,695.55
Pyramis Global Advisors	114.51	175,083.34
Loomis Sayles	-	62,519.90
Zevenbergen	128.45	279,117.48
Total Large Cap Growth	274.37	628,416.27
Large Cap Value		
Aronson Johnson	70.02	146,812.00
Iridian Asset	101.04	303,909.73
Lombardia Cap Ptnrs	30.55	65,798.13
Lord Abbett Large Cap	102.43	73,899.00
Total Large Cap Value	304.04	590,418.86

Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

Large Cap Core		
Seizert Cap Ptrns	33.72	95,945.55
Total Large Cap Core	33.72	95,945.55
Total Large Cap	612.13	1,314,780.68
Emerging Managers		
Attucks	15.83	94,514.82
Capital Prospects	23.38	130,740.63
Total Progress Trust	60.31	335,967.65
Total Emerging Managers	99.52	561,223.10
Total Active Equities	1,121.43	4,355,425.06
Passive		
Russell 3000		
BlackRock	1,040.89	30,456.93
State Street	954.65	46,342.59
Total Passive Equities	1,995.53	76,799.52
TOTAL U.S. EQUITIES	3,116.96	4,432,224.58
EAFE Markets Equities		
Active		
Growth		
Pyramis Global Advisors	153.64	378,120.00
Total EAFE Growth	153.64	378,120.00
Value		
Sprucegrove (New)	185.94	400,320.75
Total EAFE Value	185.94	400,320.75
Core		
Philadelphia	145.29	430,102.01
Thornburg	201.71	833,413.93
Total EAFE Core	347.00	1,263,515.94
Total Active	686.58	2,041,956.69
Passive		
State Street	151.58	64,672.00
Total Passive	151.58	64,672.00
Total EAFE Markets Equities	838.15	2,106,628.69
Strategic-Opportunistic Equity Strategies		
NON-U.S. Activist		
Governance For Owners	19.57	156,053.00
Total NON-U.S. Activist	19.57	156,053.00
NON-U.S. Environmental Managers		
KBC AE	-	6,872.41
KBC Water	-	10,630.69
Total NON-U.S. Environmental Managers	0.01	17,503.10
Total NON-U.S. Activist-Environmental	19.58	173,556.10
Total Developed-NON-US Activist-Envir.	857.73	2,280,184.79

Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

Emerging Markets		
Acadian	109.01	104,818.00
Baillie Gifford	171.24	842,921.34
State Street	102.04	488,967.12
Total Emerging Markets	382.29	1,436,706.46
TOTAL INTERNATIONAL EQUITIES	1,240.02	3,716,891.25
Real Estate Equity Securities		
Adelante Capital Management	123.54	247,598.33
Morgan Stanley	171.00	497,953.64
TOTAL REAL ESTATE EQUITY SEC.	294.54	745,551.97
Private Equity Investments		
AEA Investors 2006 Fd	6.25	96,253.00
Aisling Capital II	0.56	11,954.00
Aisling Capital III	0.25	68,855.00
Aldus New York Fire Fund	29.13	952,617.00
Allegra capital Ptnrs IV	-	52,826.00
Ampersand 2006	-	50,050.00
Apollo Investment Fd V	6.20	101,815.00
Apollo Investment Fd VI	19.83	-
Apollo Investment Fd VII	12.74	256,325.00
Ares Corp Opp	2.72	9,591.00
Ares Corp Opp Fd II	4.49	42,502.00
Ares Corp Opp Fd III	5.39	131,160.00
Arlington Capital Partners 111	-	14,907.00
Arsenal Capital Partners 11	-	17,048.00
Aurora Equity Capital Partners III	4.70	
Avista Capital Partners	4.76	14,848.00
Avista Capital Partners II	6.28	88,749.00
BDCM Opportunity Fd	-	20,129.00
BDCM Opportunity Fd III	-	32,466.00
Blackstone Capital Ptnrs IV	10.54	-
Blackstone Capital Ptnrs V	7.86	62,721.00
Blackstone Capital Ptnrs VI	-	61,028.00
Blackstone Mezz Ptnrs II	2.32	26,982.00
Blue Wolf Capital Fund 11	-	29,249.00
Bridgepoint Europe III	4.57	55,552.00
Bridgepoint Europe IV	1.66	75,976.00
Capital Partners	-	18,288.00
Carlyle Ptnrs III	2.30	10,994.00
Carlyle Ptnrs IV	4.92	19,569.00

Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

Carlyle Ptnrs V	4.58	107,494.00
Private Equity Investments(ctd)		
Catterton Partners VI	4.25	80,256.00
Carpenter Community Bancfund	-	13,727.00
CCMP Capital Investors II	2.71	60,488.00
Clayton, Dubilier and Rice Fund VII	4.64	12,620.00
Clayton, Dubilier and Rice Fund VIII	3.77	80,363.00
Celtic Pharm Hldgs, LP	4.12	146,942.00
Coller International Ptnrs V	2.98	77,692.00
Constellation Ventures III	2.21	9,957.00
Credit Suisse EM Fd	1.03	-
Credit Suisse EM Co/Inv Fd	1.30	-
Crestview Ptnrs II	2.50	101,690.00
CVC Euro Eq Ptnrs III	5.65	3,410.00
CVC Euro Eq Ptnrs V	7.23	154,289.00
Cypress Merch Bk Ptnrs II	4.15	28,158.00
Erasmus NYC Growth FD A	0.99	-
Fairview Emerging Mgrs Fd	2.07	-
Falconhead Capital Partners I I	-	48,115.00
FdG CapI Ptnrs	7.37	
FdG CapI Ptnrs II	2.25	22,147.00
Fenway Ptnrs Capital III	3.24	42,432.00
First Mark Fd IV	1.48	7,134.00
First Reserve Fd XI	3.68	32,000.00
First Reserve Fd XII	1.54	61,000.00
Fourth CINVEN Fd	1.97	11,937.00
FS Equity Ptnrs V	9.02	26,444.00
FS Equity Ptnrs VI	5.08	76,846.00
FT Ventures Fd III	1.93	44,100.00
GI Ptnrs Fd II	2.76	41,868.00
GI Partners Fund III	4.49	136,610.00
Gleacher Mezzanine Fd I I	-	2,945.00
GSO Capital Opportunities Fd	4.76	68,629.00
Highland Consumer Fd I	0.72	100,416.00
HM 2006 Sector Perform Fd	2.91	72,666.00
Intermedia Ptnrs VII	2.51	43,842.00
JP Morgan Investment Mgmt	1.92	11,172.00
Landmark Equity Ptnrs XI	1.44	50,174.00
Landmark Equity Ptnrs XIV	1.72	258,593.00
Lee Equity Ptnrs	2.06	165,311.00
Levine Leichtman Cap Ptnrs IV	2.18	59,807.00

Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

Lexington Capital Ptnrs VII	2.36	63,034.00
Private Equity Investments (ctd)		
Lincolnshire Eq Fd II	2.21	-
Lincolnshire Eq Fd III	2.86	47,297.00
Lincolnshire Eq Fd IV	0.13	45,489.00
LODH Euro Choice II	4.80	
LODH Euro Choice III	2.59	
LODH Euro Choice IV	0.74	
Markstone Capital Ptnrs	2.99	61,712.00
Medicia Mgmt 111	-	1,395.00
Midocean Eq Ptnrs III	3.61	199,662.00
Milestone Partners 111	-	16,806.00
Montreux Eq Ptnrs IV	2.58	96,125.00
Neuberger Berman Emg Mgr	1.39	52,950.00
New Mountain Ptnrs	2.87	17,603.00
New Mountain Ptnrs II	2.22	19,847.00
New Mountain Ptnrs III	3.61	135,348.00
Newspring Venture II	2.98	11,884.00
NGN Biomed Opportunity II	2.21	92,121.00
Olympus Capital Asia III	1.30	119,818.00
Onex Ptnrs III	1.42	87,393.00
Paladin Homeland Security Fd	3.48	23,573.00
Paladin Fund III	3.15	101,121.00
Palladium Eq Ptnrs III	6.59	173,931.00
PCGAM Clean Energy & Tech Fund	5.00	62,654.00
Pegasus Partners IV	12.08	167,753.00
Permira Fd IV	3.03	142,637.00
Perseus Ptnrs VII	4.56	61,759.00
Pine Brook Capital Ptnrs	2.30	239,805.00
Prism Venture Ptnrs IV	5.13	262,988.00
Prism Venture Ptnrs V-A	3.73	166,631.00
Psilos Group Partners III	1.66	64,094.00
Relativity Fd	-	217.00
Riverstone/Carlyle GLB EP IV	4.74	203,393.00
RRE Ventures IV	1.87	62,500.00
Scale Venture Ptnrs III	2.05	101,701.00
SCP Priv Eq Ptnrs II	8.70	122,471.00
SCP Vitalife Partners II	1.61	131,408.00
Silver Lake Partners II	2.40	2,896.00
Silver Lake Partners III	3.13	34,050.00
Snow Phipps Group	4.88	53,404.00

Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

Snow Phipps II	1.13	138,562.00
Private Equity Investments (ctd)		
Tailwind Capital Partners	3.93	113,797.00
Terra Firma Cap III	0.95	79,069.00
Thomas McNerney Ptnrs 11	-	1,415.00
Trident V	0.67	10,789.00
Trilantic Capital Ptnrs III	2.99	57,988.00
Trilantic Capital Ptnrs IV	4.88	82,313.00
US Power Fund II	4.14	70,473.00
US Power Fund III	3.44	84,469.00
Vista Equity Ptnrs III	7.82	88,430.00
Vitruvian Ptnrs	1.57	290,115.00
VS&A Comm Ptnrs III	2.79	6,384.00
VSS Comm Ptnrs IV	1.57	33,527.00
Welsh, Carson, Anderson & Stowe XI	2.47	112,500.00
Yucaipa American Alliance Fd	3.34	48,332.00
Yucaipa American Alliance Fd II	12.06	193,739.00
Yucaipa Corp Initiative II	0.90	73,212.00
TOTAL PRIVATE EQUITY INVESTMENTS	434.25	9,316,312.00
Private Real Estate		
AG Realty Fund VIII	10.68	170,776.00
AMB Alliance Fd II	2.68	37,066.00
Amer Value Ptnrs I	1.61	49,530.00
Apollo Europe III	7.16	224,999.00
ARA Asia Dragon Fd	8.25	
Blackrock Carbon III	4.77	54,535.00
Blackstone Real Estate Ptnrs EU III	0.33	
Blackstone Real Estate Ptnrs IV	2.55	
Blackstone Real Estate Ptnrs VI	6.87	
Canyon Johnson Urban Fd	0.46	29,184.00
Canyon Johnson Urban Fd II	5.62	90,030.00
Canyon Johnson Urban Fd III	0.73	68,750.00
Carlyle R.P. Fd V	4.26	54,220.00
Colony Investors VIII	7.13	
Colony Realty Ptnrs II	2.33	78,748.00
Heitman America Fd	8.29	40,387.00
JPM Strategic Prop Fd	11.53	117,681.74
JPM Special Sit Fd	3.03	57,215.84
Lasalle US Property Fd	4.80	58,254.00
Lehman RE Ptnrs Fd III	1.07	19,340.00
Metro Workforce Housing Fd	0.57	64,125.00

Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

PRISA	5.35	53,841.53
Private Real Estate(ctd)		
PRISA II	13.87	158,474.80
RREEF Amer. II	5.73	28,310.00
RREEF Amer. III	1.11	16,474.00
Stockbridge Real Estate Fd	3.30	168,750.00
The City Investment Fd	8.19	
Thor Urban Property Fd II	1.11	59,994.00
UBS Trumbull Property Fd	6.77	65,468.04
Walton St RE Fd VI	1.56	33,030.00
Westbrook RE Fd VIII	0.74	
TOTAL PRIVATE REAL ESTATE	142.47	1,799,183.95
TOTAL EQUITY - PUBLIC & PRIVATE	576.72	11,115,495.95
FIXED INCOME Structured Program		
Government Treas/Agency Sector		
Fischer Francis	57.88	55,576.00
Pimco	100.37	86,064.13
State Street	56.85	51,781.54
Total Government Treas/Agency Sector	215.10	193,421.67
Mortgage Sector		
Blackrock	214.62	117,112.33
Goldman Sachs	80.79	26,824.00
Neuberger Berman	102.77	59,836.00
Pimco	216.12	378,742.23
Total Mortgage Sector	614.30	582,514.56
Investment Grade Credit Sector		
Blackrock	82.04	133,333.00
Prudential	80.67	61,093.87
Taplin Canida	147.69	129,186.11
T. Rowe Price	134.23	201,252.95
Total Investment Grade Credit Sector	444.64	524,865.93
Total Structured Program	1,274.04	1,300,802.16
Active TIPS Managers		
Blackrock	67.24	44,823.00
Pimco	64.40	61,749.22
Total Active TIPS Managers	131.64	106,572.22
Passive TIPS Managers		
State Street	44.87	559.56
Total Passive TIPS Managers	44.87	559.56
Total TIPS Managers	176.50	107,131.78
Strat/Opp Fixed Income Strategies		
Distressed		
Ave Euro Special Situations Fd	8.45	96,178.00

Additional Supplementary Information
Schedule of Investment Expenses
For Fiscal year ended June 30, 2011

Schedule 4

Ave Special Situations Fd V	5.48	75,000.00
Distressed (ctd)		
PIMCO-Disco	39.08	1,118,800.00
Torchlight Investors	11.34	105,046.00
Total Distressed	64.35	1,395,024.00
Enhanced Yield		
Mackay Shields	131.48	460,392.00
Seix	129.25	189,025.24
T. Rowe Price	123.84	369,618.30
Total Enhanced Yield	384.57	1,019,035.54
Convertible Bonds		
Advent	41.29	207,286.56
Lord Abbett	38.28	89,568.66
Total Convertible Bonds	79.56	296,855.22
Core Plus Fixed Income		
LM CAPITAL -MTA	9.32	23,011.37
Total Core Plus Fixed Income	9.32	23,011.37
ETI Investments		
Access RBC	-	20,241.75
Total ETI Investments	-	20,241.75
Internal Short Term	186.53	-
Total Internal Short term	186.53	20,241.75
TOTAL FIXED INCOME	2,174.88	4,162,101.82
Consultants		
Aksia		70,240.51
Alcaraz		86.85
New England Pension..		331,390.34
PCG		301,750.00
The Townsend Group		119,426.00
Total Consultant		822,893.70
Legal Fees		
Cox, Castle...		3,360.25
Orrick, Herrington &...		345.12
Nixon Peabody, LLP		2,096.82
Total Legal Fees		5,802.19
Total Investment Management Fees	7,403.13	25,000,961.46
Operating Expenses Mutual Funds	-	656.00
Other Miscellaneous Investment Fees	-	3,240,130.42
Total Investment Expenses accrued & Paid F/Y 2011	\$ 7,403.13	\$ 28,241,747.88

New York City Fire Pension Fund

Comprehensive Annual Financial Report

A Pension Trust Fund of the City of New York



Investment Section

Part III

Fiscal Year Ended June 30, 2011

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INVESTMENT REPORT

This report is prepared by management on the basis of information provided by the investment managers of the New York City Fire Pension Fund and the Comptroller of the City of New York. The Comptroller administers the Funds' investment portfolio subject to the direction and control of the Board of Trustees. The Board of Trustees assumes the responsibility of ensuring that assets of the Plan are managed efficiently and prudently, in full compliance with the Administrative code of the City of New York (ACNY) and the State Retirement and Social Security Laws, for the benefit of the Fund's membership.

Investment Policy

The Fund's primary purpose is to provide retirement benefits for members and their beneficiaries. These benefits are financed through the accumulation of employer and member contributions and investment earnings. The Board of Trustees therefore sets investment objectives to assure adequate accumulation of reserves and also to protect the long term value of the assets. The Board's overall philosophy on strategic factors, i.e. risk tolerance, returns, diversification and liquidity requirements determines the objectives of the investment policy adopted. Listed below is a brief outline of key objectives and philosophy:

- To assure that members and beneficiaries receive benefits now and in the future, the level of investment risk in the portfolio will be prudent and not exceed levels that may jeopardize objectives.
- To enhance portfolio returns moderate risk levels are assumed, since over the long term there is a relationship between the level of risk taken and the rate of return realized.
- Diversification through investing in a broad array of investments reduces portfolio risk. This is achieved by allocating funds among many asset categories, industries and geographic locations.
- Liquidity requirements are maintained through the structuring of cash flows from contributions, investment income and short term investments; this assures timely payment of benefits.

The portfolio assets are managed by registered investment advisors pursuant to applicable laws and guidelines issued by the Comptroller, except for certain private equity and real estate investments where registration is not required. Fund managers are periodically reviewed for ongoing performance and adherence to investment guidelines. The overall policy adopted is therefore one that minimizes credit and market risks while maintaining a competitive yield on the investment portfolio.

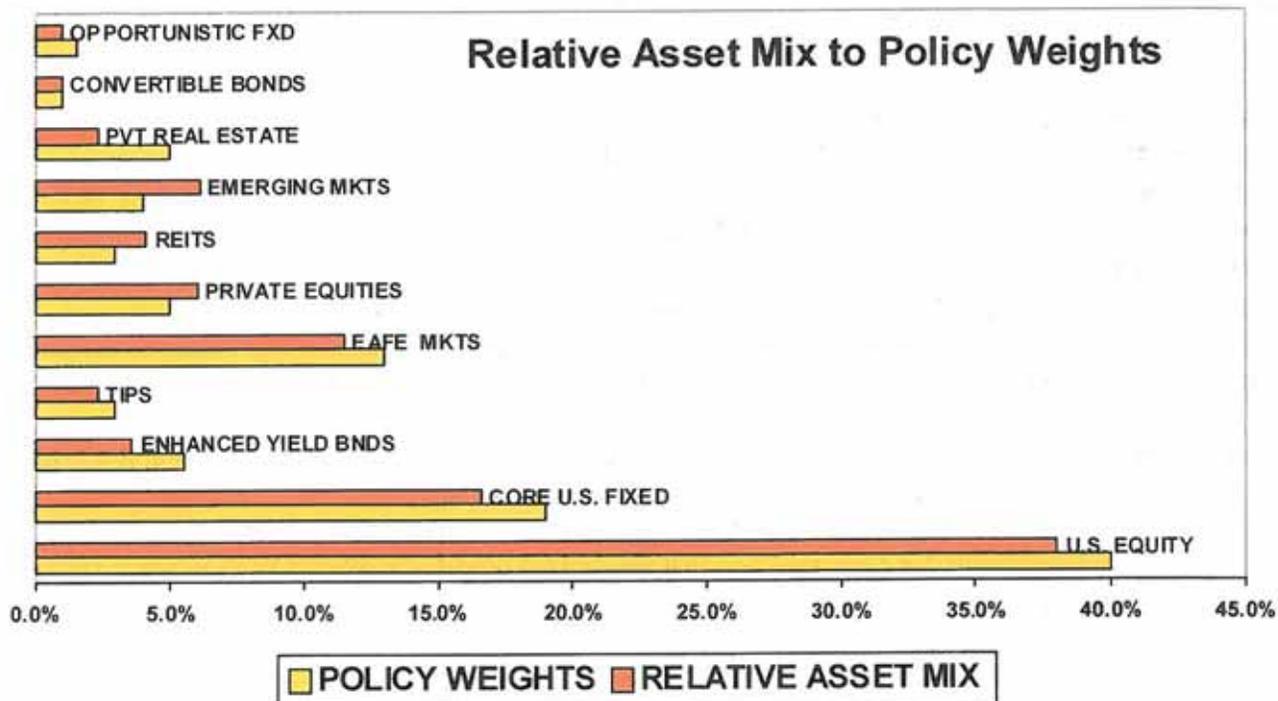
Investment Criteria and Asset Allocation

The Board's investment policy is implemented using a strategic allocation of assets that meet the objectives of the Fund, while working within the confines of the legislative guidelines. The guidelines dictate that Fixed income investments may be made in securities guaranteed by the U.S. Government or U.S. Government agencies, or in companies rated BBB or better by both Standard and Poor's Corporation and Moody's Investors service, Inc., and any bond that meets the qualifications of The New York State Retirement and Social Security Laws (RSSL), the New York State Banking Law and the ACNY. Equity investments may be made only in those stocks that meet the qualifications of the (RSSL), the New York State Banking Law and the ACNY.

Short-term investments may be made in U.S. Government securities, Commercial paper rated A1, P1 or F1 by Standard & Poor Corporation, Moody’s Investors service inc. or Fitch respectively. Additionally, up to 25% of total pension fund assets may be made in instruments not specifically covered by RSSL. The largest share of the portfolio is invested in equities, as equity investments provide superior returns over the long term, despite historical volatility. For further discussion on investment criteria see note 3, of Notes to financial statements.

The Fund’s asset allocation policy is constructed to meet both short-term funding requirements and long-term pension obligations. Investments are therefore made in a broad array of financial instruments including domestic stocks, bonds and international securities through a collective fund investment vehicle. The percentages assigned each category of assets held in the Fund are determined based on the results of a study, which indicates the expected rates of return and levels of risk for various asset allocations. These allocations are reviewed periodically to address fluctuating market events and new investment opportunities.

The current policy mix implemented is comprised of items in the following major categories: U.S equity, Core U.S. fixed income, Enhanced yield bonds, Treasury inflation protected securities (TIPS), International equity(EAFE Markets), Private equity, Real estate investments trusts (REITS), Emerging markets, Private Real Estate investments, Convertible Bonds, Opportunistic Fixed and Economically Targeted Investments(ETI).



The chart above shows a comparison of relative asset mix to policy weights as at June 30, 2011. Although the Fund's assets are periodically re-balanced to keep in line with long term asset allocation objectives, actual allocation may vary from policy weights as market values shift and investments are added or terminated. As indicated in the chart, the Fund exceeded targeted allocations of Emerging markets, Real estate investments trusts and Private Equity by 2.1, 1.1 and 1.0 percentage points respectively. While U.S. equity, Core U.S Fixed, Enhanced Yield bonds, TIPS, EAFE Markets, Private Real Estate and Opportunistic fixed investments fell below the current targeted allocations by approximately 2.0, 2.4, 1.9, .7, 1.6, 2.7 and .6 percentage points respectively. Investments in Convertible Bonds closely matched targeted allocations. Actual asset allocation in effect on 6/30/2011 is presented in the chart titled "Asset Allocation" (Exhibit 1). Changes in actual asset allocation over a period of ten years covering June 2002 through June 2011 are presented in an area graph showing the major categories and amount of assets held at the end of each fiscal period (also Exhibit 1).

Summary of Investment Results for fiscal year 2011

Fiscal year ended June 2011 marked the second year of positive performance for the Fund following the financial crisis, which began in 2008. The Fund returned a net gain of 23.2 %¹, ranking in the top quartile of the ICC Public Funds universe. This result was well above the actuarial assumed rate of return at 8.0%, but below the gain of 24.4% posted by the Fund's policy benchmark over the same fiscal period.

The portfolio's gain for fiscal year ended June 30, 2011 was driven by strong performances in the equity markets during the period. All major asset classes ended the fiscal year with net gains. Although, for the quarter ended June 30, 2011, returns posted were either modestly positive or slightly negative across asset classes. U.S. equities, the largest segment in the portfolio, ended the period with overall gains of 33.3 %, despite slightly negative returns of .27% for the quarter ended June 2011. The result was also well ahead of the Russell 3000 index, a broad measure of the U.S stock market, which posted gains of 32.4% over the fiscal period.

Performance results for international equities as a group were varied. Investments from the developed international markets in the portfolio gained 31.3%, outperforming the benchmark, the MSCI Europe, Australia and Far East (EAFE) Index which posted gains of 30.4 percent. While active emerging markets equities in the portfolio gained 26.6%, underperforming its benchmark, the MSCI Emerging Markets Free index which gained 28.2% for the same period.

Overall, the domestic fixed income composite portfolio, a steady performer among the asset classes, closed fiscal year 2011 with gains of 7.4%. Within this category, the structured or core investment grade fixed income group were among the lowest performers, posting gains of 5.1%, outperforming the return of 4.2% posted by its benchmark the New York City core plus 5 index, for the same period. Enhanced Yield bonds were among the better performers in this category, posting gains of 15.0%, compared to its benchmark Citigroup BB&B which posted gains of 14.6%. Treasury Inflation Protected securities, among the median performers in this category posted gains of 7.2%, slightly below of its benchmark, the Barclays Capital US TIPS index, which posted gains of 7.7% for the period.

For the five-year period ended June 30, 2011 the Fund's annualized returns stood at 5.2 %, equal to the portfolio policy benchmark return at 5.2%.

Schedule 1A presents our Consolidated Performance Report, displaying the percentage of portfolio market value and returns for each major investment asset class along with the returns for corresponding benchmarks through June 30, 2011.

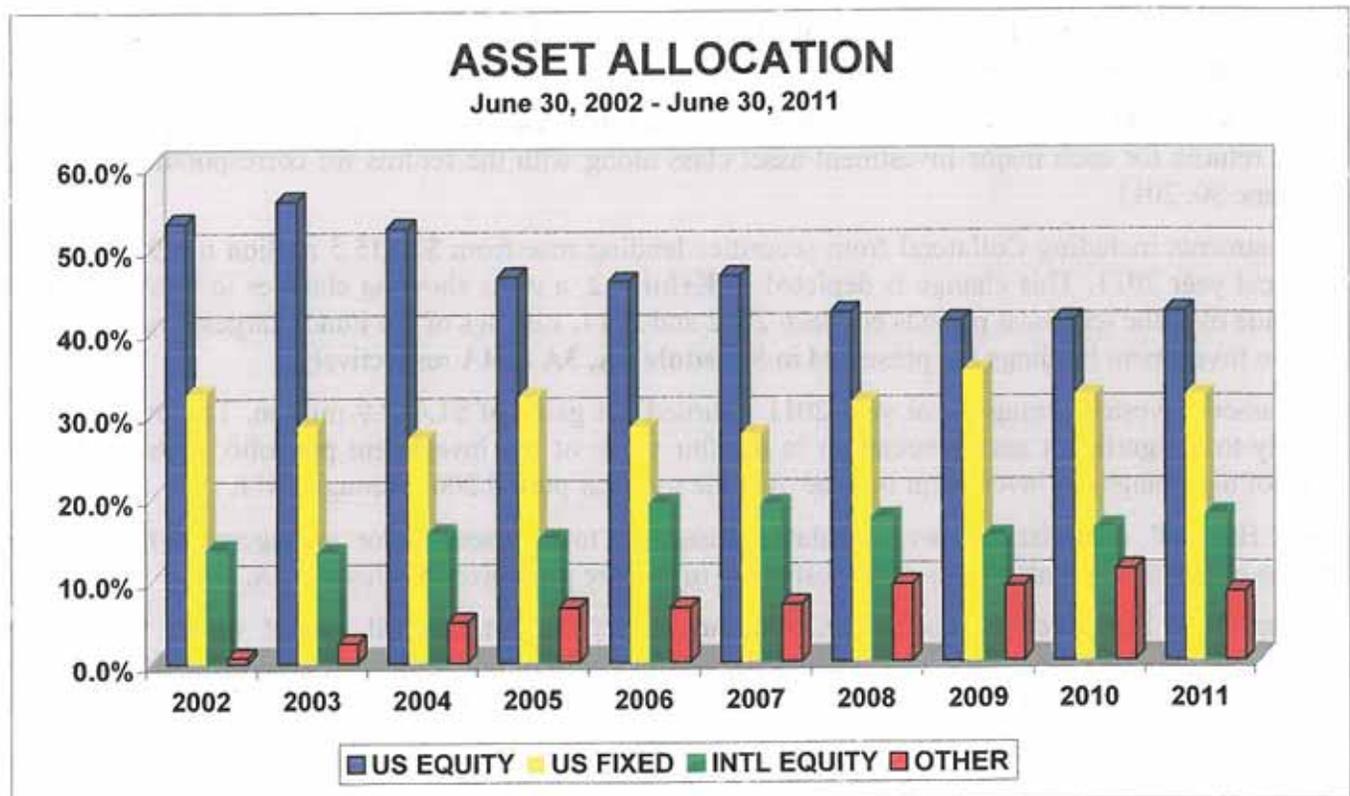
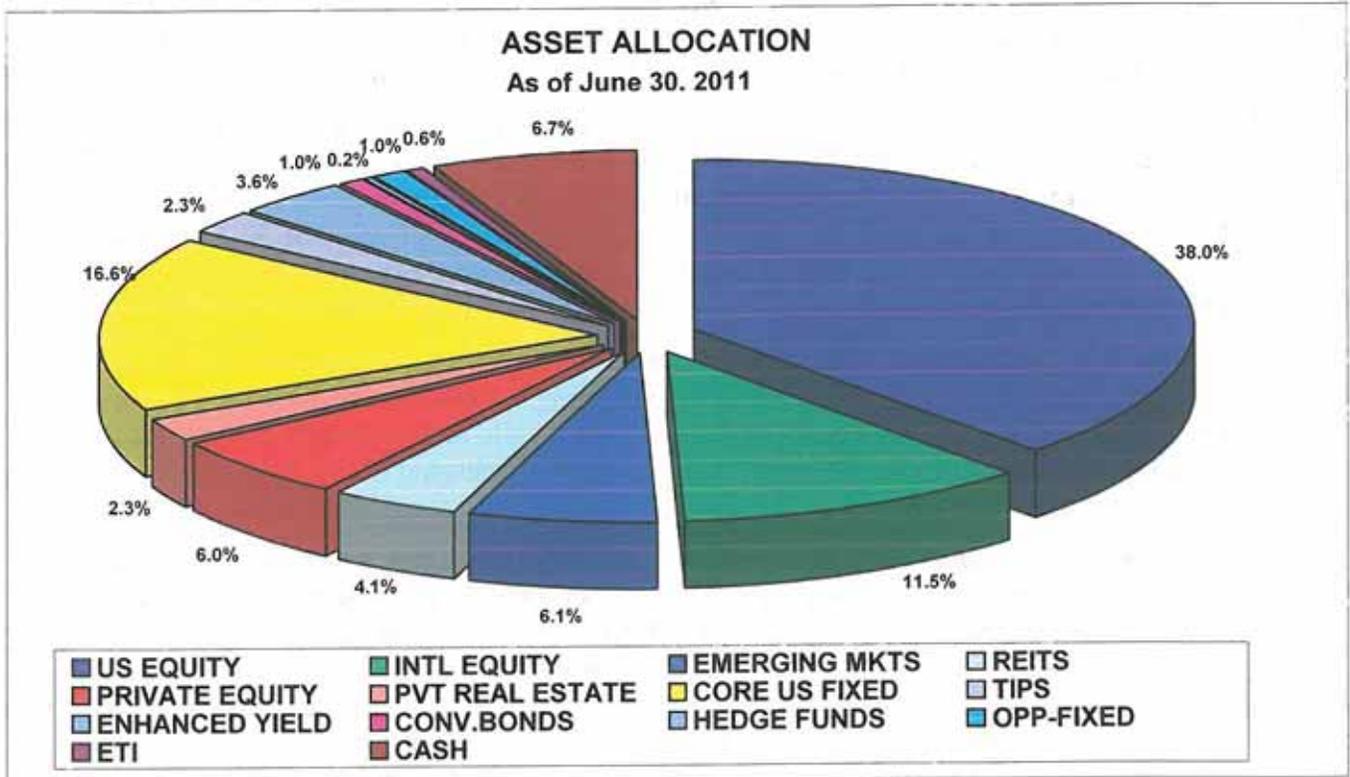
Total investments including Collateral from securities lending rose from \$7,315.5 million to \$9,072.6 million, during fiscal year 2011. This change is depicted in **Exhibit 2**, a chart showing changes in total investment at market value over the ten fiscal periods between 2002 and 2011. Listings of the Fund's largest bonds, stocks and Alternative Investment holdings are presented in **Schedule 2A, 3A & 4A** respectively.

Portfolio assets invested during fiscal year 2011 returned net gains of \$1,472.9 million. The overall gain was due mainly to a significant net appreciation in the fair value of the investment portfolio. **Exhibit 3** shows a summary of the changes in investment income over the ten-year period 2002 through 2011.

Fees and Brokers' commissions are calculated based on total assets under management for the period. Summaries of Brokers' commissions for investments traded are presented in schedule **5A**.

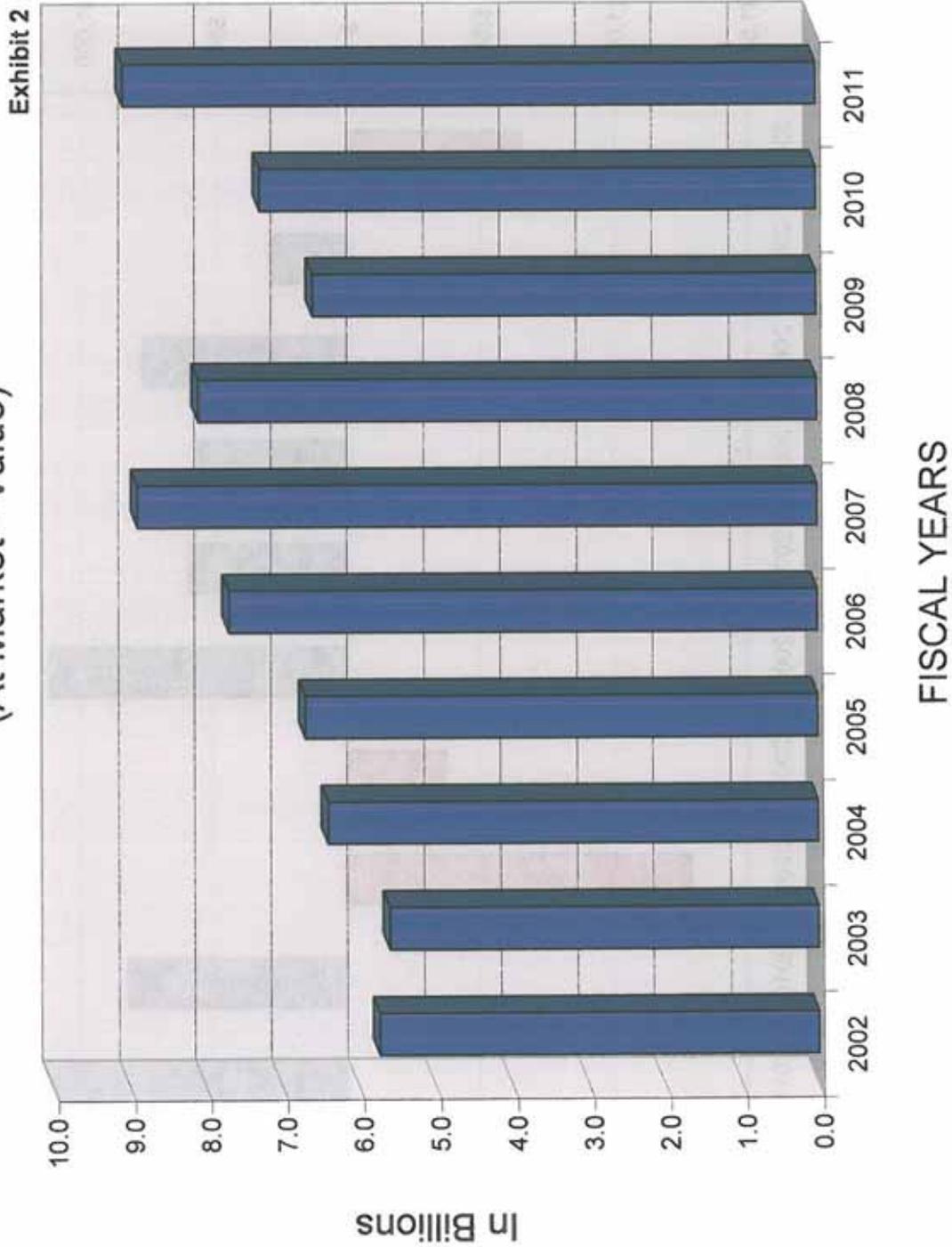
The Summary of investments presented in **Schedule 6A** shows the overall market values of each major investment asset class in the portfolio, including short-term holdings and collateral from securities lending. The schedule also shows the percentage value of each category in relation to total investments for fiscal year 2011.

¹ Calculations on the rate of return for investments were prepared using a time-weighted rate of return, based on the market rate of return consistent with Global Investment Performance Standards (GIPS).



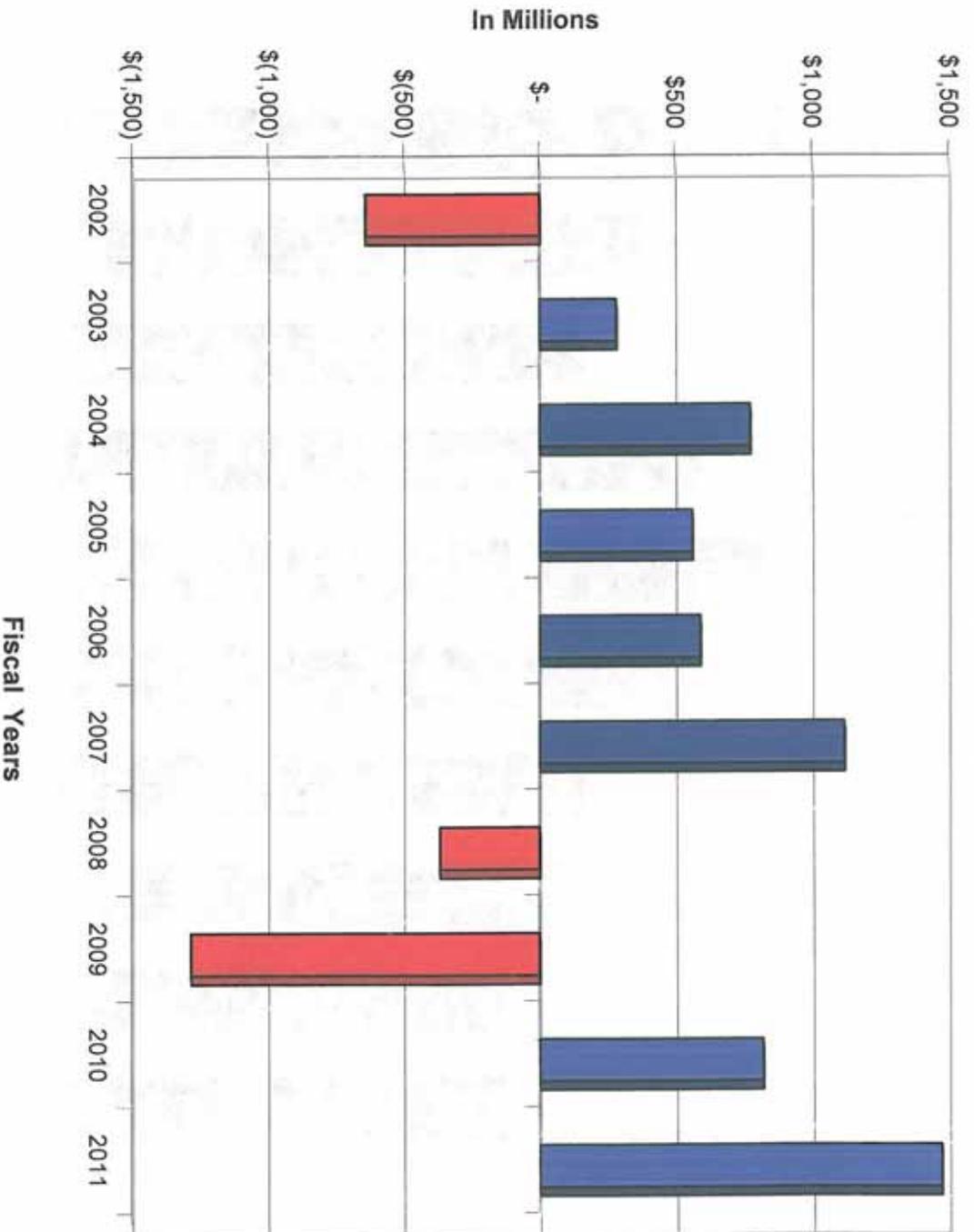
TOTAL INVESTMENTS

(At Market - Value)



INVESTMENT INCOME

Exhibit 3



Schedule of Portfolio Returns*
June 30, 2011

Schedule 1A

Asset Class			3 Mos	YTD	1 YR	3 YRS	5 YRS	10 YRS
			Apr-11	Jan-11	Jul-10	Jul-08	Jul-06	Jul-01
			Jun-11	Jun-11	Jun-11	Jun-11	Jun-11	Jun-11
3,028.71	38.04	U.S. Equities	-0.27	6.63	33.26	4.23	3.37	3.54
216.94	2.73	Total Small Cap Russell 2000	-0.38 -1.61	6.20 6.21	37.05 37.41	5.66 7.78	2.12 4.08	n/a n/a
54.66	0.69	Total Small/Mid Cap Russell 2500 Value	-4.47 -1.47	5.72 6.10	n/a n/a	n/a n/a	n/a n/a	n/a n/a
481.49	6.05	Total Mid Cap Russell Mid Cap	-0.29 0.42	6.49 8.08	34.95 38.47	5.34 6.46	3.29 5.30	n/a n/a
281.77	3.53	Total Large Cap Russell 1000	-0.96 0.12	7.08 6.37	34.60 31.93	4.49 3.68	3.77 3.30	n/a n/a
106.86	1.34	Total Emerging Managers Russell 3000	-0.01 -0.03	7.53 6.35	34.44 32.37	3.95 4.00	4.08 3.35	n/a n/a
0.02	-	Total US Activist Standard & Poors 500	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a
1,886.97	23.70	Total Russell 3000 Russell 3000	-0.05 -0.03	6.34 6.35	32.29 32.37	4.14 4.00	3.44 3.35	3.50 3.44
1,396.46	17.54	Total International Equity	0.59	3.62	30.22	0.02	4.59	7.77
885.82	11.13	Total Developed Markets MSCI EAFE(Net dividend) Benchmark International Equity Median Benchmark	1.88 1.56 1.83	5.42 4.98 5.32	31.28 30.36 32.32	-0.27 -1.77 0.72	2.71 1.47 3.83	6.03 5.66 7.78
22.79	0.28	Non US Activist MSCI Europe SMID Cap	-0.76 1.23	4.92 7.84	47.28 42.09	n/a n/a	n/a n/a	n/a n/a
379.63	4.77	Total Active Emerging Markets MSCI Emerging Markets Free-Benchmark	-1.73 -1.04	-0.65 1.03	26.55 28.17	2.57 4.54	11.05 11.75	n/a n/a
108.22	1.36	Total Passive Emerging Markets MSCI Emerging Markets Free-Benchmark	-1.16 -1.04	n/a n/a	n/a n/a	n/a n/a	n/a n/a	n/a n/a
325.41	4.09	Total Real Estate Equity Sec.(REITS)	3.84	10.53	35.48	5.08	2.18	n/a
		DJ US Select Real Estate Securities Index	4.02	10.95	35.23	4.64	1.60	n/a
496.70	6.23	Private Equity	n/a	n/a	n/a	n/a	n/a	n/a
180.55	2.28	Private Real Estate	n/a	n/a	n/a	n/a	n/a	n/a
2,515.45	31.60	Total Fixed Income	1.89	3.52	7.39	7.92	7.38	6.63
1,313.96	16.50	Total Structured Program NYC Core Plus Five Index	2.38 2.57	3.18 3.05	5.14 4.15	7.79 7.32	7.29 7.19	6.50 6.27
284.21	3.57	Enhanced Yield Citigroup BB & B	1.07 1.05	4.98 4.88	15.04 14.60	10.91 8.14	8.84 6.73	8.03 7.36
9.66	0.12	Total Core plus Fixed income Barclays Capital Aggregate bond index	2.51 2.29	3.62 2.72	5.97 3.90	n/a n/a	n/a n/a	n/a n/a
186.03	2.34	Total Tips Managers Barclays Capital US Tips index	3.38 3.66	5.40 5.81	7.20 7.74	5.39 5.30	7.00 6.92	n/a n/a
82.75	1.04	Total Convertible Bonds BofA ML All Conv. Ex mandatory index	-0.65 -0.60	4.27 5.03	21.26 22.79	7.96 7.61	n/a n/a	n/a n/a
75.93	0.96	Total Opportunistic Fixed NYC 10% Annual return	5.30 2.41	10.55 4.88	18.38 10.00	17.20 10.00	n/a n/a	n/a n/a
50.05	0.63	Total Targeted- ETI (with cash) Barclays Capital Aggregate	1.98 2.29	2.69 2.72	4.02 3.90	6.61 6.46	6.58 6.52	5.35 5.75
512.86	6.44	State Street Short Term	0.10	0.17	0.33	1.32	2.79	2.66
17.79	0.22	Securities Lending	n/a	n/a	n/a	n/a	n/a	n/a
0.02	-	Bank of New York -CD	n/a	n/a	n/a	n/a	n/a	n/a
7,961.09	100.00	Total Portfolio	1.04	5.88	23.15	4.70	5.19	5.78
		Policy Benchmark	1.07	5.53	24.36	4.99	5.19	5.56

*Calculations on the rate of return for Investments were prepared using a time weighted rate of return, based on the market rate of return-consistent with Global Investment Performance Standards (GIPS).

List of 50 Largest Bond Holdings by Market Value as of June 30, 2011

Schedule 2A

Cusip Number	Security Description	Interest Rate	Maturity Date	Par/Face Value	Market Value
S99993000	NYC CUSTOM STIF	-		127,370,592	127,380,345.34
S86253410	TIPS POSITION HELD AT BLACKROCK	-		1	70,834,364.82
S86253430	TIPS POSITION HELD AT PIMCO	-		1	67,755,216.94
9127953L3	U S TREASURY BILLS	-	29-Sep-11	50,100,000	50,097,495.00
S86924920	AFL-CIO HOUSING INV TRUST	-		32,671	37,359,426.21
02R050671	FHLMC TBA 30YR GOLD SFM 05.00% JUL	5.0%	01-Jul-35	34,515,000	36,639,202.25
01N040678	GNMA I TBA SFM 4.00% 30YR JULY	4.0%	15-Jul-39	31,240,000	31,861,190.98
01F060675	FNMA TBA 30YR 6.00% JUL	6.0%	01-Jul-39	27,130,000	29,823,142.71
01F052672	FNMA TBA 30YR 5.50% JUL	5.5%	01-Jul-39	24,630,000	26,658,595.83
9127953M1	U S TREASURY BILLS	-	06-Oct-11	25,000,000	24,997,750.00
02R042678	FHLMC TBA 30YR GOLD SFM 04.50% JUL	4.5%	01-Jul-34	22,570,000	23,337,342.19
01F040479	FNMA TBA 15YR SFM 04.00% JUL	4.0%	01-Jul-24	20,780,000	21,661,068.75
31417YVG9	FEDERAL NAT'L MTGE ASSN POOL # MA0614	4.0%	01-Dec-40	20,167,620	19,999,364.68
313588ME2	FEDERAL NAT'L MTGE ASSN DISCOUNT NT	-	26-Sep-11	20,000,000	19,998,600.00
02R040672	FHLMC TBA 30YR GOLD SFM 04.00% JULY	4.0%	01-Jul-40	17,865,000	17,858,362.67
02R042686	FHLMC TBA 30YR GOLD SFM 04.50% AUG	4.5%	01-Aug-31	15,000,000	15,447,656.25
31419BBT1	FEDERAL NAT'L MTGE ASSN POOL # AE0949	4.0%	01-Feb-41	15,112,385	15,021,076.19
01N050677	GNMA I TBA 30YR SFM 05.00% JUL	5.0%	01-Jul-39	13,800,000	14,978,263.89
912810EL8	U S TREASURY BONDS	8.0%	15-Nov-21	9,600,000	13,778,543.48
31416XJS0	FEDERAL NAT'L MTGE ASSN POOL # AB2072	3.5%	01-Jan-41	13,113,997	12,437,166.81
31417YV95	FEDERAL NAT'L MTGE ASSN POOL # MA0639	4.0%	01-Feb-41	12,073,200	11,979,345.65
S86885060	VANGUARD TOTAL BOND MKT INDEX FUND	-		1,059,429	11,325,294.82
3138A2BQ1	FEDERAL NAT'L MTGE ASSN POOL # AH0946	4.0%	01-Dec-40	11,235,468	11,109,002.33
312942NM3	FED'L HOME LOAN MTGE CORP GRP # A93996	4.5%	01-Sep-40	11,500,000	11,107,910.80
3138A36S1	FEDERAL NAT'L MTGE ASSN POOL # AH2680	3.5%	01-Jan-41	10,039,860	9,518,608.14
912810EQ7	U S TREASURY BONDS	6.3%	15-Aug-23	7,048,000	9,109,492.80
3620ARUW9	GOV'T NAT'L MTGE ASSN POOL # 737797	3.5%	15-Dec-40	9,086,206	8,758,846.84
31416CE93	FEDERAL NAT'L MTGE ASSN POOL # 995760	5.5%	01-Jan-38	13,090,440	8,057,598.07
912833LD0	U S TREAS SEC STRIPPED	-	15-May-21	11,300,000	8,014,073.00
912828JR2	UNITED STATES TREAS NTS	3.8%	15-Nov-18	7,165,000	7,796,026.22
31398AYN6	FEDERAL NAT'L MTG ASSN	3.0%	28-Jul-14	7,400,000	7,506,930.00
3620AQY49	GOV'T NAT'L MTG ASSN POOL# 0737031	4.5%	15-Feb-40	8,237,516	7,118,487.03
01N050685	GNMA I TBA 30YR SFM 05.00% AUG	5.0%	01-Aug-34	6,500,000	7,021,015.63
01F042475	FNMA TBA 15YR SFM 04.50% JUL	4.5%	01-Jul-24	6,350,000	6,741,575.00
912828LD0	UNITED STATES TREAS NTS	3.3%	31-Jul-16	6,200,000	6,732,125.04
01F042673	FNMA TBA 30YR SFM 04.50% JUL	4.5%	01-Jul-39	6,375,000	6,554,836.72
01F042483	FNMA TBA 15YR SFM 04.50% AUG	4.5%	01-Aug-19	6,000,000	6,347,812.50
912810FB9	U S TREASURY BOND	6.1%	15-Nov-27	4,950,000	6,297,378.57
3138ABBW8	FEDERAL NAT'L MTGE ASSN POOL # AH9052	4.0%	01-Apr-41	6,064,813	6,053,452.00
36202FKN5	GOV'T NAT'L MTGE ASSN II POOL # 4801	4.5%	20-Sep-40	5,700,000	5,750,290.59
312942FZ3	FED'L HOME LOAN MTGE CORP GRP # A93784	4.5%	01-Sep-40	5,924,749	5,738,108.21
31418M2S0	FEDERAL NAT'L MTGE ASSN POOL # AD0784	6.0%	01-Mar-40	8,742,412	5,708,462.78
01N052673	GNMA I TBA 30YR SFM 05.50% JUL	5.5%	01-Jul-39	5,000,000	5,501,562.50
912828KQ2	UNITED STATES TREAS NTS	3.1%	15-May-19	5,180,000	5,369,024.21
912810EE4	U S TREASURY BONDS	8.5%	15-Feb-20	3,645,000	5,353,807.72
31419DTT8	FEDERAL NAT'L MTGE ASSN POOL # AE3261	4.0%	01-Oct-40	5,386,956	5,322,630.60
912828LJ7	UNITED STATES TREAS NTS	3.6%	15-Aug-19	4,920,000	5,309,110.65
912828HZ6	UNITED STATES TREAS NTS	3.9%	15-May-18	4,790,000	5,270,624.00
912810QK7	U S TREASURY BONDS	3.9%	15-Aug-40	5,660,000	5,264,835.84
912828MK3	UNITED STATES TREAS NTS	3.1%	31-Jan-17	4,900,000	5,259,403.83

A Complete listing of the portfolio holdings is available from our office upon request

List of 50 Largest Stock Holdings by Market Value as of June 30, 2011

			Schedule 3A	
Cusip Number	Security Description	Number of Shares	Market Value	
S86749770	GRP TR EAFE SSGA	1,000	161,681,238.99	
S86792830	GR TR EAFE POS HELD AT PIA	1,001	156,740,148.15	
30231G102	EXXON MOBIL CORP	650,628	52,948,106.64	
828806109	SIMON PPTY GROUP INC NEW	360,897	41,947,058.31	
037833100	APPLE INC COM	120,435	40,426,416.45	
S86968860	COINVESTMENTSLLC	2	40,253,891.32	
S99993000	NYC CUSTOM STIF	33,474,012	33,476,504.38	
166764100	CHEVRON CORPORATION	295,715	30,411,330.60	
29476L107	EQUITY RESIDENTIAL	490,529	29,597,230.10	
459200101	INTERNATIONAL BUSINESS MACHINES CORP	160,091	27,463,611.05	
594918104	MICROSOFT CORP COM	1,031,972	26,831,272.00	
369604103	GENERAL ELECTRIC CO	1,399,814	26,614,273.84	
00206R102	AT&T INC	822,292	25,828,191.72	
46625H100	JPMORGAN CHASE & CO	606,836	24,843,865.84	
478160104	JOHNSON & JOHNSON COM	362,473	24,111,703.96	
742718109	PROCTER & GAMBLE CO COM	365,354	23,225,553.78	
717081103	PFIZER INC COM	1,126,487	23,205,632.20	
929042109	VORNADO RLTY TR COM	221,043	20,596,786.74	
949746101	WELLS FARGO & CO NEW	713,497	20,020,725.82	
101121101	BOSTON PPTYS INC	178,754	19,065,751.64	
084670702	BERKSHIRE HATHAWAY INC DEL	235,308	18,210,486.12	
68389X105	ORACLE CORPORATION	533,818	17,567,950.38	
191216100	COCA-COLA CO	257,874	17,492,000.08	
40414L109	HCP INC	473,070	17,356,938.30	
38259P508	GOOGLE INC CL A	33,932	17,182,486.16	
458140100	INTEL CORPORATION	764,101	16,932,478.16	
20825C104	CONOCOPHILLIPS	223,893	16,834,514.67	
74460D109	PUBLIC STORAGE	146,820	16,738,948.20	
172967424	CITIGROUP INC	401,859	16,733,408.76	
92343V104	VERIZON COMMUNICATIONS INC	422,432	15,727,143.36	
060505104	BANK OF AMER CORP	1,424,677	15,614,459.92	
718172109	PHILIP MORRIS INTL INC	231,382	15,611,763.98	
S86927510	ING CLARION DEBT OPPORTUNITY FUNDIII,LLC	1	14,837,344.00	
806857108	SCHLUMBERGER LIMITED COM	170,367	14,766,229.80	
053484101	AVALONBAY CMNTYS INC	113,319	14,650,850.56	
713448108	PEPSICO INC COM	207,346	14,603,378.78	
58933Y105	MERCK & CO INC NEW	403,633	14,412,557.69	
85590A401	STARWOOD HOTELS & RESORTS	252,035	14,124,041.40	
44107P104	HOST HOTELS & RESORTS INC	782,013	13,280,384.13	
931142103	WAL MART STORES INC	244,816	13,009,522.24	
17275R102	CISCO SYS INC	819,333	12,789,788.13	
758849103	REGENCY CTRS CORP	288,979	12,706,406.63	
747525103	QUALCOMM INC	218,292	12,396,802.68	
74340W103	PROLOGIS INC	336,307	12,053,242.88	
674599105	OCCIDENTAL PETROLEUM CORP. COMMON	111,663	11,672,453.84	
580135101	MC DONALDS CORPORATION COMMON	138,199	11,652,939.68	
913017109	UNITED TECHNOLOGIES CORP	119,497	10,576,679.47	
002824100	ABBOTT LABORATORIES	197,323	10,383,136.26	
428236103	HEWLETT PACKARD COMPANY	275,051	10,048,236.56	

A Complete listing of the portfolio holdings is available from our office upon request

List of 50 Largest Alternative Investment Holdings by Market Value as of June 30, 2011

Schedule 4A

Cusip Number	Security Description	Book Value	Market Value
S86284580	PIMCO - DISTRESSED SENIOR CREDIT	34,023,355.00	42,319,924.00
S86274850	ALDUS/NEW YORK FIRE FUND, LP	36,840,087.52	29,395,392.23
S86823560	APOLLO INVESTMENT FUND VI, L.P.	16,699,050.87	22,579,426.00
S86725760	JPMCB STRATEGIC PROPERTY FUND	19,009,351.45	17,957,751.54
S86532640	PEGASUS IV LP	7,088,542.00	17,456,237.00
S86237790	APOLLO INVESTMENT FUND VII, LP	10,427,427.67	15,111,963.91
S86262200	YUCAIPA AMERICAN ALLIANCE FUND II LP	9,562,373.00	13,105,818.00
S86921110	BLACKSTONE CAPITAL PARTNERS IV LP	6,171,299.46	11,340,339.46
S86926040	THE CITY INVESTMENT FUND, L.P.	21,739,265.00	10,675,242.00
S86626400	LASALLE PROPERTY FUND, LP	9,547,741.43	9,885,699.47
S86614090	AG REALTY FUND VII (TE), LP	9,041,233.60	9,740,497.42
S86973640	AVENUE SPECIAL SITUATION FUND VI, LP	9,484,874.00	9,484,874.00
S86805810	ARA ASIA DRAGON LIMITED	7,756,906.00	9,336,018.91
S86453090	APOLLO EUROPEAN REAL ESTATE FUND I	9,195,260.00	9,176,740.75
S86911740	COLONY INVESTORS VIII, LP	19,510,217.00	8,894,900.00
S86921260	SCP PRIVATE EQUITY PARTNERS II LP	8,997,447.27	8,610,912.00
S86271380	BLACKSTONE CAPITAL PARTNERS V	8,271,453.06	8,147,646.06
S86795610	CVC EUROPEAN EQUITY PARTNERS V (A)	6,464,286.30	7,428,138.32
S86721370	VISTA EQUITY PARTNERS FUND III, LP	4,565,386.00	7,327,440.00
S86793410	UBS TRUMBULL PRPTY FD - FRMLY (RESA)	8,477,841.43	7,250,258.25
S86336990	AVENUE EUROPE SPECIAL SITUATIONS FD	3,560,555.73	7,170,894.33
S86921180	FS EQUITY PARTNERS V LP	5,747,051.00	6,941,748.00
S86921170	FDG CAPITAL PARTNERS ,LP	15,727,931.54	6,847,554.87
S86519440	AVISTA CAPITAL PARTNERS II, LP	7,044,090.00	6,807,654.00
S86819370	ARES CORPORATE OPPORTUNITIES FUND III,LP	4,359,437.75	6,758,541.78
S86806110	AEA INVESTORS 2006 FUND, LP	5,781,732.05	6,551,894.97
S86588990	CARLYLE PARTNERS V, LP	5,448,444.00	6,484,647.00
S99993000	NYC CUSTOM STIF	6,282,682.79	6,282,969.02
S86226890	RIVERSTONE/CARLYLE GLOBAL ENERGY AND	4,652,361.00	6,265,132.00
S86285430	PALLADIUM EQUITY PARTNERS III, L.P.	4,475,655.21	6,223,375.69
S86762200	RREEF AMERICA REIT II, INC.	8,484,624.62	6,205,524.17
S86921090	APOLLO INVESTMENT FUND V, L.P	6,120,358.92	5,927,230.00
S86763090	PRISA REAL ESTATE SEPARATE ACCOUNT	8,358,888.31	5,745,013.88
S86272160	CD&R FUND VII, LP	4,373,658.00	5,696,115.00
S86589100	NEW MOUNTAIN PARTNERS III, LP	5,683,594.00	5,451,630.00
S86834510	MIDOCEAN PARTNERS III, L.P.	6,835,176.00	5,435,295.00
S86814590	GI PARTNERS FUND III, LP	4,690,635.50	5,417,677.00
S86921150	CVC EUROPEAN EQUITY PARTNERS III,LP	2,100,750.49	5,378,826.37
S86827550	AVISTA CAPITAL PARTNERS, LP	4,047,529.00	5,327,837.00
S86768860	GSO CAPITAL OPPORTUNITIES FUND, LP	4,650,481.00	5,043,432.00
S86436590	PERSEUS PARTNERS VII	4,416,160.00	4,952,650.00
S86738740	SNOW, PHIPPS & GUGGENHEIM	4,506,209.96	4,778,139.00
S86255730	AURORA EQUITY PARTNERS III, L.P.	3,716,729.00	4,710,336.00
S86241960	CARLYLE PARTNERS IV, L.P.	3,750,234.00	4,672,077.00
S86847420	USPF II INST. FUND, L.P.	4,349,609.29	4,486,505.76
S86728270	CATTERTON PARTNERS VI, LP	3,570,636.00	4,485,909.00
S86538530	CLAYTON, DUBILIER & RICE FUND	3,867,480.00	4,411,906.00
S86921230	PRISM VENTURE PARTNERS IV LP	9,863,874.87	4,371,826.63
S86271830	ARES CORPORATE OPPORTUNITIES FUND II LP	3,401,047.95	4,359,689.42
S86532690	NEWSPRING VENTURES II LP	2,991,385.40	4,196,531.40
S86644070	FS EQUITY PARTNERS VI, LP	4,358,207.00	4,133,611.00

A Complete listing of the portfolio holdings is available from our office upon request

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

<u>Emerging Markets</u>			
<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Commissions Paid</u>	<u>Average cost Per Share</u>
ABN AMRO ASIA EQUITIES INDIA LTD	4,441	2,377.65	0.54
ABN AMRO ASIA SECURITIES PT,JAKARTA	61	17.62	0.29
ABN AMRO HG KG(SECS TRADING)	124,220	730.07	0.01
ABN AMRO HOARE GOVETT ASIA, SEOUL	7	474.93	66.15
ABN AMRO SECURITIES LLC (DTC 425)	3,380	58.37	0.02
AGORA COR DE TITUL E VAL MOB	60,431	1,708.63	0.03
BANCO PACTUAL SA, RIO DE JANEIRO	91,796	4,843.77	0.05
BANCO SANTANDER CENTRAL HISPANO SA	11,590	139.30	0.01
BARCLAYS BANK PLC, NY	1,320	88.03	0.07
BARCLAYS CAPITAL INC/LE	1,016	23.76	0.02
BARCLAYS CAPITAL SECS, LONDON	108,150	1,095.33	0.01
BNP PARIBAS PEREGRINE SECS HK	126,280	6,125.56	0.05
BNP PARIBAS PEREGRINE SECS KOREA	3	892.97	270.60
BROCKHOUSE AND COOPER MONTREAL CANA	1,731	447.11	0.26
CANACCORD CAPITAL EUROPE LTD, LDN	757,135	2,373.01	0.00
CGMI PROP CASH AND SECS,NY	4,114	133.89	0.03
CHINA INTL CAP CORP HK SEC LTD	194,329	4,450.42	0.02
CHINA INTL CAP CORP LIMITED	6,200	7.75	0.00
CITIGROUP GLOBAL MARKETS INC	449,549	12,397.78	0.03
CITIGROUP GLOBAL MARKETS INDIA PRV	1,432	213.43	0.15
CITIGROUP GLOBAL MARKETS LTD, LDN	133,851	4,446.22	0.03
CITIGROUP GLOBAL MARKETS UK EQ LTD	209,978	2,032.72	0.01
CLSA LTD, HONG KONG	428,933	7,151.41	0.02
CLSA SINGAPORE PTE LTD	3,686	3,982.24	1.08
CREDIT LYON SECS ASIA LTD, TAIPEI	68,809	2,633.29	0.04
CREDIT LYONNAIS SECURITIES INDIA	4,425	6,048.96	1.37
CREDIT SUISSE 1ST BOSTON CORP,NY	2,614,641	39,163.54	0.01
CREDIT SUISSE FIRST BOSTON HK	24,305	89.43	0.00
CREDIT SUISSE FIRST BOSTON, TAIPEI	1,126	6.46	0.01
CREDIT SUISSE SECS (MALAYSIA)	56,635	135.02	0.00
CS FIRST BOSTON INDIA SEC PTE LTD	18,395	8,051.67	0.44
CSFB EUR, LONDON	911	100.38	0.11
DAEWOO SECURITIES CO., LTD.	12	810.41	68.27
DAIWA SECURITIES AMERICA	34,011	1,027.77	0.03
DAIWA SECURITIES SMBC HK LTD	49,765	1,289.88	0.03
DEUTSCHE BANC/ALEX BROWN	275,986	7,869.36	0.03
DEUTSCHE BANK AG	27,757	1,092.59	0.04
DEUTSCHE BANK AG, LONDON	668,973	23,917.68	0.04
DEUTSCHE BANK SECURITIES INC	309,126	9,927.28	0.03
DEUTSCHE EQUITIES INDIA PRIVATE LIM	7,341	1,503.45	0.20
DEUTSCHE SECURITIES ASIA LTD TAIPEI	6,693	1,567.63	0.23
DEUTSCHE SECURITIES ASIA LTD, HK	2,485	1.11	0.00

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

<u>Emerging Markets</u>			
<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Commissions Paid</u>	<u>Average cost Per Share</u>
DEUTSCHE SECURITIES KOREA CO, SEOUL	1	61.89	84.78
DSP MERRILL LYNCH LTD	11,154	4,923.87	0.44
FATOR - DORIA ATHERINO S/A CV	57,409	1,478.27	0.03
GOLDMAN SACHS AND CO NY	149,635	2,437.04	0.02
GOLDMAN SACHS CO, NY	587,193	13,352.92	0.02
GOLDMAN SACHS EXECUTION AND CLEAR	343,989	3,249.29	0.01
GOLDMAN SACHS INTL LONDON	15,075	494.62	0.03
G-TRADE SERVICES LTD	1,073,291	16,524.76	0.02
HSBC BANK PLC (JC HIB SETTLEMENT)	27,031	1,060.98	0.04
HSBC LTD SEOUL SECURITIES BRANCH	1	103.47	86.23
HSBC MEXICO S A INSTITUCION	20,285	740.33	0.04
HSBC SEC INC NY USA	62,519	3,152.40	0.05
HSBC SECS BROKERS(ASIA) LTD	156,823	380.46	0.00
HSBC SECURITIES INDIA HLDGS, MUMBAI	1,258	542.66	0.43
HSBC SECURITIES USA INC	17,019	612.58	0.04
ICAP SECURITIES LTD LONDON	16,142	20.33	0.00
ING BANK NV LONDON	8,337	642.81	0.08
INSTINET CLEARING SERVICES INC	273,240	3,593.56	0.01
INSTINET EUR LTD, LONDON	6,761	99.47	0.01
INSTINET EUROPE LTD, LONDON	39,702	565.37	0.01
INSTINET PACIFIC LTD	387,014	1,222.77	0.00
INVESTEC SECURITIES, LONDON (331)	2,850	2,214.31	0.78
ITG HOENIG LIMITED, HONG KONG	148,369	2,371.56	0.02
ITG INC	11,750	46.72	0.00
J P MORGAN CLEARING CORP	56,866	1,352.92	0.02
J.P. MORGAN CLEARING CORP.	579,056	538.27	0.00
J.P. MORGAN SECURITES SINGAP PV LTD	38,752	2,632.27	0.07
JEFFERIES + COMPANY, INC	31,636	340.99	0.01
JEFFERIES AND COMPANIES INC JERSEY	7,935	16.10	0.00
JEFFRIES INTERNATIONAL LTD LONDON	22,709	9.74	0.00
JP MORGAN CHASE BANK	81,431	4,324.37	0.05
JP MORGAN INDIA PRIVATE LTD, MUMBAI	268	2,211.48	8.27
JP MORGAN SEC LTD, LONDON	141,726	1,577.19	0.01
JP MORGAN SECS INC NEW YORK	11,633	680.53	0.06
JPMORGAN CHASE (GLOBAL SECS) LDN	14,575	151.58	0.01
JPMORGAN CHASE BANK NA	38,833	1,990.31	0.05
JPMORGAN SECURIT (ASIA PACIFIC), HK	95,375	2,946.75	0.03
KIM ENG SECS PTE LTD SINGAPORE	18,358	598.87	0.03
KOTAK SECURITIES MUMBAI	5,599	8,454.89	1.51
LARRAIN VIAL, SANTIAGO	288	115.13	0.40
LIQUIDNET ASIA LIMITED	4,753	52.24	0.01
MACQUARIE BANK LIMITED SYDNEY	4,996	3,444.79	0.69

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Emerging Markets

<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Commissions Paid</u>	<u>Average cost Per Share</u>
MACQUARIE SECURITIES LTD - SEOUL	30	6,350.34	210.00
MACQUARIE SECURITIES LTD, HONG KONG	133,500	3,835.88	0.03
MACQUARIE SECURITIES, MUMBAI	8,690	5,727.55	0.66
MERRILL LYNCH AND CO INC NEW YORK	75,321	7,001.44	0.09
MERRILL LYNCH INTERNATIONAL, SEOUL	7	707.89	94.64
MERRILL LYNCH INTL LTD EQUIT SETTL	3,073,161	17,963.43	0.01
MERRILL LYNCH P F AND SMITH, TAIPEI	27,451	652.18	0.02
MERRILL LYNCH PIERCE FENNER	1,044,129	14,309.10	0.01
MERRILL LYNCH,PIERCE, FENNER, SMITH	980,916	20,085.86	0.02
MIRAE ASSET SECURITIES CO LTD	1	822.28	847.71
MORGAN STANLEY	256,877	2,944.68	0.01
MORGAN STANLEY AND CO	386,669	4,151.73	0.01
MORGAN STANLEY AND CO INTL LTD,LDN	261,546	1,239.71	0.00
MORGAN STANLEY AND CO INTL, SEOUL	36	2,432.52	67.74
MORGAN STANLEY CO INC NEW YORK	876,937	19,353.40	0.02
MORGAN STANLEY CO INTL LTD TAIPEI	65,157	3,453.52	0.05
MORGAN STANLEY DW ASIA, HONG KONG	5,492	19.94	0.00
MORGAN STANLEY HK SECS LTD HONGKONG	14,590	12.27	0.00
MORGAN STANLEY INDIA COMPANY PVT	6,275	2,394.09	0.38
MORGAN STANLEY SECURITIES, LONDON	60,620	261.21	0.00
MOTILAL OSWAL SECURITIES LTD	1,085	442.68	0.41
NESBITT BURNS INC TORONTO	8,157	1,296.95	0.16
NOMURA INTERNATIONAL (HK) LTD	224,244	4,384.35	0.02
NOMURA SECURITIES INTERNATIONAL INC	59,364	421.87	0.01
NOMURA SECURITIES INTL INC NY	168,715	2,337.87	0.01
ORIEL SECURITIES LTD, LONDON	77,037	245.97	0.00
PATRIA FINANCE AS PRAGUE	2,804	289.89	0.10
PEREIRE-TOD LTD LONDON	169,241	282.21	0.00
PERSHING AND COMPANY	15,169	373.98	0.02
PERSHING, JERSEY CITY	65,285	714.84	0.01
RBS SECURITIES INC	3,039	85.21	0.03
RENAISSANCE SECURITIES (CYPRUS) LTD	33,300	2,058.33	0.06
ROYAL BANK OF CANADA EUROPE LTD,LDN	206,741	575.21	0.00
SAMSUNG SECURITIES CO LTD SEOUL	73	5,664.56	77.10
SANFORD C BERNSTEIN AND CO INC	178,633	1,527.04	0.01
SG AMERICAS SECURITIES LLC	7,616	186.31	0.02
SG COWEN SECURITIES CORP, NEW YORK	146	71.94	0.49
SG SECURITIES (HK) LIMITED	44,841	576.74	0.01
SINOPAC SEC CO SP ASSETS MGT, TAIW	58,762	3,459.10	0.06
STANDARD BANK OF SOUTH AFRICA	2,198	1,373.68	0.63
STATE STREET BANK AND TRUST CO	192	24.72	0.13
THE ROYAL BANK OF SCOTLAND N.V.	97,434	2,127.30	0.02

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Emerging Markets

<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Commissions Paid</u>	<u>Average cost Per Share</u>
UBS AG	37,689	3,589.09	0.10
UBS AG LONDON EQUITIES	1,109,494	25,375.41	0.02
UBS SECURITIES ASIA LTD	275,292	3,500.86	0.01
UBS SECURITIES LLC	139,003	2,079.00	0.01
UOB KAY HIAN (HONG KONG) LTD	88,562	1,472.64	0.02
WINTERFLOOD SECURITIES LTD	871,820	956.43	0.00
Total	22,690,008	431,991.94	0.02

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Equity Securities

Brokerage Firm	Number of Shares Traded	Commissions Paid	Average cost Per Share
ABEL NOSER CORPORATION	201,316	2,059.79	0.01
ADJUSTMENT REORGANIZATION	27	0.00	0.00
AMERICAN PORTFOLIOS FINANCIAL	1,064	52.54	0.05
AMERICAN TECHNOLOGY RESEARCH	29,930	1,175.70	0.04
AQUA SECURITIES L.P.	3,000	60.00	0.02
AURIGA USA LLC	5,200	260.00	0.05
AVIAN SECURITIES INC	23,800	476.00	0.02
AVONDALE PARTNERS, LLC	58,946	2,282.31	0.04
BAIRD ROBERT W & CO INC	424,510	16,893.57	0.04
BANK OF NY CUST CLEARANCE	10,700	0.00	0.00
BARCLAYS CAPITAL INC/LE	99,693	3,570.89	0.04
BARCLAYS CAPITAL LE	1,411,398	31,705.15	0.02
BARCLAYS GLOBAL INVESTORS	12,446,304	120,665.85	0.01
BARRINGTON RESEARCH ASSOCS INC	520	10.40	0.02
BAYPOINT TRADING LLC	212,324	8,971.48	0.04
BLAIR WILLIAM & COMPANY LLC	200,218	8,259.45	0.04
BLAYLOCK & CO INC	40,443	1,312.29	0.03
BLEY INVESTMENT GROUP	14,450	433.50	0.03
BLOOMBERG TRADEBOOK LLC	61,600	879.00	0.01
BLUEFIN RESEARCH PARTNER INC.	7,160	358.00	0.05
BMO NESBITT BURNS CORP	83,890	3,983.50	0.05
BNP PARIBAS BROKERAGE SEC INC	5,700	228.00	0.04
BNP PARIBAS SECURITIES CORP IB	8,890	130.90	0.01
BNP SECURITIES (U.S.A.) INC	62,675	1,231.70	0.02
BNY BROKERAGE INC	208,926	9,036.38	0.04
BNY CONVERGEX EXEC SOLUTIONS	1,683,694	69,739.07	0.04
BNY/MELLON TR OF NEW ENGLAND	87,500	0.00	0.00
BOE SECS INC/BROADCORT CAP	163,827	6,298.20	0.04
BREAN MURRAY CARRET & CO. LLC	7,295	306.95	0.04
BROADCORT CAPITAL CORP-SUB OF	380,775	9,053.72	0.02
BROWN BROTHERS HARRIMAN & CO.	200	0.00	0.00
BUCKINGHAM RESEARCH GROUP INC	31,625	1,575.93	0.05
CABRERA CAPITAL MARKETS	792,403	26,147.66	0.03
CALYON SECS USA INC	2,380	83.30	0.04
CANACCORO ADAMS INC	7,956	391.64	0.05
CANTOR FITZGERALD & CO . INC	178,971	5,825.88	0.03
CANTOR FITZGERALD/CASTLEOAK	118,475	3,651.51	0.03
CAP INSTL SVCS INC-EQUITIES	46,792	1,932.99	0.04
CARIS AND COMPANY INC.	52,271	2,083.64	0.04
CASH ELECTION	6,522	0.00	0.00
CASH MERGER	641,994	0.00	0.00
CHARLES SCHWAB & CO.	6,090	53.70	0.01
CHEEVERS & CO INC	653,438	20,318.49	0.03
CITATION GROUP/BCC CLRG	901,905	35,424.20	0.04
CITIGROUP GLOBAL MARKETS INC	7,314,732	77,485.24	0.01
CJS SECURITIES INC.	12,760	638.00	0.05

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Equity Securities

Brokerage Firm	Number of Shares Traded	Commissions Paid	Average cost Per Share
CLEARVIEW CORRESPONDENT SVCS	97,130	4,441.80	0.05
COLLINS STEWART LLC	29,620	1,090.90	0.04
COWEN & CO LLC	205,522	7,460.91	0.04
CRAIG - HALLUM	174,187	5,461.11	0.03
CREDIT RESEARCH TRADING L.L.C	17,900	836.00	0.05
CREDIT SUISSE FIRST BOSTON	3,667,076	35,755.39	0.01
CROWELL WEEDON & CO	5,200	208.00	0.04
CSI US INSTITUTIONAL DESK	35,639	1,453.76	0.04
CUTTONE & CO. INC	6,150	138.38	0.02
DAHLMAN ROSE & COMPANY, LLC	17,550	742.00	0.04
DAIWA SEC AMERICA INC	2,100	63.00	0.03
DAVENPORT & COMPANY LLC	21,200	1,060.00	0.05
DAVIDSON D.A & CO INC NSCC	68,575	2,825.75	0.04
DEUTSCHE BANC/ALEX BROWN	11,926,108	60,859.67	0.01
DIRECT ACCESS PARTNERS LLC	45,985	1,763.86	0.04
DIVIDEND REINVESTMENT	5,679	0.00	0.00
DIVINE CAPITAL MARKETS LLC - E	39,151	1,288.78	0.03
DOUGHERTY COMPANY	4,400	176.00	0.04
DOWLING & PARTNERS	95,600	4,259.00	0.04
FIDELITY CAPITAL MARKETS	20,084	431.30	0.02
FIG PARTNERS LLC	10,190	462.50	0.05
FIRST ANALYSIS SECS CORP	28,750	1,405.25	0.05
FIRST CLEARING, LLC	28,390	1,419.50	0.05
FRED, ALBERT & CO LLC	3,600	180.00	0.05
FRIEDMAN, BILLINGS & RAMSEY	423,122	15,182.10	0.04
GARDNER RICH & COMPANY	153,742	4,033.57	0.03
GLEACHER & COMPAY SEC, INC	490	9.80	0.02
GLEACHER NATWEST INC	595	29.75	0.05
GLOBAL HUNTER SECURITIES, LLC	7,495	294.50	0.04
GOLDMAN SACHS & CO	1,210,257	26,213.67	0.02
GOLDMAN SACHS EXECUTION & CL	1,271,116	7,709.50	0.01
GREEN STREET ADVISORS	249,206	10,190.39	0.04
GREENTREE BROKERAGE SERVICES	5,687	143.07	0.03
GUGGENHEIM CAPITAL MARKETS LLC	18,220	742.55	0.04
GUZMAN & COMPANY	700,388	17,079.91	0.02
HEFLIN & CO LLC	10,225	409.00	0.04
HEIGHT SECURITIES, LLC	18,055	666.80	0.04
HIBERNIA SOUTHCOAST CAPITAL	24,850	1,242.50	0.05
HOWARD WEIL INCORPORATED	93,505	4,009.97	0.04
HUDSON SECURITIES, INC	5,275	226.75	0.04
INSTINET CLEARING SERVICES INC	15,713	130.08	0.01
INSTINET CORPORATION	873,078	16,730.59	0.02
INVESTMENT TECHNOLOGY GROUP	1,993,193	36,096.50	0.02
ISI GROUP, INC.	321,155	12,970.50	0.04
ISLAND TRADER SECURITIES INC	52,904	2,472.16	0.05
ITG INC	123,412	1,894.47	0.02

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Equity Securities

Brokerage Firm	Number of Shares Traded	Commissions Paid	Average cost Per Share
IVY SECURITIES, INC	712,872	27,448.88	0.04
J.P MORGAN SECURITIES INC.	1,036,134	30,863.90	0.03
J.P. MORGAN CLEARING CORP.	714,669	14,974.31	0.02
JANNEY MONTGOMERY SCOTT INC.	87,534	4,219.03	0.05
JEFFERIES & COMPANY	794	39.70	0.05
JEFFERIES & COMPANY, INC.	1,310,525	49,254.22	0.04
JMP SECURITIES	152,505	6,607.38	0.04
JNK SECURITIES INC	24,550	732.50	0.03
JOHNSON RICE & CO	59,573	2,236.00	0.04
JONESTRADING INST SVCS LLC	284,708	11,044.76	0.04
JPMORGAN CHASE BANK	60,000	0.00	0.00
KAUFMAN BROTHERS	51,055	2,517.50	0.05
KEEFE BRUYETTE & WOODS INC.	251,616	10,639.13	0.04
KELLOGG PARTNERS	5,920	236.80	0.04
KELLY & CHRISTENSEN INC.	50,400	1,008.00	0.02
KEYBANC CAPITAL MARKETS INC.	162,891	5,085.75	0.03
KING, CL, & ASSOCIATES	25,802	1,168.96	0.05
KNIGHT CLEARING SERVICES LLC	361,114	9,661.24	0.03
KNIGHT EQUITY MARKETS L.P.	408,294	15,102.99	0.04
KNIGHT SECURITIES	104,761	3,414.84	0.03
LAZARD FRERES & COMPANY	61,150	2,519.00	0.04
LEERINK SWANN AND COMPANY	100,520	4,122.40	0.04
LIQUIDNET INC	2,000,450	60,886.95	0.03
LOGBOW SECURITIES LLC	44,650	2,225.50	0.05
LOOP CAPITAL MARKETS	579,391	17,709.48	0.03
LOOP CAPITAL MKTS,LLC	1,066,627	33,603.10	0.03
LYNCH JONES & RYAN INC	14,114,972	90,793.58	0.01
M. RAMSEY KING SECURITIES	3,016	96.53	0.03
MACQUARIE SECS USA INC	28,382	1,359.28	0.05
MADISON WILLIAMS AND COMPANY	15,600	780.00	0.05
MAXIM GROUP	37,070	1,853.50	0.05
MELVIN SECURITIES	228,173	5,734.62	0.03
MERGER	104,532	0.00	0.00
MERRILL LYNCH PIERCE FENNER	3,301,585	40,670.13	0.01
MERRILL LYNCH PROFESSIONAL	285,590	10,685.30	0.04
MIDWOOD SECURITIES	22,023	880.92	0.04
MILLER,TABAK, HIRSCH & CO	3,600	144.00	0.04
MISCHLER FINANCIAL GROUP, INC	4,922	154.61	0.03
MIZUHO SECURITIES USA INC	300	12.00	0.04
MKM PARTNERS LLC	66,232	2,072.73	0.03
MOGAVERO LEE & CO.,INC	6,480	163.20	0.03
MONNESS CRESPI HARDT & CO INC	112,610	5,630.50	0.05
MONTROSE SECURITIES EQUITIES	2,240,923	70,414.81	0.03
MORGAN JOSEPH & CO. INC	2,000	100.00	0.05
MORGAN KEEGAN & COMPANY, INC.	231,862	11,151.12	0.05
MORGAN STANLEY & CO	3,251,632	45,837.52	0.01

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Equity Securities

<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Commissions Paid</u>	<u>Average cost Per Share</u>
MORGAN STANLEY DW INC	42,030	1,198.24	0.03
MR BEAL & COMPANY	693,902	18,411.03	0.03
NATL FINANCIAL SERVICES CORP	862,331	23,070.42	0.03
NEEDHAM & CO	162,894	6,217.67	0.04
NOMURA SECURITIES INTL INC	69,006	1,469.51	0.02
NORTH SOUTH CAPITAL LLC	41,865	1,467.80	0.04
NORTHERN TRUST CO-TRUST	2,600	0.00	0.00
NORTHLAND SECURITIES INC.	118,632	3,870.93	0.03
O'NEIL, WILLIAM & CO/BCC CLRG	23,508	852.26	0.04
OPPENHEIMER AND CO INC	267,271	11,144.19	0.04
PACIFIC AMERICAN SECS LLC	50,704	1,894.82	0.04
PACIFIC CREST SECS	272,877	10,786.93	0.04
PENSERRA SECURITIES LLC	246,368	6,662.88	0.03
PENSON FINANCIAL SERVICES INC	2,950	81.50	0.03
PENSON FINANCIL SER INC./RIDGE	59,760	963.65	0.02
PERSHING & COMPANY	271,717	6,035.65	0.02
PIPELINE TRADING SYSTEMS LLC	75,772	814.72	0.01
PIPER JAFFRAY & CO	438,359	14,182.81	0.03
PODESTA & CO	4,785	155.25	0.03
PORTALES PARTNERS LLC	6,780	339.00	0.05
PULSE TRADING LLC	149,455	2,187.75	0.01
PURCHASE OFFER	347,062	0.00	0.00
RAYMOND, JAMES & ASSOC., INC.	325,599	11,281.67	0.03
RBC CAPITAL MARKETS CORP	753,683	19,970.69	0.03
ROCHDALE SECURITIES CORP	1,770	35.40	0.02
RODMAN & RENSHAW LLC	7,675	200.00	0.03
ROSENBLATT SECURITIES LLC	16,500	336.25	0.02
ROTH CAPITAL PARTNERS, LLC	113,149	4,152.12	0.04
SAMUEL A RAMIREZ & COMPANY INC	380	7.60	0.02
SAMUELS CHASE & CO., INC	6,887	344.35	0.05
SANDLER O'NEILL & PARTNERS LP	29,040	1,452.00	0.05
SANFORD C BERNSTEIN & CO.,LLC	627,317	14,666.30	0.02
SESLIA SECURITIES	13,500	202.50	0.02
SG AMERICAS SECURITIES LLC	681,375	6,852.00	0.01
SIDOTI & COMPANY, LLC	151,222	6,144.37	0.04
SIMMONS & CO	36,800	1,840.00	0.05
SMF TRADING INC	6,900	207.00	0.03
SOURCE CAPITAL GROUP, INC.	45,000	2,250.00	0.05
STATE ST GLOBAL MARKETS LLC	20,700	621.00	0.03
STATE STREET BANK & TRUST CO.	2,012,021	0.00	0.00
STATE STREET GLOBAL MKTS LLC	921,863	4,632.82	0.01
STEPHEN M. FERRETTI INC.	69,900	2,097.00	0.03
STEPHENS, INC.	275,813	11,368.62	0.04
STERNE AGEE & LEACH INC	170,331	7,722.83	0.05
STIFEL NICHOLAUS & CO, INC	776,130	30,884.49	0.04
STOCK ELECTION	60,594	0.00	0.00

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Equity Securities

Brokerage Firm	Number of Shares Traded	Commissions Paid	Average cost Per Share
STRATEGAS SECURITIES LLC	5,320	266.00	0.05
STUART FRANKEL & CO INC	40,795	1,630.38	0.04
SUMITOMO TR & BKNG CO USA	100	0.00	0.00
SUNTRUST BANK	1,100	0.00	0.00
SUNTRUST CAPITAL MARKETS, INC	47,591	2,318.67	0.05
THE BANK OF NEW YORK	59,000	0.00	0.00
THE BENCHMARK CO LLC	23,317	774.68	0.03
THE WILLIAMS CAPITAL GROUP LP	416,306	13,555.51	0.03
THINKEQUITY PARTNERS LLC	5,505	275.25	0.05
TUOHY BROTHERS INVESTMENT RESE	39,720	1,806.20	0.05
UBS SECURITIES LLC	1,673,318	44,070.47	0.03
VANDHAM SECURITIES CORP	12,798	259.67	0.02
W J BONFANTI INC	1,300	52.00	0.04
WEDBUSH MORGAN SECURITIES, INC.	155,843	6,053.73	0.04
WEDGE SECURITIES LLC	950	38.00	0.04
WEEDEN & CO	1,342,233	44,108.10	0.03
WELLS FARGO INVESTMENTS, LLC	1,112	47.40	0.04
WELLS FARGO SECS LLC	574,251	13,721.15	0.02
WESTMINSTER RESEARCH	142,625	5,683.62	0.04
WJB CAPITAL GROUP, INC.	7,105	301.50	0.04
WUNDERLICH SECURITIES INC.	46,510	1,916.40	0.04
YAMNER & COMPANY, INC.	32,400	324.00	0.01
Grand Total	102,585,743	1,749,442.93	0.02

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

Fixed Investments

<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Commissions Paid</u>	<u>Average cost Per Share</u>
BANK OF NEW YORK/BARCLAYS CAP-	150,000	0.00	0.00
BARCLAYS CAPITAL FIXED INCOME	215,000	0.00	0.00
BARCLAYS CAPITAL INC FIXED	33,137,399	0.00	0.00
BARCLAYS CAPITAL INC/LE	2,843,489	584.67	0.00
BARCLAYS CAPITAL LE	2,518,167	47.10	0.00
BNP PARIBAS BROKERAGE SEC INC	662,300	410.00	0.00
BNP PARIBAS SEC CORP/BONDS	4,834,000	0.00	0.00
BNP PARIBAS SECURITIES CORP IB	1,603,000	0.00	0.00
BNP SECURITIES (U.S.A.) INC	362,000	0.00	0.00
BNY CAPITAL MARKETS INC	9,873,000	0.00	0.00
BROADPOINT CAPITAL	605,000	0.00	0.00
BTIG LLC	15,000	0.00	0.00
CALYON SECS USA INC	875,000	0.00	0.00
CANTOR FITZGERALD & CO . INC	73,000	0.00	0.00
CANTOR FITZGERALD & CO.	4,299,650	0.00	0.00
CANTOR FITZGERALD/BGC FIN	525,000	0.00	0.00
CHAPDELAINE & CO	350,000	0.00	0.00
CIBC WORLD MARKETS CORP	100,000	0.00	0.00
CITADEL DERIVATIVES GROUP LLC	925,000	0.00	0.00
CITADEL SECURITIES	210,000	0.00	0.00
CITADEL SECURITIES LLC	570,000	0.00	0.00
CITIGROUP GLOBAL MARKETS INC	8,712,781	367.08	0.00
CITIGROUP GLOBAL MKTS/SALOMON	31,323,230	0.00	0.00
CLEARVIEW CORRESPONDENT SVCS	75,000	0.00	0.00
CONVERSION	75,000	0.00	0.00
CREDIT RESEARCH TRADING L.L.C	250,000	0.00	0.00
CREDIT SUISSE FIRST BOSTON	64,983,532	965.42	0.00
CRT CAPITAL GROUP LLC	80,000	0.00	0.00
CUSTODIAL TRUST COMPANY	20,046	0.00	0.00
DAIWA CPTL MKETS AMERICA, INC.	636,000	0.00	0.00
DEUTSCHE BANC/ALEX BROWN	46,166,907	3.00	0.00
EXCHANGE OFFER	1,850	0.00	0.00
FOR REDEMPTION	38,000	0.00	0.00
FRIEDMAN, BILLINGS & RAMSEY	400,900	27.00	0.00
GOLDMAN SACHS & CO	32,355,356	75.20	0.00
GREENWICH CAPITAL MARKETS INC	2,727,000	0.00	0.00
GREENWICH CAPITALMKT	2,910,000	0.00	0.00
GUGGENHEIM CAPITAL MARKETS LLC	50,000	0.00	0.00
HSBC SECURITIES INC.	300,000	0.00	0.00
IMPERIAL CAPITAL LLC	990,000	0.00	0.00
INSTINET CORPORATION	11,193	111.93	0.01
INVESTMENT TECHNOLOGY GROUP	44,311	553.89	0.01
J.P MORGAN SECURITIES INC.	4,452,000	0.00	0.00
J.P. MORGAN CLEARING CORP.	4,546,750	128.00	0.00
J.P. MORGAN SECURITIES LLC	92,354,000	0.00	0.00
JEFFERIES & CO. - BONDS DIRECT	195,000	0.00	0.00
JEFFERIES & COMPANY, INC.	18,206,725	609.02	0.00
JEFFERIES PARTNERS	2,295,000	0.00	0.00
KBC FINANCIAL PRODUCTS (INC)	308,324	0.00	0.00
KEEFE BRUYETTE & WOODS INC.	375,000	0.00	0.00
KEYBANC CAPITAL MARKETS INC.	40,000	0.00	0.00
LAZARD FRERES & COMPANY	283,339	78.00	0.00
LIBERTAS PARTNERS LLC	680,000	0.00	0.00
MCMAHAN SECURITIES CO LP	98,762	88.10	0.00
MERRILL LYNCH PIERCE FENNER	91,745,496	830.60	0.00
MF GLOBAL SECS INC/FIXED INC	2,160,000	0.00	0.00
MILLER TABAK ROBERTS SEC LLC	55,000	0.00	0.00
MILLER,TABAK, HIRSCH & CO	709,700	291.00	0.00
MORGAN STANLEY & CO	38,305,916	202.00	0.00

Schedule of Broker's Commissions

For Fiscal Year ended June 30, 2011

Schedule 5A

<u>Fixed Investments</u>			
<u>Brokerage Firm</u>	<u>Number of Shares Traded</u>	<u>Commissions Paid</u>	<u>Average cost Per Share</u>
NATL FINANCIAL SERVICES CORP	1	0.02	0.02
NOMURA FIX	512,000	0.00	0.00
NOMURA SECURITIES INTL INC	4,221,790	0.00	0.00
NOMURA SECURITIES/FIX INCOME	100,000	0.00	0.00
OPPENHEIMER AND CO INC	5,227,552	27.00	0.00
PENSON FINANCIL SER INC./RIDGE	550,000	0.00	0.00
PERSHING & COMPANY	10,543,347	0.00	0.00
PICKERING ENERGY PARTNERS INC	35,000	0.00	0.00
PIPER JAFFRAY & CO	25,000	0.00	0.00
PURCHASE OFFER	24,843,100	0.00	0.00
PUT OPTION - DTC	425,000	0.00	0.00
RAYMOND JAMES & ASSOC INC	25,000	0.00	0.00
RBC CAPITAL MARKETS CORP	10,737,000	0.00	0.00
RBS SECURITIES IMC	207,000	0.00	0.00
RECEIPTS FROM FISCAL AGENTS	1,800,000	0.00	0.00
REDEMPTION	297,000	0.00	0.00
SEAPORT GROUP SECURITIES LLC	70,000	0.00	0.00
SEAPORT SECURITIES CORPORATION	725,000	0.00	0.00
STERNE AGEE & LEACH INC	13,706,880	0.00	0.00
STIFEL NICHOLAUS & CO, INC	2,751,261	187.83	0.00
THE PRINCERIDGE GROUOP LLC	2,105,000	0.00	0.00
TORONTO DOMINION SECURITIES	280,000	0.00	0.00
UBS SECURITIES LLC	18,012,000	0.00	0.00
US BANCORP PIPER JAFFRAY INC	139,000	0.00	0.00
WELLS FARGO SECS LLC	21,734,262	11.00	0.00
Total	632,780,316	5,597.86	0.00

Investment Summary

Year ended June 30, 2011

(Dollar amount in thousands)

	<u>Market Value</u>	<u>Percent of total market value</u>
Type of Investment:		
Short Term Investments:		
Short Term Investments	\$ 677,023	7.46%
Commercial paper	97,418	1.07%
Total Short-Term	<u>774,441</u>	<u>8.54%</u>
Fixed Income:		
Corporate Bonds	810,742	8.94%
U.S. Govt Securities	1,028,655	11.34%
Yankee Bonds	6,634	0.08%
Total Fixed Income	<u>1,846,031</u>	<u>20.35%</u>
Domestic Equities:	<u>3,271,136</u>	<u>36.05%</u>
Private Equity	<u>576,310</u>	<u>6.35%</u>
Private Equity-real estate	<u>176,194</u>	<u>1.94%</u>
Mutual Funds:		
International Equity	1,383,278	15.26%
Domestic Equity	62,511	0.22%
Mortgage Debt	46,143	0.51%
Treasury Inflation -protected securities	186,028	2.61%
Total Mutual Funds	<u>1,677,960</u>	<u>18.49%</u>
Promissory Notes	<u>3,628</u>	<u>0.04%</u>
Collateral from securities lending	<u>746,949</u>	<u>8.23%</u>
Total Market Value	<u>\$ 9,072,649</u>	<u>100.00%</u>

New York City Fire Pension Fund

Comprehensive Annual Financial Report

A Pension Trust Fund of the City of New York



Actuarial Section

Part IV

Fiscal Year Ended June 30, 2011

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OFFICE OF THE ACTUARY

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ROBERT C. NORTH, JR.
CHIEF ACTUARY

December 9, 2011

Board of Trustees
New York City Fire Department
Pension Fund
9 Metrotech Center
Brooklyn, NY 11201-3857

Re: Actuarial Information for the Comprehensive Annual Financial Report (“CAFR”) for the Fiscal Year Ended June 30, 2011

Dear Members:

The financial objective of the New York City Fire Department Pension Fund (the “Plan”) is to fund members’ retirement benefits during their active service and to establish employer normal contribution rates that, expressed as a percentage of active member annualized covered payroll, would remain approximately level over the future working lifetimes of those active members and, together with member contributions and investment income, would ultimately be sufficient to accumulate assets to pay benefits when due.

An actuarial valuation of the Plan is performed annually as of the second June 30 preceding each fiscal year to determine the Employer Contributions to be paid for that fiscal year (i.e., June 30, 2009 (Lag) actuarial valuation to determine Fiscal Year 2011 Employer Contributions).

Under current law, the City of New York is required to contribute statutorily-required contributions (“Statutory Contributions”) and these contributions are generally funded by the City of New York within the appropriate fiscal year.

Statutory Contributions for Fiscal Year 2011 were equal to the Annual Required Contributions as defined under Governmental Accounting Standards Board (“GASB”) Statement Number 25 (“GASB 25”) as amended by GASB Statement No. 50 (“GASB 50”).

The Annual Required Contributions were computed in accordance with GASB 25 as amended by GASB 50 and are consistent with generally accepted actuarial principles.

Actuarial Assumptions and Methods

Provided in this Actuarial Section of the CAFR is a “Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2009 (Lag) Actuarial Valuation.” These actuarial assumptions and methods were first employed in the June 30, 2004 (Lag) actuarial valuation that was used to determine Fiscal Year 2006 Employer Contributions to the Plan and are referenced in the summary of Actuarial Assumptions and Methods as the August 2005 Report.

These actuarial assumptions and methods are unchanged from those employed in the June 30, 2008 (Lag) actuarial valuation that was used to determine Fiscal Year 2010 Employer Contributions to the Plan.

Benefits and Census Data

A summary of the benefits applicable to Plan members included in the June 30, 2009 (Lag) actuarial valuation is shown earlier in the Introductory Section of the CAFR.

Census data are submitted by the Plan’s administrative staff and by the employer’s payroll facilities and are reviewed by the Office of the Actuary (“OA”) for consistency and reasonability.

A summary of the census data used in the June 30, 2009 (Lag) actuarial valuation is included in this CAFR. A summary of the census data used in the June 30, 2008 (Lag) actuarial valuation of the Plan is available in the June 30, 2010 CAFR.

Funded Status

The Funded Status of the Plan is usually expressed in various relationships of Assets to Liabilities.

With respect to the Funded Status of the Plan, included in the Financial Section of the CAFR is a Schedule of Funding Progress (Schedule 1).

Included in the Actuarial Section of the CAFR is a Solvency Test (i.e., Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets) as prescribed by the Government Finance Officers Association (“GFOA”). This Solvency Test represents an alternative approach to describing progress toward funding objectives.

In addition to the Schedule of Funding Progress and the Solvency Test, included for informational purposes in the Actuarial Section of the CAFR (following the Solvency Test) is an Additional Discussion of Plan Funding and Other Measures of Funded Status that provides different comparisons between the Assets and Liabilities of the Plan. Included in this Other Measures of Funded Status discussion is information consistent with the disclosure requirements of GASB 50.

Presentation Style and Sources of Information

The actuarial information herein is being presented in a manner believed to be consistent with the requirements of the GFOA and, where applicable, with GASB 25 which was adopted for financial reporting purposes beginning Fiscal Year 1995 and with GASB 50 which was adopted for financial reporting purposes beginning Fiscal Year 2008.

The Additional Discussion of Plan Funding and Other Measures of Funded Status represents information provided by the Actuary to assist those users who desire additional disclosures.

As prescribed by GASB 25 as amended by GASB 50, included in the Financial Section of the CAFR are the following schedules prepared by the OA:

- Schedule of Funding Progress.
- Schedule of Employer Contributions.
- Schedule of Actuarial Assumptions and Methods.

The following schedules in the Actuarial Section of the CAFR were prepared by the OA:

- Summary of Actuarial Assumptions and Methods in Effect for the June 30, 2009 (Lag) Actuarial Valuation.
- Active Member Valuation Data.
- Summary of Plan Membership.
- Retirants and Beneficiaries Added to and Removed from Rolls.

Board of Trustees
New York City Fire Department
Pension Fund
December 9, 2011
Page 4

- Statutory vs. Annual Required Contributions.
- Funded Status Based on Entry Age Actuarial Cost Method.
- Comparative Summary of Actuarial Values and Percentages Covered by Actuarial Value of Assets – Solvency Test.
- Additional Discussion of Plan Funding and Other Measures of Funded Status.

The Summary of Plan Membership in the Financial Section of the CAFR was prepared by the OA.

If you have any questions about any of the information in this Actuarial Section or any of the actuarial information elsewhere presented in this CAFR, please do not hesitate to contact Mr. John R. Gibney, Jr., Mr. Edward Hue or me.

I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,



Robert C. North, Jr., FSA, MAAA
Chief Actuary

EH/bs

Att.

cc: Ms. M.E. Basso
Mr. A.G. Garcia
Mr. J.R. Gibney
Mr. E. Hue

8183L-CAFR-FIRE:bs

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION

- (1) Based, in part, upon a review of an October 2003 experience study by Gabriel, Roeder, Smith & Company (“GRS”), the Actuary issued an August 31, 2005 Report entitled “Proposed Changes in Actuarial Assumptions and Methods for Determining Employer Contributions for Fiscal Years Beginning on and After July 1, 2005 for the New York City Fire Pension Fund” (“August 2005 Report”). Where required, the Board of Trustees of the Plan adopted those changes to actuarial assumptions that required Board approval and the State Legislature and the Governor enacted Chapter 152 of the Laws of 2006 (“Chapter 152/06”) to provide for those changes to the actuarial assumptions and methods that required legislation, including the Actuarial Interest Rate (“AIR”) assumption of 8.0% per annum.

Chapter 152/06 provided for the changes in actuarial assumptions and methods that require legislation, including the continuation of the AIR assumption of 8.0% per annum and continuation of the current Frozen Initial Liability (“FIL”) Actuarial Cost Method and the existing Unfunded Actuarial Accrued Liability (“UAAL”). In addition, Chapter 152/06 provided for elimination of the use of the ten-year phase-in under Chapter 278 of the Laws of 2002 (“Chapter 278/02”) for funding the additional actuarial liabilities created by the benefits provided by Chapter 125 of the Laws of 2000 (“Chapter 125/00”).

- (2) The investment rate of return assumption is 8.0% per annum.
- (3) The mortality tables for service and disability pensioners were developed from an experience study of the Plan’s and the predecessor Plan’s pensioners. Sample probabilities are shown in Table 1.
- (4) Active Service tables are used to estimate various withdrawals from Active Service. Sample probabilities are shown in Table 2 for members withdrawing from active service due to Death or Disability, in Table 3 for members withdrawing from Active Service without employer-provided benefits or with Vested Benefits, and in Table 4 for members withdrawing from Active Service for Service Retirement.
- (5) A Salary Scale is used to estimate salaries at termination, retirement or death. Sample percentage increases are shown in Table 5. The Salary Scale includes a General Wage Increase (“GWI”) assumption of 3.0% per annum.
- (6) The economic assumptions (i.e., the assumed investment return rate, GWI rate and Cost-of-Living Adjustments (“COLA”)) were developed assuming a long-term Consumer Price Inflation (“CPI”) assumption of 2.5% per annum. The COLA assumption is 1.3% per annum.
- (7) The valuation assumes a closed group of members. Salaries of members on the valuation date are assumed to increase in accordance with the Salary Scale.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
(Cont'd)

- (8) The Frozen Initial Liability Actuarial Cost Method is utilized by the Plan's Actuary to calculate the employer contribution. Under this Actuarial Cost Method, the Initial Liability was reestablished under the Entry Age Actuarial Cost Method as of June 30, 1999 but with the UAAL not less than \$0.

Under this method, the excess of the Actuarial Present Value ("APV") of projected benefits of members as of the valuation date, over the sum of the Actuarial Asset Value ("AAV") plus UAAL, if any, and APV of future employee contributions, is allocated on a level basis over the future earnings of members who are on payroll as of the valuation date. Actuarial gains and losses are reflected in the employer normal contribution rate.

All outstanding components of the UAAL are being amortized over closed periods.

Chapter 85 of the Laws of 2000 ("Chapter 85/00") reestablished the UAAL and eliminated the Balance Sheet Liability ("BSL") for actuarial purposes as of June 30, 1999.

The schedule of payments toward the reestablished UAAL provides that the UAAL be amortized over a period of 11 years beginning Fiscal Year 2000, where each annual payment after the first annual payment equals 103% of its preceding annual payment.

Note: Because the UAAL was established under the Entry Age Actuarial Cost Method, the financial results using the Frozen Initial Liability Actuarial Cost Method are the same as those that would be produced using the Frozen Entry Age Actuarial Cost Method.

- (9) One-Year Lag Methodology ("Lag") uses a June 30, 2009 valuation date to determine Fiscal Year 2011 Employer Contributions.

This methodology requires technical adjustments to certain components used to determine Fiscal Year 2011 Employer Contributions as follows:

- Present Value of Future Salary ("PVFS")

The PVFS at June 30, 2009 is reduced by the value of salary projected to be paid during Fiscal Year 2010.

- Salary for Determining Employer Contributions

Salary used to determine the employer Normal Cost is the salary projected to be paid during Fiscal Year 2011 to members on payroll at June 30, 2009.

- Present Value of Future Normal Costs ("PVFNC")

The PVFNC at June 30, 2009 is reduced by the discounted value of the Fiscal Year 2010 Employer Contribution (after offsetting for any UAAL payments).

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION (Cont'd)

- (10) Beginning with the June 30, 2004 (Lag) actuarial valuation, the Actuarial Asset Valuation Method (“AAVM”) was changed to a method that reset the AAV to Market Value (i.e., “Market Value Restart”) as of June 30, 1999. As of each June 30 thereafter the AAVM recognizes investment returns greater or less than expected over a period of six years.

Under this revised AAVM, any Unexpected Investment Returns (“UIR”) for Fiscal Years 2000 and later are phased into the AAV beginning the following June 30 at a rate of 15%, 15%, 15%, 15%, 20% and 20% per year (or cumulative rates of 15%, 30%, 45%, 60%, 80% and 100% over a period of six years).

These revised averaging factors were applied against the UIR computed under the prior five-year AAVM used for Fiscal Years 2000 to 2004.

The revised AAVM was utilized for the first time in the June 30, 2004 (Lag) actuarial valuation to determine the Fiscal Year 2006 Employer Contribution in conjunction with the One-Year Lag Methodology and the revised economic and noneconomic assumptions.

The AAVM in effect for the June 30, 2009 (Lag) actuarial valuation is unchanged from the AAVM used in the June 30, 2008 (Lag) actuarial valuation.

- (11) The obligations of the Plan to the Firefighters’ Variable Supplements Fund (“FFVSF”) and the Fire Officers’ Variable Supplements Fund (“FOVSF”) are recognized through the Liability Valuation Method.

Under this method the APV of Future SKIM from the Plan to the FFVSF and FOVSF is included directly as an actuarial liability to the Plan. SKIM is all or a portion of the excess earnings on equity securities of the Plan which are transferable to the FFVSF and FOVSF. The APV of Future SKIM is computed as the excess, if any, of the APV of benefits of the FFVSF and FOVSF offset by the AAV of the FFVSF and FOVSF, respectively.

- (12) Distinct male and female probabilities for mortality are used effective June 30, 1995.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION (Cont'd)

- (13) A Dual Overtime assumption (i.e., a Baseline Overtime assumption for most years and a separate overtime assumption for the years included in the calculation of Final Salary or Final Average Salary) was introduced as of June 30, 1995. A Baseline Overtime of 12% is assumed.

Additionally, a separate overtime assumption of 16% is utilized when calculating the Final Salary or Final Average Salary for Service Retirements, 6% for Disability Retirements, except that 10% is used for Tier 2 Ordinary Disability Retirements with over 20 years of service, and 12% for all other benefits.

- (14) The Actuarial Present Value of Future Benefits (“APVB”) as of June 30, 2009, used to determine the Fiscal Year 2011 Employer Contributions, includes estimates of liabilities for:
- World Trade Center Disability Benefits
 - World Trade Center Death Benefits
- (15) The Actuarial Assumptions and Methods are generally unchanged from the June 30, 2008 (Lag) actuarial valuation.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 1

Deaths among Service and Disability Pensioners

Percentage of Pensioners Dying within Next Year

<u>Age</u>	<u>Service Pensioners</u>		<u>Disability Pensioners</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
40	.1151%	.0677%	.1373%	.0817%
45	.1706	.1185	.1927	.1545
50	.2259	.2205	.3396	.2788
55	.5102	.3840	.6239	.5040
60	.7945	.7143	.9082	.8895
65	1.1726	1.1649	1.4072	1.3978
70	1.8926	1.7416	2.3594	2.1653
75	3.2837	2.8009	3.8999	3.5260
80	5.6138	4.6138	6.7564	5.6527
85	10.0295	7.2110	12.2116	9.2358
90	14.7990	12.2729	16.6428	15.1220
95	23.3253	19.4640	27.2620	22.8306
100	31.5403	28.6331	36.7152	34.8130
105	49.9036	47.3182	62.8438	59.5880
110*	100.0000	100.0000	100.0000	100.0000

* Tables end at age 108 for Disability Pensioners.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
 IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
 (Cont'd)

Table 2

Withdrawals from Active Service (Due to Death or Disability)

Percentage of Active Members Separating within Next Year

<u>Age</u>	<u>Accidental Disability</u>	<u>Ordinary Disability</u>	<u>Ordinary Death</u>		<u>Accidental Death</u>
			<u>Males</u>	<u>Females</u>	
20	0.02%	0.01%	.030%	.015%	.02%
25	0.02	0.01	.040	.020	.02
30	0.10	0.05	.050	.025	.02
35	0.60	0.10	.060	.030	.02
40	1.30	0.15	.080	.040	.05
45	2.30	0.15	.150	.075	.10
50	4.00	0.20	.250	.125	.15
55	7.50	1.00	.400	.200	.20
60	14.50	6.00	.600	.300	.35
63	NA	NA	NA	NA	NA

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
(Cont'd)

Table 3

Withdrawals from Active Service

Percentage of Active Members Withdrawing within Next Year

<u>Years of Service</u>	<u>Probability of Withdrawal</u>
0	1.00%
5	0.20
10	0.20
15	0.20
20	NA*

* Not applicable as all members with 20 or more years of service can retire.

Table 4

Withdrawals from Active Service (for Service Retirement)

Percentage of Eligible Active Members Retiring within Next Year

<u>Age</u>	<u>Years of Service Since First Eligible</u>		
	<u>0-1</u>	<u>1-2</u>	<u>2+</u>
40	15.00%	6.00%	5.00%
45	15.00	6.00	5.00
50	15.00	10.00	5.00
55	20.00	15.00	10.00
60	25.00	20.00	15.00
63	100.00	100.00	100.00

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS
IN EFFECT FOR THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
(Cont'd)

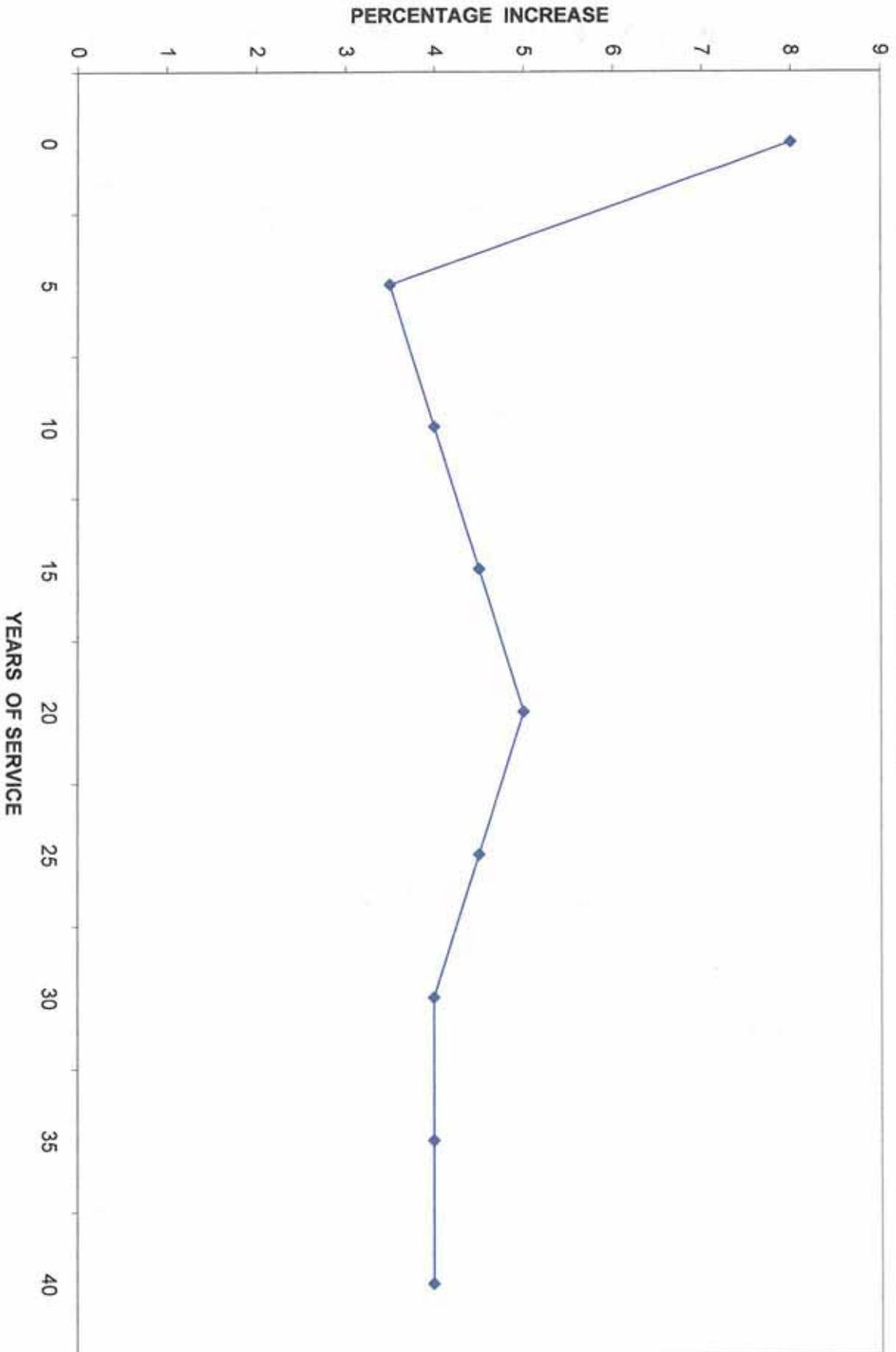
Table 5

Salary Scale

<u>Years of Service</u>	<u>Assumed Annual Percentage Increases Within Next Year*</u>
0	8.00%
5	3.50
10	4.00
15	4.50
20	5.00
25	4.50
30	4.00
35	4.00
40	4.00

* Salary Scale includes a General Wage Increase assumption of 3.0% per annum.

SALARY SCALE
(From Table 5 Data)



NEW YORK CITY FIRE DEPARTMENT PENSION FUND

ACTIVE MEMBER VALUATION DATA

<u>Valuation Date</u>	<u>Number</u>	<u>Annual Payroll⁽¹⁾</u>	<u>Annual Average Pay</u>	<u>Percentage Increase (Decrease) in Average Pay</u>
6/30/99	11,477	\$ 729,726,243	\$63,582	5.6%
6/30/00	11,492	741,486,584	64,522	1.5
6/30/01	11,333	799,232,008	70,523	9.3
6/30/02	11,271	789,694,432	70,064	(0.7)
6/30/03	10,860	748,763,008	68,947	(1.6)
6/30/04	11,239	804,974,081	71,623	3.9
6/30/04 (Lag)	11,239	864,824,737 ⁽²⁾	76,948	11.6 ⁽³⁾
6/30/05 (Lag)	11,470	908,261,197	79,186	2.9
6/30/06 (Lag)	11,641	932,730,174	80,125	1.2
6/30/07 (Lag)	11,528	1,000,383,326	86,779	8.3
6/30/08 (Lag)	11,574	1,051,591,517	90,858	4.7
6/30/09 (Lag)	11,460	1,079,682,340	94,213	3.7
6/30/10 (Lag) ⁽⁴⁾	11,080	1,112,952,551	100,447	6.6

(1) Annual Payroll was increased by a percentage to reflect overtime earnings, and, where applicable, adjusted to be consistent with collective bargaining agreements estimated to be achieved.

(2) The annualized covered payroll under the One-Year Lag Methodology as of June 30, 2004 used for the Fiscal Year 2006 Employer Contributions differs from that used to compute Fiscal Year 2005 Employer Contributions due to changes in actuarial assumptions and updated information on labor contract settlements.

(3) Increase from June 30, 2003.

(4) Preliminary.

SUMMARY OF PLAN MEMBERSHIP

As of the June 30, 2009 (Lag) and June 30, 2008 (Lag) actuarial valuations, the Plan's Membership consisted of:

<u>Group</u>	<u>2009 (Lag)</u>	<u>2008 (Lag)</u>
Retirees and beneficiaries currently receiving benefits	17,263	17,404
Terminated vested members not yet receiving benefits	34	32
Other Inactives*	30	53
Active members	<u>11,460</u>	<u>11,574</u>
Total	<u>28,787</u>	<u>29,063</u>

* Represents members who are no longer on payroll but not otherwise classified.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND
RETIRANTS AND BENEFICIARIES ADDED TO AND REMOVED FROM ROLLS

(Dollar Amounts in Thousands)

Year Ended	Added to Rolls		Removed from Rolls		Rolls End of Year		% Increase In Annual Allowances
	Number	Annual Allowances**	Number	Annual Allowances	Number	Annual Allowances*	
6/30/99	524	\$40,336	558	\$ 9,525	16,146	\$457,102	7.2%
6/30/00	576	31,757	559	10,724	16,163	478,136	4.6
6/30/01	599	81,850	607	11,301	16,155	548,685	14.8
6/30/02	1,123	56,005	563	13,109	16,715	591,581	7.8
6/30/03	1,310	79,286	616	15,236	17,409	655,631	10.8
6/30/04***	619	47,404	569	15,596	17,459	687,439	4.9
6/30/05 (Lag)	725	51,588	741	23,571	17,443	715,456	4.1
6/30/06 (Lag)	756	55,146	714	21,538	17,485	749,064	4.7
6/30/07 (Lag)	777	71,664	783	26,221	17,479	794,507	6.1
6/30/08 (Lag)	616	62,100	691	23,260	17,404	833,347	4.9
6/30/09 (Lag)	476	49,098	617	20,248	17,263	862,197	3.5

* Allowances shown in table are those used in the actuarial valuation for the given fiscal year and are not adjusted for anticipated changes due to finalization of benefit calculation or contract settlements.

** Balancing Item – Amounts shown include changes due to benefit finalization, change in benefit type (e.g., Service to Accidental Disability), COLA increases and other changes.

*** Same amounts apply for June 30, 2004 (Lag) actuarial valuation.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

STATUTORY VS. ANNUAL REQUIRED CONTRIBUTIONS

(Dollar Amounts in Thousands)

<u>Fiscal Year Ended</u>	<u>Statutory Contribution*</u>	<u>Annual Required Contribution</u>	<u>Employer Rate of Contribution**</u>
6/30/00	\$182,854	\$182,854	25.058%
6/30/01	241,311	298,897	32.544
6/30/02	302,318	346,220	37.826
6/30/03	316,967	389,502	40.138
6/30/04	392,693	427,660	52.446
6/30/05	489,508	518,398	60.810
6/30/06	608,771	608,771	69.774
6/30/07	683,193	683,193	74.537
6/30/08	780,202	780,202	82.608
6/30/09	843,751	843,751	83.238
6/30/10	874,331	874,331	82.491
6/30/11	890,706	890,706	82.248

* Represents total employer contributions accrued for fiscal year.

The Statutory Contributions for Fiscal Years 2001 and 2002 were computed in accordance with Chapter 125/00 which provided for a five-year phase-in of the additional actuarial liabilities attributable to Chapter 125/00.

The Statutory Contributions for Fiscal Years 2003 through 2005 were computed in accordance with Chapter 278/02 which extended from five to ten years the phase-in period for the funding of the additional actuarial liabilities attributable to Chapter 125/00.

Beginning Fiscal Year 2006, the Statutory Contributions were computed using a One-Year Lag Methodology in accordance with Chapter 152/06 which also eliminated the use of ten-year phase-in of Chapter 278/02 for the additional actuarial liabilities attributable to Chapter 125/00.

** The employer rates of contribution equal the Statutory Contributions as percentages of the salaries of members who were on payroll or projected to be on payroll (under One-Year Lag Methodology) as of the preceding June 30 increased to reflect overtime earnings and adjusted, where applicable, to be consistent with collective bargaining agreements estimated to be achieved.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

FUNDED STATUS BASED ON ENTRY AGE ACTUARIAL COST METHOD
(Dollar Amounts in thousands)

This Schedule is being provided by the Actuary for the Plan to improve the transparency and decision usefulness of this financial report.

The Actuarial Cost Method (ACM) used to develop the funding requirements for the Plan is the Frozen Initial Liability (FIL) ACM. Under this ACM, following establishment of any Initial Unfunded Actuarial Accrued Liabilities (UAAL), actuarial gains and losses are financed over the working lifetimes of active participants and are not identified as separate UAAL.

The funding status and funding progress information provided in this Schedule has been prepared using the Entry Age ACM where the Actuarial Present Value (APV) of any obligations of the Plan not provided by the APV of Future Contributions (Employer and Employee), as determined under the Entry Age ACM, equals the Actuarial Accrued Liability (AAL). Under the Entry Age ACM, the UAAL equals the AAL minus the Actuarial Value of Assets.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL) — Entry Age</u> (b)	<u>Unfunded AAL (UAAL) — Entry Age</u> (b-a)	<u>Funded Ratio</u> (a/b)	<u>Covered Payroll</u> (c)	<u>UAAL as a Percentage of Covered Payroll</u> ((b-a)/c)
June 30, 2009 (Lag)	\$ 7,304,758	\$ 12,864,974	\$ 5,560,216	56.8 %	\$ 1,079,682	515.0 %
June 30, 2008 (Lag)	6,942,992	12,313,206	5,370,214	56.4	1,051,592	510.7
June 30, 2007 (Lag)	6,459,130	11,731,140	5,272,010	55.1	1,000,383	527.0
June 30, 2006 (Lag)	6,174,111	11,061,482	4,887,371	55.8	932,730	524.0
June 30, 2005 (Lag)	6,169,209	10,236,380	4,067,171	60.3	908,261	447.8
June 30, 2004 (Lag)	6,277,298	9,817,113	3,539,815	63.9	864,824	409.3

Note: This schedule is based on actuarial assumptions used for determining Employer Contributions.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND
COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES
COVERED BY ACTUARIAL VALUE OF ASSETS
SOLVENCY TEST

(Dollar Amounts in Thousands)

As of June 30	<u>Aggregate Accrued Liabilities for</u>					Percentage of Actuarial Values Covered by <u>Actuarial Value of Assets</u> (B) (C)	
	<u>Accumulated Member Contributions</u> (A)	<u>Current Retirees and Beneficiaries</u> (B)	<u>Active Members' Employer Financed Portion</u> (C)	<u>Actuarial Value of Assets</u> (D)	(A)		
1999	\$370,092	\$4,005,134	\$2,117,282	\$6,179,799	100%	100%	85%
2000	396,418	4,773,314	2,267,706	6,388,132	100	100	54
2001	446,921	4,939,847	2,467,328	6,525,746	100	100	46
2002	496,972	5,457,660	2,357,209	6,612,273	100	100	28
2003	537,841	6,159,223	2,026,273	6,441,534	100	96	0
2004	582,691	6,474,286	2,115,777	6,185,754	100	87	0
2004 (Lag)	582,691	6,534,286	2,667,287	6,277,298	100	87	0
2005 (Lag)	582,259	6,740,143	2,832,468	6,169,209	100	83	0
2006 (Lag)	661,712	7,319,033	2,915,997	6,174,111	100	75	0
2007 (Lag)	724,622	7,672,323	3,145,238	6,459,130	100	75	0
2008 (Lag)	784,897	7,961,318	3,352,573	6,942,992	100	77	0
2009 (Lag)	864,004	8,188,720	3,525,921	7,304,758	100	79	0

Also, see following "SOLVENCY TEST - NOTES."

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

COMPARATIVE SUMMARY OF ACTUARIAL VALUES AND PERCENTAGES COVERED BY ACTUARIAL VALUE OF ASSETS

SOLVENCY TEST - NOTES

The ultimate test of financial soundness in a retirement system is its ability to pay all of its promised benefits when due. The retirement system's progress in accumulating assets to pay all promised benefits can be measured by comparing the Actuarial Value of Assets of the retirement system with the Aggregate Accrued Liabilities for:

- (A) Accumulated Member Contributions;
- (B) Current Retirants and Beneficiaries; and
- (C) Active Members' Employer Financed Portion.

The Aggregate Accrued Liabilities are the APV of projected benefits produced by the projected benefit attribution approach prorated on service. The Aggregate Accrued Liabilities were calculated in accordance with Governmental Accounting Standards Board Statement No. 5 ("GASB 5").

This comparative summary allocated assets as if they were priority groups, somewhat similar to (but not identical to) the priority categories of Section 4044 of the Employee Retirement Income Security Act of 1974 ("ERISA").

The values in the table are dependent upon census data, benefit levels (which have changed on occasion over the past years), and the actuarial assumptions and methods employed at each valuation date. The most recent change in assumptions and methods occurred in the June 30, 2004 (Lag) valuation used to compute the employer contribution for Fiscal Year 2006. These underlying bases can be found within the Comprehensive Annual Financial Report for each respective year.

To fully evaluate trends in financial soundness, changes in assumptions need to be evaluated. For the valuation dates shown in the table, the Actuarial Interest Rate and General Wage Increase assumptions were all equal to 8.0% per annum and 3.0% per annum, respectively.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS

On-Going Funding of the Plan

Under the basic equation of pension funding, Contributions plus Investment Earnings pay for Benefits plus Expenses.

There are three major sources for financing those Benefits and Expenses paid from the Plan.

First, Member Contributions are established by statute and paid as percentages of member salaries.

Second, Investment Earnings reflect the rates of return achieved on the amounts of assets held in different asset classes in the Trust.

Third, Employer Contributions are determined by actuarial methodology to finance the Benefits payable by the Plan that are not provided by either Member Contributions or Investment Earnings and for the Administrative and Investment Expenses of the Plan.

This actuarial methodology includes demographic and certain tabular assumptions recommended by the Actuary and adopted by the Board of Trustees, and certain economic assumptions and financing methods recommended by the Actuary, supported by the Board of Trustees and, where required, enacted into law by the New York State Legislature and Governor.

Employer Contributions are particularly responsive to Investment Earnings and increase (decrease) on a smoothed basis whenever Investment Earnings are less (more) than expected.

For example, during Fiscal Years 2001 to 2003, the Assets of the Plan decreased because they earned less than expected. Consequently, over the following several years, the actuarial methodology responds by increasing Employer Contributions in order to bring the overall financial status of the Plan back into balance.

The New York City Charter requires an independent actuary to conduct an experience review of the Plan every two years. The Actuary utilizes this information and regularly proposes changes in actuarial assumptions and methods, most recently during Fiscal Year 2006.

These most recent changes, approved by the Board of Trustees and implemented during Fiscal Year 2006, include (1) updated demographic assumptions, (2) full recognition of all Obligations of the Plan (i.e., removing the statutory phase-in of certain liabilities), and (3) revised methodologies for smoothing changes in Employer Contributions due to Plan experience. Together, these changes further enhance the long-term financial integrity of the Plan.

The ongoing process of actuarial rebalancing and periodic reviews of actuarial assumptions and methods by the Actuary and the Board of Trustees, coupled with a financially responsible, long-duration employer like the City of New York (the "City") that can afford some variability of Employer Contributions, help provide financial security for the Plan and its participants and reasonable intergenerational budget equity for taxpayers.

With the City that has always paid and is expected to continue to pay the statutorily-required Employer Contributions as calculated by the Actuary and approved by the Board of Trustees, changes in Employer Contributions represent the source for rebalancing the basic equation of pension funding.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Other Measures of Funded Status

Measures of Funded Status of the Plan are determined at specific points in time and are usually expressed in various relationships of Assets to Obligations. Assets as percentages of Obligations are referred to as Funded Ratios.

Comparisons of Funded Status over time provide insight into the evolving financial condition of the Plan.

The Other Measures of Funded Status presented herein provide somewhat different insights into the financial condition of the Plan and comparisons amongst these Other Measures of Funded Status can provide even more.

As noted, there are multiple, possible definitions of the Plan's Assets and Obligations. Some of these definitions of and comments on Assets and Obligations are set forth immediately hereafter. Additional observations about the meanings and usefulness of and the relationships amongst certain of the Funded Ratios are provided following the table of Funded Ratios.

Definition of and Comments on Assets

With respect to Assets, both the Market Value of Assets ("MVA") and the Actuarial Value of Assets (or Actuarial Asset Value ("AAV")) are used to determine Funded Ratios.

In the case of the Plan, the AAVM currently in use provides for smoothing of the MVA by phasing any Unexpected Investment Returns (i.e., Investment Earnings greater or less than those expected under the actuarial assumption of 8.0% of AAV each year) into the AAV over a period of six years.

The advantage of using MVA is that it represents the tradable value of the Assets of the Plan at any point in time.

The advantage of using AAV is that it is smoothed to remove the volatility of MVA. The disadvantage of AAV is that it is not the tradable value of Assets in the marketplace and, therefore, does not show the volatility of the Assets.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Definition of and Comments on Obligations

With respect to Obligations, the Actuarial Accrued Liability (“AAL”) under any particular Actuarial Cost Method (“ACM”) is that portion of the APV of projected benefits which is not provided by future normal costs (employer and employee).

With respect to the Plan, where the ACM is the Frozen Initial Liability (“FIL”) ACM, the AAL mathematically can be recast as the Unfunded AAL (“UAAL”) plus the AAV. To the extent that the UAAL does not change much year to year, then the related AAL remains relatively consistent in value with the AAV each year.

With respect to the ongoing funding of the Plan, the use of the FIL ACM provides for amortizing actuarial gains and losses over the future working lifetimes of active employees. As used by the Plan, the FIL ACM generally results in funding that is more conservative (i.e., greater Employer Contributions) than that of most other Public Pension Plans.

The Entry Age Accrued Liability (“EAAL”) is defined as the APV of projected benefits less the sum of the APV of future employee contributions and the APV of future employer entry age normal costs.

The EAAL is a required disclosure in accordance with Governmental Accounting Standards Board (“GASB”) Statement Number 43 (“GASB 43”) and GASB Statement Number 45 (“GASB 45”) for Other Post-Employment Benefits (“OPEB”) under certain ACM.

In accordance with GASB Statement Number 50 (“GASB 50”), beginning with Fiscal Year 2009, the EAAL is a required disclosure for Public Pension Plans that determine employer contributions using the Aggregate ACM.

The Entry Age ACM is the most-commonly utilized ACM for funding Public Pension Plans.

The Projected Benefit Obligation (“PBO”) is defined as the proportion of APV of all benefits attributed by the Plan’s benefit formula to employee service rendered prior to the valuation date. The PBO was required reporting under GASB Statement Number 5 (“GASB 5”) prior to its replacement by GASB 25 and GASB 27.

The Accumulated Benefit Obligation (“ABO”) is determined in the same manner as the PBO but without assuming future salary increases.

The Market Value Accumulated Benefit Obligation (“MVABO”) is determined in the same manner as an ABO using the same actuarial assumptions except that projected benefit payments are discounted using annual yields on U.S. Treasury securities of like duration. The MVABO is sometimes described as a Mark-to-Market measure of Obligations or a Market Value of Liabilities (“MVL”).

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

**ADDITIONAL DISCUSSION OF PLAN FUNDING AND
OTHER MEASURES OF FUNDED STATUS
(Cont'd)**

Table of Asset and Obligation Values

The following table presents the values of Assets and Obligations used to calculate alternative Funded Ratios.

Component Measures of Funded Status									
(Dollar Amounts in Millions)									
Valuation Date June 30,	Market Value of Assets (MVA)	Actuarial Asset Value (AAV) ⁽¹⁾	Actuarial Accrued Liability (AAL) ⁽²⁾	Entry Age Accrued Liability (EAAL) ⁽³⁾	Projected Benefit Obligation (PBO) ⁽⁴⁾	Accumulated Benefit Obligation (ABO) ⁽³⁾	Market Value Accumulated Benefit Obligation (MVABO) ⁽⁴⁾	MVABO Equiv. Discount Yield Per Annum	MVABO Weighted Average Duration (Years)
1999	\$6,179.8	\$6,179.8	\$6,328.7	\$6,321.5	\$6,492.5	\$5,938.1	\$7,248.6	6.0%	10.6
2000	6,419.6	6,388.1	6,530.6	7,284.3	7,437.4	6,961.3	8,482.9	6.0	11.0
2001	5,690.8	6,525.7	6,660.8	7,707.3	7,854.1	7,213.2	9,111.2	5.7	10.8
2002	4,878.4	6,612.3	6,738.7	8,218.5	8,311.8	7,791.7	9,821.4	5.7	10.3
2003	4,859.6	6,441.5	6,558.0	8,697.9	8,723.3	8,306.4	11,902.2	4.6	11.2
2004	5,351.2	6,185.8	6,290.9	9,200.4	9,172.8	8,687.5	11,180.4	5.5	10.6
2004 (Lag)	5,351.2	6,277.3	6,382.5	9,817.1	9,784.3	9,109.5	11,660.7	5.5	10.6
2005 (Lag)	5,661.6	6,169.2	6,261.6	10,236.4	10,154.9	9,480.5	14,156.3	4.2	12.4
2006 (Lag)	6,165.3	6,174.1	6,252.0	11,061.5	10,896.7	10,381.4	13,477.5	5.4	11.5
2007 (Lag)	7,202.7	6,459.1	6,520.7	11,731.1	11,542.2	10,900.9	14,429.6	5.2	11.6
2008 (Lag)	6,817.3	6,943.0	6,986.2	12,313.2	12,098.8	11,493.4	16,649.7	4.5	11.9
2009 (Lag)	5,576.8	7,304.8	7,327.6	12,865.0	12,578.6	12,011.9	18,140.4	4.1	12.1
2010 (Lag) ⁽⁵⁾	6,438.8	7,679.4	7,679.4	13,477.2	13,124.3	12,521.6	20,185.2	3.6	12.4

- (1) The AAV used for the June 30, 1999 to June 30, 2004 actuarial valuations assumes the AAV was reset to MVA as of June 30, 1999. As of each June 30 thereafter, the AAV recognizes Investment Returns greater or less than expected over a period of five years (six years beginning with the June 30, 2004 (Lag) actuarial valuation).
- (2) Calculated in accordance with the Actuarial Cost Method (i.e., Frozen Initial Liability) and actuarial assumptions used for determining Employer Contributions.
- (3) Calculated based on actuarial assumptions used for determining Employer Contributions.
- (4) Calculated based on actuarial assumptions used for determining Employer Contributions except that projected benefit payments are discounted using annual yields derived from U.S. Treasury Spot Rates as published by the U.S. Department of the Treasury Office of Thrift Supervision in its Selected Asset and Liability Price Tables. Also shown are the related MVABO Equivalent Discount Yield and the MVABO Weighted Average Duration.
- (5) The June 30, 2010 (Lag) figures are preliminary and are generally based on the same census data, actuarial assumptions and methods used to develop published, preliminary Fiscal Year 2012 Employer Contributions.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Table of Funded Ratios

The following table presents alternative Funded Ratios comparing Assets to Obligations, including: (1) AAV divided by AAL, (2) AAV divided by EAAL, (3) MVA divided by EAAL, (4) AAV divided by PBO, (5) MVA divided by PBO, (6) AAV divided by ABO, (7) MVA divided by ABO and (8) MVA divided by MVABO.

Funded Ratios								
Valuation Date	AAV/AAL	AAV/EAAL	MVA/EAAL	AAV/PBO	MVA/PBO	AAV/ABO	MVA/ABO	MVA/MVABO
6/30/99	98%	98%	98%	95%	95%	104%	104%	85%
6/30/00	98	88	88	86	86	92	92	76
6/30/01	98	85	74	83	72	90	79	62
6/30/02	98	80	59	80	59	85	63	50
6/30/03	98	74	56	74	56	78	59	41
6/30/04	98	67	58	67	58	71	62	48
6/30/04 (Lag)	98	64	55	64	55	69	59	46
6/30/05 (Lag)	99	60	55	61	56	65	60	40
6/30/06 (Lag)	99	56	56	57	57	59	59	46
6/30/07 (Lag)	99	55	61	56	62	59	66	50
6/30/08 (Lag)	99	56	55	57	56	60	59	41
6/30/09 (Lag)	100	57	43	58	44	61	46	31
6/30/10 (Lag) [#]	100	57	48	59	49	61	51	32

Preliminary.

Comments on Funded Ratios and Funding Methodology

With respect to the different Funded Ratios shown in the preceding table, the ratio of AAV/AAL is from the Schedule of Funding Progress (Schedule 1) presented in the Financial Section of this CAFR.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Due to the mathematics of the FIL ACM where AAL equals AAV plus UAAL, the AAV/AAL Funded Ratios tend to remain relatively constant from year to year and provide limited insight into the ongoing financial performance of the Plan.

The Other Measures of Funded Status shown in the preceding table provide different relationships between the Assets and Obligations of the Plan and are designed to offer additional insight into the Funded Status of the Plan that the Actuary believes useful to some users.

The ratios of AAV/EAAL reflect information that is now a required disclosure for certain Public Pension Plans that utilize the Aggregate ACM. This requirement also exists for certain OPEB plans under GASB 43 and GASB 45.

The ratios of AAV/PBO present information that was previously required under GASB 5 and is a comparable but somewhat different representation of the information shown in the Solvency Test presented earlier in this Section of the CAFR.

The ratios of MVA/MVABO provide information on Funded Status that is (1) independent of the asset allocation of the Plan, (2) exclusive of any advance recognition of expected asset risk premia (e.g., equity risk premium) and (3) absent any smoothing of asset values.

Inherent in its design, the MVA/MVABO Funded Ratio is expected to be volatile due to the impact of asset gains and losses without smoothing and the impact of changes in interest rates in the economy. Such volatility is a reflection of markets and can provide useful disclosure information. However, such volatility is not consistent with the needs of budgeting. Those budgeting needs are met by the actuarial assumptions and FIL ACM currently in use to determine Employer Contributions.

Comparing the MVA/EAAL to AAV/EAAL, MVA/PBO to AAV/PBO or MVA/ABO to AAV/ABO provides an opportunity to evaluate the degree of smoothing provided by the Actuarial Asset Valuation Method.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND

ADDITIONAL DISCUSSION OF PLAN FUNDING AND OTHER MEASURES OF FUNDED STATUS (Cont'd)

Comparing Funded Ratios based on the same Assets (i.e., MVA or AAV) but different definitions of Obligations (e.g., EAAL versus PBO versus ABO) provides an opportunity to evaluate the differences in those different definitions of Obligations.

Comparing AAV/PBO with AAV/ABO provides insight into the impact of expected salary growth on the value of benefits earned to date.

Comparing MVA/ABO with MVA/MVABO provides an opportunity to compare the impact of alternative interest rates on discounting the ABO.

It should also be noted that Measures of Funded Status are best examined with more consideration of their trends over time than their values at any given point in time.

Finally, over time, it should be noted that as the City pays into the Plan the actuarially-determined Employer Contributions, all Funded Ratios can be expected to increase from their current levels.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

ACKNOWLEDGEMENT OF QUALIFICATION

I, Robert C. North, Jr., am the Chief Actuary for the New York City Retirement Systems. I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.



Robert C. North, Jr., FSA, FSPA, FCA, MAAA, EA
Chief Actuary
New York City Retirement Systems
December 9, 2011

New York City Fire Pension Fund
Comprehensive Annual Financial Report
A Pension Trust Fund of the City of New York



Appendix A

Census Data for Active Members

As of June 30, 2011

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NEW YORK CITY FIRE DEPARTMENT PENSION FUND
 DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
 FOR DETERMINING FINAL FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS
 SUMMARY OF ACTIVES BY AGE AND SERVICE
 MALES

AGE \ SVC	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	ALL YEARS
NUMBER:										
UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	191	3	0	0	0	0	0	0	0	194
25 TO 29	1,378	370	2	0	0	0	0	0	0	1,750
30 TO 34	783	1,443	181	2	0	0	0	0	0	2,409
35 TO 39	138	1,027	833	257	3	0	0	0	0	2,258
40 TO 44	5	181	797	759	132	4	0	0	0	1,878
45 TO 49	0	30	245	597	542	156	1	0	0	1,571
50 TO 54	0	1	14	120	272	494	106	3	0	1,010
55 TO 59	1	1	1	7	26	125	107	29	0	297
60 TO 64	0	1	0	1	0	5	13	19	10	49
65 TO 69	0	0	1	0	0	0	0	0	0	1
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL	2,496	3,057	2,074	1,743	975	784	227	51	10	11,417

SALARIES (IN THOUSANDS):										
UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	9,813	283	0	0	0	0	0	0	0	10,095
25 TO 29	79,692	33,113	189	0	0	0	0	0	0	112,993
30 TO 34	47,619	134,958	17,282	190	0	0	0	0	0	200,049
35 TO 39	8,920	97,200	83,364	26,716	283	0	0	0	0	216,483
40 TO 44	360	17,279	80,302	82,424	15,382	389	0	0	0	196,136
45 TO 49	0	2,914	24,333	65,056	63,953	18,805	96	0	0	175,157
50 TO 54	0	138	1,436	12,551	30,003	61,391	14,722	293	0	120,535
55 TO 59	123	138	139	721	2,927	14,798	14,833	4,269	0	37,948
60 TO 64	0	138	0	140	0	562	1,491	2,649	1,617	6,597
65 TO 69	0	0	139	0	0	0	0	0	0	139
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL *	146,526	286,161	207,185	187,797	112,548	95,946	31,142	7,211	1,617	1,076,132

AVERAGE SALARIES: **										
UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	51,375	94,232	0	0	0	0	0	0	0	52,038
25 TO 29	57,832	89,494	94,411	0	0	0	0	0	0	64,568
30 TO 34	60,816	93,526	95,481	94,998	0	0	0	0	0	83,042
35 TO 39	64,637	94,645	100,077	103,952	94,195	0	0	0	0	95,874
40 TO 44	71,909	95,465	100,755	108,595	116,530	97,365	0	0	0	104,439
45 TO 49	0	97,136	99,319	108,971	117,995	120,546	96,444	0	0	111,494
50 TO 54	0	137,998	102,601	104,594	110,306	124,274	138,883	97,583	0	119,341
55 TO 59	123,163	137,998	139,044	102,974	112,562	118,386	138,625	147,212	0	127,771
60 TO 64	0	137,998	0	140,091	0	112,442	114,687	139,407	161,666	134,625
65 TO 69	0	0	139,044	0	0	0	0	0	0	139,044
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL	58,704	93,609	99,896	107,744	115,433	122,381	137,189	141,385	161,666	94,257

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on unrounded salary.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND
 DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
 FOR DETERMINING FINAL FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS
 SUMMARY OF ACTIVES BY AGE AND SERVICE
 FEMALES

AGE \ SVC	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	ALL YEARS
NUMBER:										
UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	0	0	0	0	0	0	0	0	0	0
25 TO 29	6	3	0	0	0	0	0	0	0	9
30 TO 34	13	7	1	0	0	0	0	0	0	21
35 TO 39	1	4	3	1	0	0	0	0	0	9
40 TO 44	0	0	0	0	0	0	0	0	0	0
45 TO 49	0	0	0	0	0	0	0	0	0	0
50 TO 54	0	0	0	0	1	1	0	0	0	2
55 TO 59	0	0	0	0	0	1	1	0	0	2
60 TO 64	0	0	0	0	0	0	0	0	0	0
65 TO 69	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL	20	14	4	1	1	2	1	0	0	43

SALARIES (IN THOUSANDS):

UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	0	0	0	0	0	0	0	0	0	0
25 TO 29	338	222	0	0	0	0	0	0	0	560
30 TO 34	744	660	69	0	0	0	0	0	0	1,472
35 TO 39	46	427	292	105	0	0	0	0	0	870
40 TO 44	0	0	0	0	0	0	0	0	0	0
45 TO 49	0	0	0	0	0	0	0	0	0	0
50 TO 54	0	0	0	0	161	161	0	0	0	322
55 TO 59	0	0	0	0	0	134	191	0	0	325
60 TO 64	0	0	0	0	0	0	0	0	0	0
65 TO 69	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL *	1,128	1,308	361	105	161	295	191	0	0	3,550

AVERAGE SALARIES: **

UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	0	0	0	0	0	0	0	0	0	0
25 TO 29	56,363	73,838	0	0	0	0	0	0	0	62,188
30 TO 34	57,206	94,229	69,044	0	0	0	0	0	0	70,111
35 TO 39	46,142	106,745	97,357	104,928	0	0	0	0	0	96,680
40 TO 44	0	0	0	0	0	0	0	0	0	0
45 TO 49	0	0	0	0	0	0	0	0	0	0
50 TO 54	0	0	0	0	161,236	161,177	0	0	0	161,207
55 TO 59	0	0	0	0	0	134,268	191,180	0	0	162,724
60 TO 64	0	0	0	0	0	0	0	0	0	0
65 TO 69	0	0	0	0	0	0	0	0	0	0
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL	56,400	93,435	90,279	104,928	161,236	147,723	191,180	0	0	82,558

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on unrounded salary.

NEW YORK CITY FIRE DEPARTMENT PENSION FUND
 DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
 FOR DETERMINING FINAL FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS
 SUMMARY OF ACTIVES BY AGE AND SERVICE
 MALES AND FEMALES

AGE \ SVC	UNDER 5	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40 & UP	ALL YEARS
NUMBER:										
UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	191	3	0	0	0	0	0	0	0	194
25 TO 29	1,384	373	2	0	0	0	0	0	0	1,759
30 TO 34	796	1,450	182	2	0	0	0	0	0	2,430
35 TO 39	139	1,031	836	258	3	0	0	0	0	2,267
40 TO 44	5	181	797	759	132	4	0	0	0	1,878
45 TO 49	0	30	245	597	542	156	1	0	0	1,571
50 TO 54	0	1	14	120	273	495	106	3	0	1,012
55 TO 59	1	1	1	7	26	126	108	29	0	299
60 TO 64	0	1	0	1	0	5	13	19	10	49
65 TO 69	0	0	1	0	0	0	0	0	0	1
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL	2,516	3,071	2,078	1,744	976	786	228	51	10	11,460

SALARIES (IN THOUSANDS):

UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	9,813	283	0	0	0	0	0	0	0	10,095
25 TO 29	80,030	33,334	189	0	0	0	0	0	0	113,553
30 TO 34	48,362	135,618	17,351	190	0	0	0	0	0	201,521
35 TO 39	8,966	97,627	83,656	26,821	283	0	0	0	0	217,353
40 TO 44	360	17,279	80,302	82,424	15,382	389	0	0	0	196,136
45 TO 49	0	2,914	24,333	65,056	63,953	18,805	96	0	0	175,157
50 TO 54	0	138	1,436	12,551	30,165	61,552	14,722	293	0	120,857
55 TO 59	123	138	139	721	2,927	14,933	15,024	4,269	0	38,273
60 TO 64	0	138	0	140	0	562	1,491	2,649	1,617	6,597
65 TO 69	0	0	139	0	0	0	0	0	0	139
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL *	147,654	287,469	207,546	187,902	112,709	96,242	31,333	7,211	1,617	1,079,682

AVERAGE SALARIES: **

UNDER 20	0	0	0	0	0	0	0	0	0	0
20 TO 24	51,375	94,232	0	0	0	0	0	0	0	52,038
25 TO 29	57,825	89,368	94,411	0	0	0	0	0	0	64,556
30 TO 34	60,757	93,530	95,336	94,998	0	0	0	0	0	82,931
35 TO 39	64,504	94,692	100,067	103,956	94,195	0	0	0	0	95,877
40 TO 44	71,909	95,465	100,755	108,595	116,530	97,365	0	0	0	104,439
45 TO 49	0	97,136	99,319	108,971	117,995	120,546	96,444	0	0	111,494
50 TO 54	0	137,998	102,601	104,594	110,493	124,348	138,883	97,583	0	119,424
55 TO 59	123,163	137,998	139,044	102,974	112,562	118,512	139,112	147,212	0	128,005
60 TO 64	0	137,998	0	140,091	0	112,442	114,687	139,407	161,666	134,625
65 TO 69	0	0	139,044	0	0	0	0	0	0	139,044
70 & UP	0	0	0	0	0	0	0	0	0	0
TOTAL	58,686	93,608	99,878	107,742	115,480	122,445	137,426	141,385	161,666	94,213

Note: Age is last birthday. Service is completed years.

* Total may not add up due to rounding.

** Average based on unrounded salary.

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New York City Fire Pension Fund
Comprehensive Annual Financial Report
A Pension Trust Fund of the City of New York



Appendix B

Census Data for Pensioners

As of June 30, 2011

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NEW YORK CITY FIRE DEPARTMENT PENSION FUND
 DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
 FOR DETERMINING FINAL FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS
 SUMMARY OF PENSIONERS BY CAUSE, AGE AND GENDER

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS AVERAGE		NUMBER	BENEFITS AVERAGE		NUMBER	BENEFITS AVERAGE	
ACCIDENTAL DISABILITY:									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	14	875,797	62,557	0	0	0	14	875,797	62,557
35 TO 39	158	10,305,046	65,222	1	69,444	69,444	159	10,374,490	65,248
40 TO 44	430	29,976,253	69,712	0	0	0	430	29,976,253	69,712
45 TO 49	916	67,716,645	73,926	2	164,917	82,459	918	67,881,562	73,945
50 TO 54	1,509	113,777,153	75,399	8	568,330	71,041	1,517	114,345,483	75,376
55 TO 59	996	73,439,393	73,734	6	428,697	71,450	1,002	73,868,090	73,721
60 TO 64	872	59,585,357	68,332	1	46,045	46,045	873	59,631,402	68,306
65 TO 69	981	57,932,148	59,054	0	0	0	981	57,932,148	59,054
70 TO 74	1,090	53,944,288	49,490	1	65,074	65,074	1,091	54,009,362	49,504
75 TO 79	699	31,141,911	44,552	0	0	0	699	31,141,911	44,552
80 TO 84	398	17,105,304	42,978	0	0	0	398	17,105,304	42,978
85 TO 89	184	7,749,362	42,116	0	0	0	184	7,749,362	42,116
90 & UP	65	2,342,981	36,046	0	0	0	65	2,342,981	36,046
TOTAL	8,312	525,891,638	63,269	19	1,342,507	70,658	8,331	527,234,145	63,286
ORDINARY DISABILITY:									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	1	22,680	22,680	0	0	0	1	22,680	22,680
35 TO 39	2	33,158	16,579	0	0	0	2	33,158	16,579
40 TO 44	11	332,672	30,243	0	0	0	11	332,672	30,243
45 TO 49	16	445,010	27,813	0	0	0	16	445,010	27,813
50 TO 54	55	1,355,309	24,642	1	27,528	27,528	56	1,382,837	24,694
55 TO 59	45	1,253,988	27,866	0	0	0	45	1,253,988	27,866
60 TO 64	62	3,629,491	58,540	0	0	0	62	3,629,491	58,540
65 TO 69	162	9,067,046	55,969	0	0	0	162	9,067,046	55,969
70 TO 74	263	15,313,894	58,228	0	0	0	263	15,313,894	58,228
75 TO 79	249	11,868,772	47,666	0	0	0	249	11,868,772	47,666
80 TO 84	188	8,232,336	43,789	0	0	0	188	8,232,336	43,789
85 TO 89	109	4,245,181	38,947	0	0	0	109	4,245,181	38,947
90 & UP	53	1,856,284	35,024	0	0	0	53	1,856,284	35,024
TOTAL	1,216	57,655,821	47,414	1	27,528	27,528	1,217	57,683,349	47,398
SERVICE RETIREMENT:									
UNDER 30	0	0	0	0	0	0	0	0	0
30 TO 34	0	0	0	0	0	0	0	0	0
35 TO 39	0	0	0	0	0	0	0	0	0
40 TO 44	20	952,784	47,639	0	0	0	20	952,784	47,639
45 TO 49	171	8,553,590	50,021	0	0	0	171	8,553,590	50,021
50 TO 54	639	31,422,933	49,175	6	273,535	45,589	645	31,696,468	49,142
55 TO 59	578	28,504,010	49,315	3	96,318	32,106	581	28,600,328	49,226
60 TO 64	727	33,764,799	46,444	1	31,931	31,931	728	33,796,730	46,424
65 TO 69	998	41,732,082	41,816	0	0	0	998	41,732,082	41,816
70 TO 74	1,166	42,242,219	36,228	1	33,320	33,320	1,167	42,275,539	36,226
75 TO 79	830	27,959,520	33,686	0	0	0	830	27,959,520	33,686
80 TO 84	548	16,928,855	30,892	0	0	0	548	16,928,855	30,892
85 TO 89	306	9,219,531	30,129	0	0	0	306	9,219,531	30,129
90 & UP	200	5,476,348	27,382	0	0	0	200	5,476,348	27,382
TOTAL	6,183	246,756,671	39,909	11	435,104	39,555	6,194	247,191,775	39,908

NEW YORK CITY FIRE DEPARTMENT PENSION FUND
 DATA USED IN THE JUNE 30, 2009 (LAG) ACTUARIAL VALUATION
 FOR DETERMINING FINAL FISCAL YEAR 2011 EMPLOYER CONTRIBUTIONS
 SUMMARY OF PENSIONERS BY CAUSE, AGE AND GENDER

AGE	MALE			FEMALE			BOTH MALE & FEMALE		
	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE	NUMBER	BENEFITS	AVERAGE
ACCIDENTAL DEATH:									
UNDER 30	0	0	0	1	35,682	35,682	1	35,682	35,682
30 TO 34	0	0	0	16	527,523	32,970	16	527,523	32,970
35 TO 39	0	0	0	55	1,903,730	34,613	55	1,903,730	34,613
40 TO 44	0	0	0	88	3,244,857	36,873	88	3,244,857	36,873
45 TO 49	0	0	0	99	3,796,171	38,345	99	3,796,171	38,345
50 TO 54	0	0	0	83	3,358,621	40,465	83	3,358,621	40,465
55 TO 59	0	0	0	50	1,865,687	37,314	50	1,865,687	37,314
60 TO 64	0	0	0	40	1,423,189	35,580	40	1,423,189	35,580
65 TO 69	0	0	0	53	1,690,028	31,887	53	1,690,028	31,887
70 TO 74	0	0	0	51	1,305,653	25,601	51	1,305,653	25,601
75 TO 79	0	0	0	37	930,712	25,154	37	930,712	25,154
80 TO 84	0	0	0	23	532,992	23,174	23	532,992	23,174
85 TO 89	0	0	0	20	475,227	23,761	20	475,227	23,761
90 & UP	0	0	0	23	557,608	24,244	23	557,608	24,244
TOTAL	0	0	0	639	21,647,680	33,877	639	21,647,680	33,877
OTHER BENEFICIARIES:									
UNDER 30	0	0	0	3	134,609	44,870	3	134,609	44,870
30 TO 34	1	58,517	58,517	0	0	0	1	58,517	58,517
35 TO 39	0	0	0	0	0	0	0	0	0
40 TO 44	0	0	0	1	33,681	33,681	1	33,681	33,681
45 TO 49	1	62,516	62,516	8	342,697	42,837	9	405,213	45,024
50 TO 54	0	0	0	8	285,532	35,692	8	285,532	35,692
55 TO 59	0	0	0	12	381,575	31,798	12	381,575	31,798
60 TO 64	0	0	0	24	927,298	38,637	24	927,298	38,637
65 TO 69	0	0	0	28	799,521	28,554	28	799,521	28,554
70 TO 74	0	0	0	38	969,198	25,505	38	969,198	25,505
75 TO 79	0	0	0	42	513,092	12,216	42	513,092	12,216
80 TO 84	0	0	0	98	1,005,910	10,264	98	1,005,910	10,264
85 TO 89	0	0	0	197	1,186,085	6,021	197	1,186,085	6,021
90 & UP	0	0	0	421	1,740,302	4,134	421	1,740,302	4,134
TOTAL	2	121,033	60,517	880	8,319,500	9,454	882	8,440,533	9,570
ALL PENSIONERS AND BENEFICIARIES:									
UNDER 30	0	0	0	4	170,291	42,573	4	170,291	42,573
30 TO 34	16	956,994	59,812	16	527,523	32,970	32	1,484,517	46,391
35 TO 39	160	10,338,204	64,614	56	1,973,174	35,235	216	12,311,378	56,997
40 TO 44	461	31,261,709	67,813	89	3,278,538	36,838	550	34,540,247	62,800
45 TO 49	1,104	76,777,761	69,545	109	4,303,785	39,484	1,213	81,081,546	66,844
50 TO 54	2,203	146,555,395	66,525	106	4,513,546	42,581	2,309	151,068,941	65,426
55 TO 59	1,619	103,197,391	63,741	71	2,772,277	39,046	1,690	105,969,668	62,704
60 TO 64	1,661	96,979,647	58,386	66	2,428,463	36,795	1,727	99,408,110	57,561
65 TO 69	2,141	108,731,276	50,785	81	2,489,549	30,735	2,222	111,220,825	50,054
70 TO 74	2,519	111,500,401	44,264	91	2,373,245	26,080	2,610	113,873,646	43,630
75 TO 79	1,778	70,970,203	39,916	79	1,443,804	18,276	1,857	72,414,007	38,995
80 TO 84	1,134	42,266,495	37,272	121	1,538,902	12,718	1,255	43,805,397	34,905
85 TO 89	599	21,214,074	35,416	217	1,661,312	7,656	816	22,875,386	28,034
90 & UP	318	9,675,613	30,426	444	2,297,910	5,175	762	11,973,523	15,713
TOTAL	15,713	830,425,163	52,850	1,550	31,772,319	20,498	17,263	862,197,482	49,945

New York City Fire Pension Fund

Comprehensive Annual Financial Report

A Pension Trust Fund of the City of New York



Statistical Section

Part V

Fiscal Year Ended June 30, 2011

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The Statistical Section Narrative

The Statistical section of the New York City Fire Pension Fund's Comprehensive Annual Financial Report presents detailed information related to the financial statements, as well as highlights of the actuarial valuations. The data provided is a useful source in determining the fund's economic condition. The schedules are organized into four categories: Operating information, Demographic and economic information, Financial trends and Revenue capacity.

Operating information

The operating information gives users an indication of how the information in the financial statements relate to the activities of the fund. The schedules show data on benefit ranges, years of credited service, types of retirement and options selected and the amount of monthly, annual or average benefit paid to each group of retirees and beneficiaries. The data is presented for the fiscal period or over a ten year period.

Demographic and economic information

The demographic and economic categories present data to give users an understanding of the environment in which the pension plan operates. This is done mainly through the breakdown of the population groups in the plan membership. The schedules present the number of members and beneficiaries grouped according to several indicators including average monthly or annual salaries or age participating in the pension the plan, for the fiscal period or over a ten-year period.

Financial Trends

The schedules of trend data provide financial and actuarial data for the most current ten-year period. This data shows the changes in benefit types and changes in the plan's performance over time, as relates to revenues received benefits and expenses paid and net assets.

Revenue Capacity

Revenue capacity information helps users evaluate the different sources of revenues for the plan. The schedules show the sources and the changes in the level of revenues over time. The main sources of revenues for the plan are investment income and employer contributions.

TABLE OF BENEFIT EXPENSES BY TYPE

(In thousands)

FISCAL YEAR	Service Retirement Payments	Ordinary Disability Payments	Accidental Disability Payments	Payments for Death in Duty	Payments of Deceased Service and Disability	Death Benefits Lump Sum Payments	Other Benefits *	Total
2002	\$ 219,347	\$ 64,435	\$ 280,766	\$ 18,564	\$ 8,469	\$ 5,736	\$ 24,135	\$ 621,452
2003	255,487	64,287	308,978	18,524	8,355	3,271	24,078	682,980
2004	256,676	63,868	338,051	20,267	8,578	4,672	58,847	750,959
2005	253,706	63,615	369,126	20,374	8,635	3,138	123,634	842,228
2006	254,777	62,603	402,335	20,639	8,707	4,944	46,970	800,975
2007	253,902	61,397	449,918	20,727	8,563	3,539	73,431	871,477
2008	248,262	59,685	495,662	21,174	8,564	2,339	79,539	915,225
2009	249,084	58,392	524,425	51,974	14,353	4,219	26,006	928,453
2010	244,502	56,905	552,814	54,069	14,426	3,454	28,603	954,773
2011	240,312	55,019	587,885	55,488	13,723	1,279	29,768	983,474

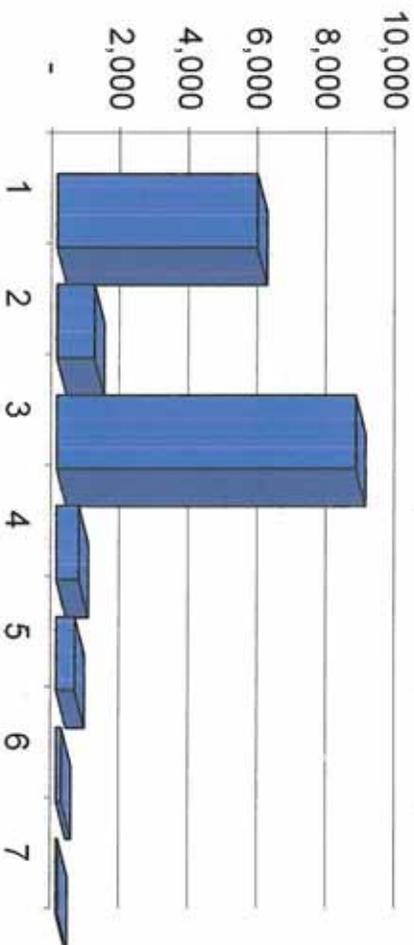
* This represents City Supplements and other payments.

TABLE OF RETIRED MEMBERS AND BENEFICIARIES BY TYPE OF BENEFIT

FISCAL YEAR 2011

TOTAL NUMBERS RETIREES AND BENEFICIARIES	SERVICE RETIREES (1)	ORDINARY DISABILITY RETIREES (1)	ACCIDENTAL DISABILITY RETIREES (1)	LINE OF DUTY BENEFITS	SERVICE BENEFICIARIES	ACCIDENTAL BENEFICIARIES	ORDINARY BENEFICIARIES	OTHER BENEFICIARIES (2)
17,073	5,837	1,110	8,712	658	547	165	54	-
<u>ANNUAL PAYROLL AMOUNT</u>								
(in thousands)								
\$ 983,474	\$ 240,312	\$ 55,019	\$ 587,885	\$ 55,488	\$ 5,990	\$ 7,733	\$ 1,279	\$ 29,768

RETIRED MEMBERS BY TYPE OF BENEFIT



SEE RETIREMENT BENEFIT BELOW

Type of Retirement

- 1 - Service retirement (20 yrs or over)
- 2 - Ordinary Disability (Non - Line of Duty)
- 3 - Accidental Disability (Line of Duty)
- 4 - Line of Duty benefits for surviving spouse
- 5 - Survivors of Service Retirees
- 6 - Survivors of Accidental Disability retirees
- 7 - Survivors of Ordinary Disability retirees

(1) Includes Maximum Allowance and Options.

(2) Includes City Supplements and Return of Contributions Vouchers.

TABLE OF RETIRED MEMBERS AND BENEFICIARIES BY TYPE OF OPTION SELECTED *

FISCAL YEAR 2011

TOTAL NUMBER OF RETIREES AND BENEFICIARIES	MAXIMUM ALLOWANCE (1)	OPTION ONE	OPTION TWO	OPTION THREE	OPTION FOUR	POP - UP OPTION	LINE OF DUTY BENEFICIARIES (1)	BENEFICIARIES	OTHER BENEFITS (2)
17,073	14,734	11	236	322	577	12	658	523	-
\$ 983,474	\$ 823,327	\$ 482	\$ 11,207	\$ 15,861	\$ 37,985	\$ 664	\$ 55,488	\$ 8,692	\$ 29,768
<u>ANNUAL PAYROLL AMOUNT</u>									

(1) Includes Subchapter I and II.

(2) Includes City Supplements and Return of Contributions Vouchers.

Note: Option figures include Retirees and Beneficiaries.

New York City Fire Pension Fund
Retired Members by Type of Benefit
As of June 30, 2011

Exhibit 4

Amount of Monthly Benefit	Number of Retired Members	Type of Retirement ^a					Option Selected ^b					
		1	2	3	4	5	Unmodified	1	2	3	4	POP - UPS
\$ 39,268	11	-	-	-	3	8	11	-	-	-	-	-
147,600	32	-	1	20	10	1	32	-	-	-	-	-
969,741	197	-	2	146	49	-	197	-	-	-	-	-
2,799,302	517	15	7	413	81	1	14	3	72	114	310	4
6,698,115	1,162	115	16	921	103	7	1,091	5	3	43	17	3
12,764,369	1,926	559	49	1,215	94	9	1,866	2	2	3	52	1
10,682,808	2,363	588	50	1,662	50	13	2,284	-	41	18	16	4
8,299,808	1,696	671	56	880	65	24	1,656	1	6	26	7	-
8,771,258	2,014	883	128	931	48	24	1,770	11	11	70	163	-
9,766,571	2,482	1,068	254	1,075	47	38	2,368	-	65	37	12	-
6,611,857	1,937	873	199	771	49	45	1,907	-	23	7	-	-
3,663,650	1,220	546	182	394	17	81	1,206	-	11	3	-	-
2,047,022	799	318	109	206	18	148	797	-	1	1	-	-
1,065,286	717	201	57	78	24	357	716	-	1	-	-	-
Total	17,073	5,837	1,110	8,712	658	756	15,915	11	236	322	577	12

^a Type of retirement:

- 1 - Service retirement
- 2 - Ordinary Disability
- 3 - Accidental Disability
- 4 - Line of Duty (Accidental Death)
- 5 - Beneficiaries (All)

^b

Option selected:

The following options reduce the retired member's monthly benefits

Option 1 - Provides a member with a retirement allowance payable for life which is less than the Maximum Allowance.

Option 2 - Provides a member with a reduced retirement allowance with the provision that upon his or her death the same allowance will continue to be paid to his or her beneficiary for life.

Option 3 - Provides a member with a retirement allowance reduce from the Maximum Allowance, with the provision that one half of the allowance will continue to be paid to the member's beneficiary for life.

Option 4 - This option provides, upon the member's death, payment of a specified benefit or benefits actuarially sound and approved by the Actuary and the Board of Trustees.

POP - UP OPTIONS (refer to Option 4-2 and Option 4-3) These are called the "POP - UPS" because they are variations of Option 2 and 3 and provide that if the beneficiary predeceases the retiree, then the retirement allowance will "Pop - Up to the level of the Maximum Retirement Allowance.

New York City Fire Pension Fund
Average Benefit Payments
Last Ten Years

Exhibit 5

Age Credited Service

Retirement Effective Dates	Age Credited Service													
	Under 30	30-34	35-39	40-44	45-49	50-54	55-59	60-64	65-69	70-74	75-79	80-84	85-89	90 & Up
Period 7/1/01 to 6/30/02														
Average monthly benefit	\$ 2,192	\$ 2,423	\$ 2,976	\$ 3,368	\$ 3,409	\$ 3,515	\$ 3,690	\$ 3,593	\$ 3,273	\$ 3,006	\$ 2,647	\$ 1,994	\$ 1,404	\$ 1,125
Average final salary	\$ 26,301	\$ 29,076	\$ 35,710	\$ 40,419	\$ 40,908	\$ 42,185	\$ 44,274	\$ 43,120	\$ 39,279	\$ 36,069	\$ 31,764	\$ 23,927	\$ 16,851	\$ 13,500
Number of retired members	19	57	187	496	979	1,036	1,585	2,591	2,775	1,956	1,677	1,374	1,368	615
Period 7/1/02 to 6/30/03														
Average monthly benefit	\$ 2,195	\$ 2,607	\$ 3,153	\$ 3,656	\$ 3,711	\$ 3,826	\$ 4,026	\$ 3,747	\$ 3,398	\$ 3,077	\$ 2,731	\$ 2,159	\$ 1,413	\$ 1,229
Average final salary	\$ 26,344	\$ 31,280	\$ 37,830	\$ 43,866	\$ 44,527	\$ 45,910	\$ 48,314	\$ 44,960	\$ 40,772	\$ 36,918	\$ 32,772	\$ 25,907	\$ 16,959	\$ 14,743
Number of retired members	14	64	179	501	1,410	1,301	1,662	2,412	2,857	2,094	1,641	1,307	1,275	692
Period 7/1/03 to 6/30/04														
Average monthly benefit	\$ 2,500	\$ 2,936	\$ 3,582	\$ 3,885	\$ 3,961	\$ 4,040	\$ 4,186	\$ 3,900	\$ 3,502	\$ 3,138	\$ 2,830	\$ 2,320	\$ 1,493	\$ 1,207
Average final salary	\$ 29,994	\$ 35,228	\$ 42,982	\$ 46,617	\$ 47,537	\$ 48,479	\$ 50,233	\$ 46,799	\$ 42,028	\$ 37,654	\$ 33,965	\$ 27,842	\$ 17,919	\$ 14,484
Number of retired members	12	71	185	478	1,571	1,402	1,650	2,181	2,871	2,227	1,598	1,299	1,181	733
Period 7/1/04 to 6/30/05														
Average monthly benefit	\$ 2,897	\$ 3,213	\$ 3,822	\$ 4,157	\$ 4,201	\$ 4,282	\$ 4,285	\$ 4,066	\$ 3,627	\$ 3,191	\$ 2,928	\$ 2,476	\$ 1,625	\$ 1,274
Average final salary	\$ 34,760	\$ 38,561	\$ 45,858	\$ 49,888	\$ 50,409	\$ 51,385	\$ 51,425	\$ 48,787	\$ 43,522	\$ 38,289	\$ 35,130	\$ 29,709	\$ 19,497	\$ 15,286
Number of retired members	6	63	187	537	1,504	1,570	1,593	2,019	2,774	2,393	1,618	1,256	1,101	822
Period 7/1/05 to 6/30/06														
Average monthly benefit	\$ 3,421	\$ 3,284	\$ 3,995	\$ 4,394	\$ 4,423	\$ 4,505	\$ 4,414	\$ 4,266	\$ 3,762	\$ 3,270	\$ 3,052	\$ 2,604	\$ 1,827	\$ 1,260
Average final salary	\$ 41,054	\$ 39,165	\$ 47,945	\$ 52,733	\$ 53,081	\$ 54,059	\$ 52,973	\$ 51,187	\$ 45,143	\$ 39,244	\$ 36,619	\$ 31,250	\$ 21,920	\$ 15,120
Number of retired members	7	59	208	584	1,401	1,814	1,524	1,959	2,612	2,515	1,649	1,290	998	865
Period 7/1/06 to 6/30/07														
Average monthly benefit	\$ 3,375	\$ 3,611	\$ 4,284	\$ 4,716	\$ 4,862	\$ 4,895	\$ 4,715	\$ 4,424	\$ 3,879	\$ 3,341	\$ 3,117	\$ 2,689	\$ 1,971	\$ 1,210
Average final salary	\$ 40,499	\$ 43,327	\$ 51,409	\$ 56,588	\$ 58,345	\$ 58,735	\$ 56,579	\$ 53,083	\$ 46,553	\$ 40,093	\$ 37,402	\$ 32,267	\$ 23,651	\$ 14,524
Number of retired members	8	59	229	638	1,420	1,981	1,570	1,900	2,570	2,482	1,643	1,283	902	794
Period 7/1/07 to 6/30/08														
Average monthly benefit	\$ 3,843	\$ 3,606	\$ 4,527	\$ 5,144	\$ 5,257	\$ 5,232	\$ 4,987	\$ 4,633	\$ 4,005	\$ 3,500	\$ 3,179	\$ 2,786	\$ 2,166	\$ 1,276
Average final salary	\$ 46,116	\$ 43,273	\$ 54,323	\$ 61,725	\$ 63,079	\$ 62,786	\$ 59,844	\$ 55,591	\$ 48,061	\$ 42,002	\$ 38,143	\$ 33,432	\$ 25,993	\$ 15,308
Number of retired members	7	45	232	618	1,304	2,154	1,639	1,749	2,388	2,590	1,745	1,290	854	789
Period 7/1/08 to 6/30/09														
Average monthly benefit	\$ 3,881	\$ 3,642	\$ 4,572	\$ 5,195	\$ 5,309	\$ 5,284	\$ 5,037	\$ 4,679	\$ 4,045	\$ 3,535	\$ 3,210	\$ 2,814	\$ 2,188	\$ 1,288
Average final salary	\$ 46,577	\$ 43,706	\$ 54,866	\$ 62,342	\$ 63,710	\$ 63,414	\$ 60,442	\$ 56,147	\$ 48,542	\$ 42,422	\$ 38,524	\$ 33,766	\$ 26,253	\$ 15,461
Number of retired members	7	43	234	629	1,306	2,230	1,734	1,823	2,270	2,585	1,739	1,266	816	764
Period 7/1/09 to 6/30/10														
Average monthly benefit	\$ 3,843	\$ 3,606	\$ 4,527	\$ 5,144	\$ 5,257	\$ 5,231	\$ 4,985	\$ 4,633	\$ 4,005	\$ 3,500	\$ 3,179	\$ 2,786	\$ 2,166	\$ 1,272
Average final salary	\$ 46,116	\$ 43,273	\$ 54,323	\$ 61,725	\$ 63,079	\$ 62,774	\$ 59,823	\$ 55,591	\$ 48,061	\$ 42,002	\$ 38,143	\$ 33,432	\$ 25,993	\$ 15,262
Number of retired members	7	45	232	618	1,304	2,155	1,640	1,749	2,268	2,466	1,745	1,290	854	787
Period 7/1/10 to 6/30/11														
Average monthly benefit	\$ 3,570	\$ 4,613	\$ 4,923	\$ 5,415	\$ 5,784	\$ 5,663	\$ 5,576	\$ 4,958	\$ 4,355	\$ 3,754	\$ 3,316	\$ 3,003	\$ 2,562	\$ 1,424
Average final salary	\$ 42,838	\$ 55,350	\$ 59,071	\$ 64,974	\$ 69,172	\$ 67,956	\$ 66,907	\$ 59,497	\$ 52,262	\$ 45,042	\$ 39,791	\$ 36,036	\$ 30,744	\$ 17,090
Number of retired members	11	32	197	517	1,162	2,254	1,916	1,674	2,014	2,602	1,994	1,220	799	748

New York City Fire Pension Fund
Last Ten Fiscal Years
(In thousands)

Exhibit 6

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Type of Benefit:										
Age and service benefits:										
Retirees	\$ 219,347	\$ 255,487	\$ 256,676	253,706	254,777	253,902	248,262	249,084	244,502	240,312
Survivors	6,188	5,879	5,720	5,363	5,290	4,926	4,666	10,212	10,040	5,990
Death in service benefits	18,564	18,524	20,267	20,374	20,639	20,727	21,174	51,974	54,069	55,488
Disability benefits:										
Retirees - duty	280,766	308,978	338,051	369,126	402,335	449,918	495,662	524,425	552,814	587,885
Retirees - nonduty	64,435	64,287	63,868	63,615	62,603	61,397	59,685	58,392	56,905	55,019
Survivors	2,281	2,476	2,858	3,272	3,417	3,637	3,898	4,141	4,386	1,279
Total benefits	\$ 591,581	\$ 655,631	\$ 687,440	\$ 715,456	\$ 749,061	\$ 794,507	\$ 833,347	\$ 898,228	\$ 922,716	\$ 945,973
Type of Refunds										
Death	\$ 5,736	\$ 3,271	\$ 4,672	\$ 3,138	4,944	3,539	2,339	4,219	3,454	7,733
Other benefits	\$ 24,135	\$ 24,078	\$ 58,847	123,634	46,970	73,431	79,539	26,006	28,603	29,768
Total refunds	\$ 29,871	\$ 27,349	\$ 63,519	\$ 126,772	\$ 51,914	\$ 76,970	\$ 81,878	\$ 30,225	\$ 32,057	\$ 37,501
Total Benefits and Refunds	\$ 621,452	\$ 682,980	\$ 750,959	\$ 842,228	\$ 800,975	\$ 871,477	\$ 915,225	\$ 928,453	\$ 954,773	\$ 983,474

EXPLANATION OF OPTIONS

The member has two choices for selecting how his or her retirement allowance may be paid; the Maximum Allowance (no Option) or the selection of an Option.

MAXIMUM ALLOWANCE

The Maximum Allowance is the highest amount of retirement allowance that a member can receive. However, upon the member's death, after having received the first pension check, the Maximum Allowance does not provide for any benefit for the surviving spouse, children or to her designated beneficiaries.

OPTIONS

An Option is an arrangement whereby the member accepts a reduced retirement allowance in exchange for the payment, upon his or her death, of a benefit to the designated beneficiary or estate. This may be done by selecting one of the options outlined below. It is important to note that whatever option the member has chosen, once it is in effect, it can never be changed.

OPTION 1

Provides a member with a retirement allowance payable for life which is less than the Maximum Allowance. This option guarantees that the amount of the total reserve set up at retirement under Option 1 will be paid to the member and upon his or her death, if any reserve remains, to his or her beneficiary.

A summary of option 1 retirement allowance;

- 1) Is a reduced benefit.
- 2) Is payable for life to the member.
- 3) The reserve balance is constantly decreasing for as long as the member continues to receive a retirement allowance.
- 4) Upon the member's death, his or her beneficiary may be paid in a lump sum or in the form of an annuity equal and up to the remaining balance (if any) in the reserve.
- 5) The member is allowed to change beneficiaries at any time.

FIVE-YEAR OR TEN-YEAR CERTAIN

A reduced retirement allowance is paid to the retiree, with a provision that upon his or her death within five (ten) years of retirement, the balance that would have been payable had the member survived for five (ten) years shall be paid to the designated beneficiary or estate. The five-year or ten-year certain options are only available to Article II members (those member appointed after July 1, 1973).

A summary of Five (Ten) Year Certain retirement allowance:

- 1) Is a reduced benefit.
- 2) Is payable for life to the member.
- 3) Permits the member to change the beneficiary at any time.
- 4) Upon the member's death the beneficiary may be paid the remaining balance in a lump sum or in monthly payments until five (ten) years are up.

OPTION 2

Provides a member with a reduced retirement allowance with the provision that upon his or her death the same allowance will continue to be paid to his or her beneficiary for life.

A summary of option 2 retirement allowance;

- 1) Is a reduced benefit.
- 2) Is payable for life to the member.
- 3) Guarantees that the same benefit is payable to the members surviving beneficiary for life.
- 4) Will cease after the death of both the member and his or her beneficiary.
- 5) The member is not allowed to change beneficiary.

OPTION 3

Provides a member with a retirement allowance reduced from the Maximum Allowance, with the provision that one half of the allowance that was paid to the member will continue to be paid to the member's beneficiary for life.

A summary of option 3 retirement allowance;

- 1) Is a reduced benefit.
- 2) Is payable for life to the member.
- 3) Guarantees that one half (1/2) of the member's benefit is payable to his or her beneficiary for life.
- 4) Will cease after the death of both the member and his or her beneficiary.
- 5) The member is not allowed to change beneficiary

OPTION 4

This option provides, upon the member's death, payment of a specified benefit or benefits actuarially sound and approved by the Actuary and the Board of Trustees.

EXAMPLE:

The member may select a fixed amount payable at his or her death to the member's beneficiary or beneficiaries. Payment may be either a lump sum or a percentage of the member's retirement allowance to be paid monthly. The member may change the beneficiary at any time during his or her lifetime, but not the option, on or after the effective retirement date.

At the time of the member's death, the beneficiary may elect to receive the lump sum benefit, or may elect to receive an annuity in lieu of the lump sum.

"POP-UP" OPTIONS

Option 4-2 and Option 4-3 are known as the "Pop-Up" Option. These are called the "Pop-Ups" because they are variations of Option 2 and 3 and provide that if the beneficiary predeceases the retiree, then the retirement allowance will "Pop-Up" to the level of the Maximum Retirement Allowance.

Member's should keep in mind that the retirement allowance will be subject to a greater reduction under the "Pop-Up" Options than under Options 2 or 3 because of the increase in retirement allowance if the designated beneficiary predeceases the member.

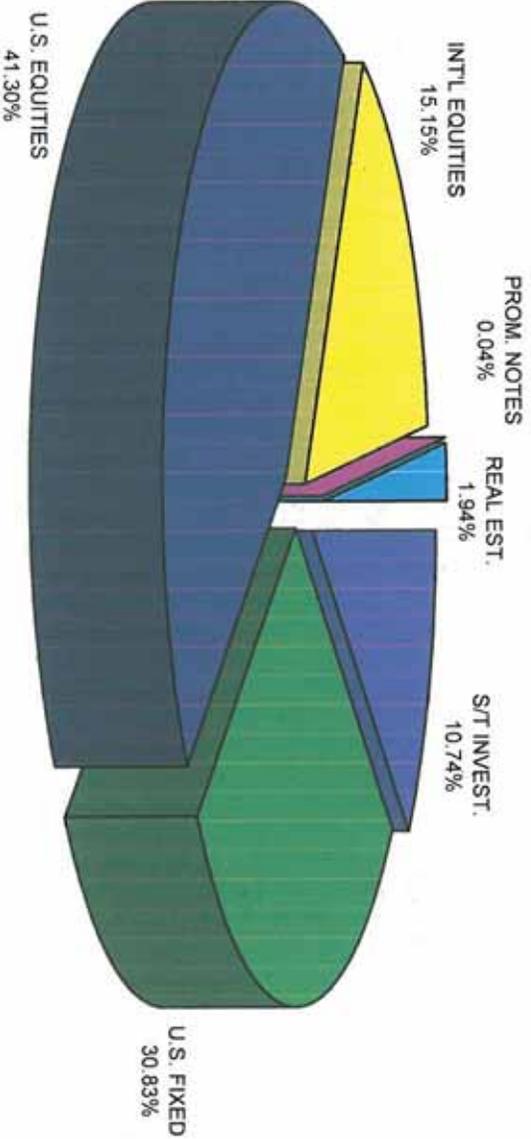
SCHEDULE OF AVERAGE ANNUAL BENEFIT PAYMENT AMOUNTS

Fiscal Year	Service Retirement Benefits		Accidental (Duty) Disability Benefits		Ordinary (Non Duty) Disability Benefits		Survivor's Benefits *	
	Numbers	Average Annual Allowance	Number	Average Annual Allowance	Number	Average Annual Allowance	Number	Average Annual Allowance
2002	6,669	\$ 32,890	6,204	\$ 45,255	1,587	\$ 40,602	2,255	\$ 11,988
2003	7,237	35,303	6,503	47,513	1,535	41,881	2,134	12,595
2004 (Lag)	7,148	35,909	6,780	49,860	1,488	42,922	2,043	14,119
2005 (Lag)	6,965	36,426	7,103	51,968	1,448	43,933	1,927	19,316
2006 (Lag)	6,839	37,254	7,420	54,223	1,398	44,780	1,828	19,767
2007 (Lag)	6,606	38,435	7,816	57,564	1,339	45,853	1,718	17,208
2008 (Lag)	6,353	39,078	8,149	60,825	1,284	46,484	1,618	20,942
2009	6,193	40,220	8,301	63,176	1,218	47,941	1,593	41,637
2010	5,971	40,948	8,557	64,604	1,168	48,720	1,464	46,786
2011	5,837	41,170	8,712	67,480	1,110	49,557	1,414	49,144

* Includes World Trade Center Benefits

Exhibit 7

TOTAL INVESTMENTS FISCAL YEAR 2011 (At Market Value)



NEW YORK CITY FIRE PENSION FUND

Schedule of Changes in Net Assets

(In thousands)

Year Ended	Additions to Plan Net Assets										Deductions from Plan Net Assets				Change in Net Assets
	Member Contributions	Employer Contributions	Net Investment Income/(Loss)	Other Income	Total Additions	Benefit Payments	Refunds	Administrative Expenses	Other	Total Deductions					
2002	40,872	302,318	(641,079)	18,021	(279,868)	621,303	149	-	-	621,452	(901,320)				
2003	42,296	316,967	283,435	21,426	664,124	681,959	1,021	-	-	682,980	(18,856)				
2004	42,529	392,693	774,109	33,257	1,242,588	750,742	217	-	-	750,959	491,629				
2005	52,680	489,508	560,821	49,662	1,152,671	841,648	319	-	261	842,228	310,443				
2006	76,548	608,771	590,395	28,971	1,304,685	800,552	-	413	10	800,975	503,710				
2007	71,614	683,193	1,117,227	36,770	1,908,804	870,841	444	172	20	871,477	1,037,327				
2008	75,974	780,202	(366,390)	40,103	529,889	914,569	418	200	38	915,225	(385,336)				
2009	84,357	843,751	(1,282,917)	42,729	(312,080)	927,819	325	248	61	928,453	(1,240,533)				
2010	89,223	874,331	818,201	34,990	1,816,745	953,990	510	237	36	954,773	861,972				
2011	94,893	890,706	1,472,892	41,887	2,500,378	982,962	276	236	-	983,474	1,516,904				

NEW YORK CITY FIRE PENSION FUND

SCHEDULE OF REVENUES BY SOURCE

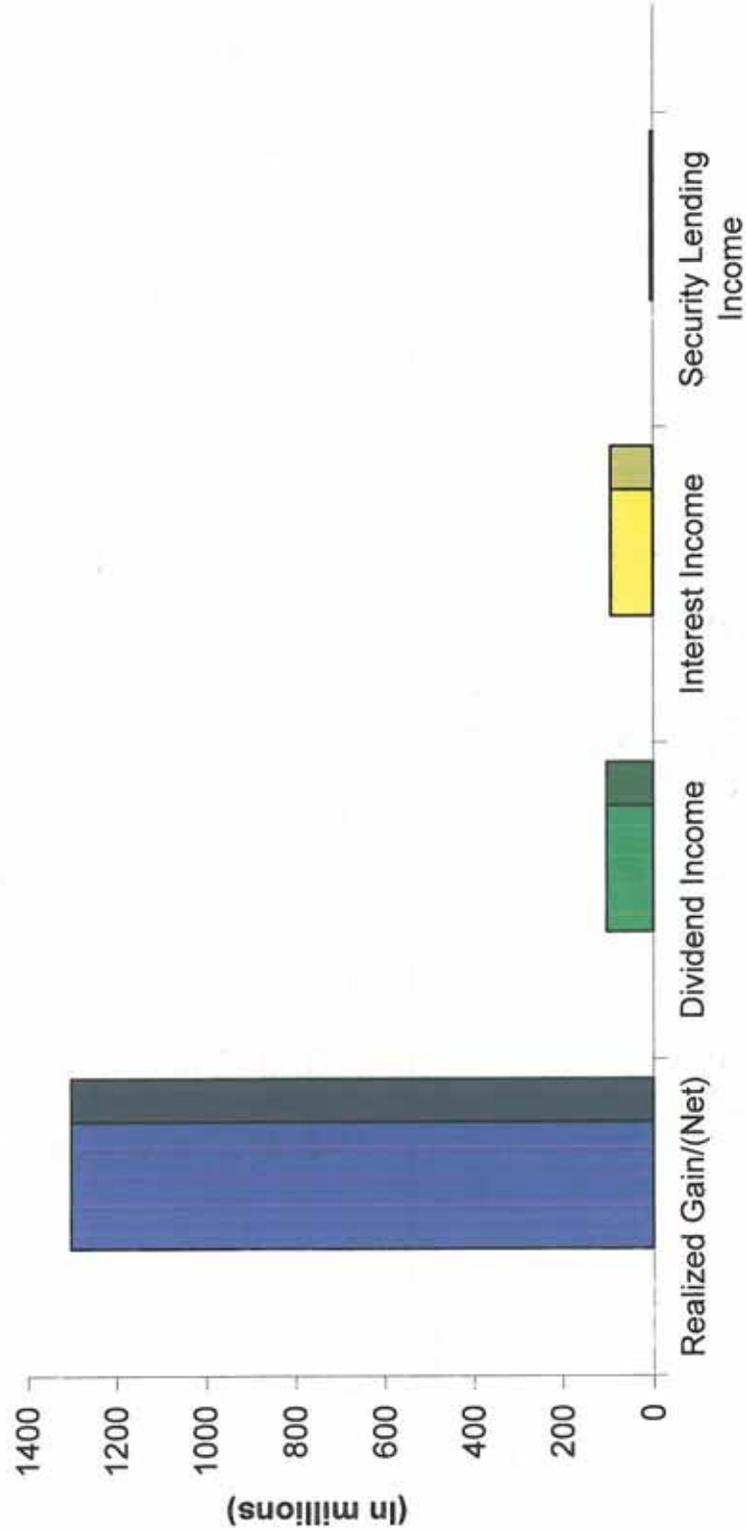
(in thousands)

Fiscal Year Ended June 30	Member Contributions	Employer Contributions	Other Income	Interest and Dividends	Appreciation in fair value of investments	Total	% of Annual Covered Payroll
2002	\$ 40,872	\$ 302,318	\$ 18,021	\$ 159,021	\$ (800,100)	\$ (279,868)	N/A
2003	42,296	316,967	5,404	128,984	170,473	664,124	N/A
2004	42,529	392,693	22,673	124,437	660,256	1,242,588	N/A
2005	52,680	489,508	40,443	147,184	422,856	1,152,671	N/A
2006	76,548	608,771	17,450	164,325	437,591	1,304,685	N/A
2007	71,614	683,193	21,868	185,836	946,293	1,908,804	N/A
2008	75,974	780,202	28,393	210,151	(564,831)	529,889	N/A
2009	84,357	843,751	30,545	187,040	(1,457,773)	(312,080)	N/A
2010	89,223	874,331	10,319	176,097	666,775	1,816,745	N/A
2011	94,893	890,706	17,668	192,667	1,304,444	2,500,378	N/A

Source: Statement of Changes in Plan Net Assets

INVESTMENT INCOME

Fiscal Year 2011



NEW YORK CITY FIRE PENSION FUND

SCHEDULE OF EXPENSES BY TYPE

(in thousands)

Fiscal Year Ended June 30	Benefit Payments	Refunds	Administrative		Other Payments	Total
			Expenses	Expenses		
2002	\$ 621,303	\$ 149	\$ -	\$ -	-	\$ 621,452
2003	681,959	1,021	-	-	-	682,980
2004	750,742	217	-	-	-	750,959
2005	841,648	319	-	-	261	842,228
2006	800,552	-	413	10	10	800,975
2007	870,841	444	172	20	20	871,477
2008	914,569	418	200	38	38	915,225
2009	927,819	325	248	61	61	928,453
2010	953,990	510	237	36	36	954,773
2011	982,962	276	236	-	-	983,474

Table of Compensation to
Administrative Officials and Commissions & Payments
To Brokers and Consultants
Fiscal Year Ended June 30, 2011

<u>Official Plan Position</u>	<u>Salary or Allowance Paid</u>
Pension Fund Administrative Personnel	\$ 1,882,142
Comptroller's Office Executive Management Costs	18,950
First Deputy Personal Service Cost	98,899
Financial Information Service Agency (FISA)	243,118
Office of Payroll Administration (OPA)	216,124
Deputy Comptroller Asset Management (Personal Service Cost)	580,038
Deputy Comptroller Asset Management (Outside Service Costs)	297,262
Administrative Support Cost	2,659
Office of Management and Budget	113,856
Legal Advisor	171,520
Investments Advisor	28,241,748
Securities Lending Fees	732,841
Total	\$ 32,599,157

* Except for investment advisor and Securities Lending fees these expenses were charged to other City Agencies on behalf of the New York Fire Pension Fund.

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