

SPRINGFIELD FIREFIGHTERS' PENSION FUND
(A Component Unit of the City of Springfield, Illinois)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For the Year Ended February 29, 2008

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management's Discussion and Analysis	2-3
BASIC FINANCIAL STATEMENTS	
Statement of Plan Net Assets Available for Benefits	4
Statement of Changes in Plan Net Assets Available for Benefits	5
Notes to Financial Statements	6-10
REQUIRED SUPPLEMENTARY INFORMATION	
Schedule of Funding Progress	11
Schedule of Employer Contributions	12-13

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July 11, 2008

Board of Trustees
City of Springfield, Illinois
Springfield Firefighters' Pension Fund

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying basic financial statements of the Springfield Firefighters' Pension Fund, a blended component unit of the City of Springfield, Illinois, as of and for the year ended February 29, 2008, as listed in the accompanying table of contents. These financial statements are the responsibility of the Springfield Firefighters' Pension Fund management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, these financial statements present only the Firefighters' Pension Fund and are not intended to present fairly the financial position and results of operations of the City of Springfield, Illinois in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Springfield Firefighters' Pension Fund of the City of Springfield, Illinois as of February 29, 2008, and the changes in plan net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis and the other required supplementary pension information 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. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

Pehlman & Dold, P.C.
PEHLMAN & DOLD, PC
CERTIFIED PUBLIC ACCOUNTANTS

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following Management Discussion and Analysis (MD & A) of the Springfield Firefighters' Pension Fund's financial performance provides an introduction to the financial statements for the year ended February 29, 2008, 2007. Since the MD & A is designed to focus on current activities, resulting changes and current known facts, please read it in conjunction with the basic financial statements and required supplementary information.

Required Financial Statements

The Springfield Firefighters' Pension Fund, a component unit of the City of Springfield, Illinois, prepares its financial statements on an accrual basis in accordance with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The Statement of Plan Net Assets Available for Benefits includes all assets and liabilities and provides information about the nature and amount of investments available to satisfy the pension benefits of the plan. All additions to and deductions from the net assets held in trust for pension benefits are accounted for in the Statement of Changes in Plan Net Assets Available for Benefits.

Financial Analysis

While the Statement of Plan Net Assets Available for Benefits and Statement of Changes in Plan Net Assets Available for Benefits measure the value of the plan net assets and the changes to them, another important factor needs to be considered in order to determine the financial health of the Springfield Firefighters' Pension Fund. That additional factor is the plan's actuarial liability. In 2008, contributions of \$7,478,537, gains on investments of \$2,671,091 and deductions to net assets of \$8,298,681 resulted in a net increase in net assets of \$1,850,947. This net increase brought the Plan's net asset base to \$83,891,076. For actuarial calculations, the Springfield Firefighter's Pension Fund uses a four-year smoothed market-related value to determine the actuarial value of assets. The smoothing prevents extreme volatility in employer contribution rates due to short-term fluctuations in the investment markets. For the February 28, 2007 valuation, the actuarial value of assets was \$82,567,784. The aggregate actuarial liability was \$147,916,182. On an actuarial basis, the assets held currently fund 55.8% of this liability. This is a decrease from the funding ratio of 56.0% for 2006.

Plan Net Assets Available for Benefits

To begin the financial analysis, a summary of the Springfield Firefighters' Pension Fund's Plan Net Assets Available for Benefits is presented below.

Condensed Statements of Plan Net Assets

	2008	2007	Dollar Change	Percent Change
Cash & equivalents	\$ 766,504	\$ 816,590	\$(50,086)	(6)%
Investments	82,664,925	80,828,099	1,836,826	2 %
Receivables	497,587	434,606	62,981	14 %
Total Assets	83,929,016	82,079,295	1,849,721	2 %
Liabilities	37,940	39,166	(1,226)	(3)%
Total plan net assets	\$83,891,076	\$82,040,129	\$ 1,850,947	2 %

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS - continued**

As the above table shows, plan net assets increased by \$1,850,947 (2%) in 2008. This increase reflects increases in investment and receivable balances at year-end.

Changes in Plan Net Assets

Condensed Statements of Plan Net Assets

	2008	2007	Dollar Change	Percent Change
Additions				
Employer contributions	\$ 6,131,904	\$ 5,349,896	\$ 782,008	15%
Participant contributions	1,346,633	1,279,876	66,757	5%
Net invest income/loss	<u>2,671,091</u>	<u>7,130,021</u>	<u>(4,458,930)</u>	<u>(63)%</u>
Total additions	10,149,628	13,759,793	(3,610,165)	(26)%
Deductions				
Benefits	8,174,152	7,671,745	502,407	7%
Administration expense	<u>124,529</u>	<u>111,763</u>	<u>12,766</u>	<u>11%</u>
Total deductions	8,298,681	7,783,508	515,173	7%
Net increase in plan net assets	\$ 1,850,947	\$ 5,976,285	\$(4,125,338)	(69)%

Additions

Additions needed to fund benefits are accumulated through contributions and returns on invested funds. Contributions for 2008 totaled \$7,478,537. This represents an increase of 20% or \$848,765 from 2007. The fund incurred net investment losses for the year. These losses are due to increased expenses and market conditions.

The increase in employer contributions is due to an increase in the annual actuarial requirements based on the Actuarial Valuation Report as of February 28, 2007, by Goldstein & Associates.

In 2008, the fund had net depreciation in the fair value of investments of \$1,883,076 – a \$5,123,546 decrease from the \$3,240,470 of appreciation recorded in 2007. Interest and dividends income totaled \$4,918,303, an increase of \$593,993 from 2007. Investment expenses increased from \$156,727 in 2007 to \$235,258 in 2008.

Deductions

The expenses paid by the fund include benefit payments and administrative expenses. Administrative expenses for 2008 totaled \$124,529, an increase of \$12,766 from 2007.

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

**STATEMENT OF PLAN NET ASSETS
AVAILABLE FOR BENEFITS**

February 29, 2008

ASSETS

Cash and cash equivalents		\$ 766,504
<i>Investments, at fair value</i>		
U.S. governments securities	\$25,444,211	
U.S. agency securities	22,215,644	
Mutual funds	10,189,295	
Common stocks	<u>24,815,775</u>	
Total investments		82,664,925
 <i>Receivables</i>		
Interest and dividends		<u>497,587</u>
Total assets		<u>83,929,016</u>

LIABILITIES

Accounts payable		<u>37,940</u>
Total liabilities		<u>37,940</u>

NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS (A Schedule of Funding Progress is presented on page 11)		<u>\$83,891,076</u>
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The Notes to the Financial Statements are an integral part of this statement.

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

**STATEMENT OF CHANGES IN PLAN NET ASSETS
AVAILABLE FOR BENEFITS**

For the Year Ended February 29, 2008

ADDITIONS

Contributions

Employer	\$ 6,131,904
Participants	<u>1,346,633</u>
Total contributions	<u>7,478,537</u>

Investment income

Net appreciation (depreciation) in fair value of investments	(1,883,076)
Interest and dividends	<u>4,789,425</u>
Total investment income	2,906,349
Less investment expense	(<u>235,258</u>)
Net investment income	<u>2,671,091</u>

Total additions 10,149,628

DEDUCTIONS

Pension benefits

Retirement	6,122,252
Disability	764,090
Survivor	<u>1,287,810</u>
Total pension benefits	<u>8,174,152</u>

Administrative expenses

Professional fees	26,091
Other	<u>98,438</u>
Total administrative expenses	<u>124,529</u>

Total deductions 8,298,681

Net Increase 1,850,947

NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS

March 1, 2007 82,040,129

NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS

February 28, 2008 \$83,891,076

The Notes to the Financial Statements are an integral part of this statement.

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

February 29, 2008

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Springfield Firefighters' Pension Fund of the City of Springfield, Illinois (Plan), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Plan's accounting policies are described below.

Reporting Entity

The Springfield Firefighters' Pension Fund is a component unit of the City of Springfield, Illinois because of the significance of its operational and financial relationship with the City. For financial reporting purposes the Fund is reported as a "blended" component unit of the City because it is fiscally dependent on the City. Blending is a financial reporting process that results in the reporting of the component unit's operations as part of the primary government's operations.

The Board of Trustees is the administrator of the Fund that was established by the City in accordance with the City Charter and Illinois Compiled Statutes.

Fund Accounting

The Plan uses funds to report on its net assets and the changes in its net assets. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The Plan's fund is classified in this report into the fiduciary category.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. When pension plan assets are held under the terms of a formal trust agreement, a pension trust fund is used.

Basis of Accounting

The pension trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the statement of plan net assets. Pension trust fund operating statements present increases (additions) and decreases (deductions) in plan net assets.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

February 29, 2008

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Investments

Investments are reported at fair value at February 29, 2008. Securities traded on material exchanges are reported at the last quoted market price. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Fund at year-end. Investment income is recognized as earned. Gains and losses on sales and exchanges of investment securities are recognized on the transaction date.

Note 2. DEPOSITS AND INVESTMENTS

Cash

At year-end the carrying amount of the Plan's deposits totaled \$109,201 in bank checking and savings accounts. These funds were fully covered by Federal Depository Insurance.

Cash Equivalents and Investments

Investments made by the Firefighter's Pension Fund are governed by both the Illinois Pension Code and the Fund's own investment policy. Allowable investments include (1) interest-bearing bonds of the United States, or of the State of Illinois, or any county, city, township, village, incorporated town, municipal corporation, or school district in this state; (2) tax anticipation warrants issued by any city, township, village, incorporated town, or fire protection district; (3) notes, bonds, debentures or other similar obligations which are guaranteed as to principal and interest by the United States; (4) insured withdrawable capital accounts of state chartered savings and loan associates; (5) insured withdrawable capital accounts of federally chartered federal savings and loan associations if the withdrawable capital accounts are insured by the Federal Deposit Insurance Corporation; (6) insured investments in credit unions if the investments are insured by the National Credit Union Administration; (7) savings accounts or certificates of deposit of a national or state bank; (8) contracts and agreements supplemental thereto providing for investments in the general account of a life insurance company authorized to do business in Illinois; (9) separate accounts of a life insurance company authorized to do business in Illinois, comprised of common or preferred stocks, bonds, or money market instruments; (10) The Illinois Funds; (11) separate accounts managed by a life insurance company authorized to do business in Illinois, comprised of real estate or loans upon real estate secured by first or second mortgages; and (12) direct equities, mutual funds, and separate accounts.

Equity-type Investments

Equity investments are held in custodial accounts managed by JP Morgan/Chase Bank and Allegiant Asset Management Company. The investment policy of the Pension Fund allows an allocation of between 20% and 45% of the plan assets in equity-type investments, and sets further allocation guidelines within that scope. Individual holdings must meet certain criteria outlined in the investment policies, and no individual holding may comprise more than 5% of the equity-type holdings in total.

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

February 29, 2008

Note 2. DEPOSITS AND INVESTMENTS - continued

Equity-type Investments - continued

At February 29, 2008 the equity-type investments consisted of the following:

<u>Type</u>	<u>Acquisition Cost</u>	<u>Market Value</u>	<u>% of Plan Assets</u>
Cash equivalents	\$ 420,114	\$ 420,114	.50%
Common stocks	25,718,048	24,815,775	29.57%
CTF/Mutual Funds	<u>11,328,027</u>	<u>10,189,295</u>	<u>12.14%</u>
Totals	<u>\$37,466,189</u>	<u>\$35,425,184</u>	<u>42.21%</u>

Fixed Income-type Investments

Fixed income investments are held in a custodial account managed by JP Morgan/Chase Bank. The investment policy of the Pension Fund allows an allocation of between 55% and 80% of the plan assets in fixed income-type investments, and limits individual securities to those, which meet certain criteria. Securities of a single issuer (with the exception of the United States Government, and its agencies) may not exceed 5% of the fixed-income portion of the plan assets.

At February 29, 2008 the fixed income-type investments consisted of the following:

<u>Type</u>	<u>S & P Rating</u>	<u>Market Value</u>	<u>Yield to Maturity</u>	<u>Modified Duration</u>	<u>Average Months to Maturity</u>	<u>% of Plan Assets</u>
Cash equivalents		\$ 237,188	2.60%			.28%
U.S. Government Obligations:						
Treasury Bonds	AAA	6,658,277	4.71%	6.22	108	7.93%
Treasury Notes	AAA	18,112,158	4.83%	2.82	48	21.58%
Treasury I.I. Bonds	AAA	673,777	3.48%	1.30	28	.80%
U.S. Government Agencies:						
FHLB	AAA	1,365,851	4.64%	3.30	55	1.63%
FHLMC	AAA	313,337	3.99%	1.93	37	.37%
FHLMC Pass-thru	AAA	4,227,918	5.16%	4.72	139	5.04%
FNMA	AAA	646,098	5.15%	4.12	66	.77%
FNMA Pass-thru	AAA	8,841,885	5.10%	4.12	155	10.53%
GNMA Pool	AAA	2,682,975	5.74%	4.99	148	3.20%
GNMA Pass-thru	AAA	160,201	5.77%	6.25	190	.19%
Other Agencies	AAA	<u>3,977,379</u>	<u>4.94%</u>	<u>2.53</u>	<u>46</u>	<u>4.74%</u>
Totals		<u>\$47,897,044</u>	<u>4.95%</u>	<u>4.06</u>	<u>93</u>	<u>57.07%</u>

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

February 29, 2008

Note 2. DEPOSITS AND INVESTMENTS - continued

Interest Rate and Credit Risk

The Board of Trustees of the Springfield Firefighters' Pension Fund recognizes its ultimate responsibility for the value preservation and growth of the Fund's assets in its investment policies. The policies will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for benefit payments, thereby avoiding the need to sell securities on the open market prior to maturity.

The policies will minimize credit risk, the risk of loss due to failure of the security issuer or backer, by pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisors with which the Plan will do business and by diversifying the portfolio so that potential losses on individual securities will be minimized.

Summary of Deposits and Investments:

	<u>Cash and Equivalents</u>	<u>Investments at Fair Value</u>	<u>Total</u>
Cash	\$ 109,201	\$	\$ 109,201
Equity-type investments	420,114	37,046,075	37,466,189
Fixed income-type investments	<u>237,188</u>	<u>47,659,856</u>	<u>47,897,044</u>
Total	<u>\$ 766,503</u>	<u>\$84,705,931</u>	<u>\$85,472,434</u>

Note 3. FIREFIGHTERS' PENSION PLAN

Plan Description

The City's firefighter pension plan is a single-employer defined benefit pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only the Illinois Legislature.

At February 28, 2007, the date of the most recent actuarial valuation, the plan covered substantially all City firefighter personnel, including those retired, disabled, and survivors, as follows:

Retirees and beneficiaries currently receiving benefits	205
Terminated employees entitled to, but not yet receiving benefits	-0-
Current employees	
Vested	106
Non-vested	<u>113</u>
Total	<u>424</u>

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

February 29, 2008

Note 3. FIREFIGHTERS' PENSION PLAN - continued

The Firefighters' Pension Plan provides retirement benefits, as well as, death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years, but less than 20 years, of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. By the year 2033, the City's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

Related Party Transactions and Significant Investments

There were no securities of the City or related parties included in the assets of the pension trust fund during the year ended February 29, 2008. There are no investments (other than U.S. government, U.S. government-guaranteed obligations) in any one organization that represents 5% or more of net assets available for benefits.

Note 4. CONTINGENCIES

The Plan is subject to a program compliance audit by the Illinois Department of Insurance. The compliance audit for the year ended February 29, 2008 has not yet been conducted. Accordingly, the Plan's compliance with applicable requirements will be established at some future date. The amount of adjustments, if any, to be made by the Illinois Department of Insurance cannot be determined at this time although the Plan expects such amount, if any, to be immaterial.

REQUIRED SUPPLEMENTARY INFORMATION

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

SCHEDULE OF FUNDING PROGRESS

February 29, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -- Entry Age (b)	Unfunded AAL (UAAL) (b/a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
2/28/98	\$62,513,647	\$ 71,619,186	\$ 9,105,539	87.29%	\$ 9,436,430	96.49%
2/28/99	66,247,270	77,033,770	10,786,500	86.00%	8,954,944	120.45%
2/29/00	67,815,356	86,618,474	18,803,118	78.29%	10,277,515	182.95%
2/28/01	70,596,231	92,727,674	22,131,443	76.13%	10,264,676	215.61%
2/28/02	72,850,700	98,738,675	25,887,975	73.78%	11,066,679	233.93%
2/28/03	73,140,869	106,174,061	33,033,192	68.89%	11,197,022	295.02%
2/29/04	74,083,792	113,510,350	39,426,558	65.27%	11,473,368	343.64%
2/28/05	75,179,787	128,659,500	53,479,713	58.43%	11,227,146	476.34%
2/28/06	77,466,315	138,359,348	60,893,033	55.99%	12,688,471	479.91%
2/28/07	82,567,784	147,916,182	65,348,398	55.82%	13,113,863	498.32%

Notes to the Required Supplementary Information

This information is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was the level dollar amount, and the amortization period was to the year 2033; the asset valuation was determined by smoothing unexpected gains or losses from investment return over a four-year period; and the significant actuarial assumptions were an investment rate of return at 8.00% compounded annually; a projected salary increase assumption of 4.0% compounded annually and an additional projected merit increase of 1.0% compounded annually.

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

February 29, 2008

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Employer Contributions</u>	<u>Percentage of ARC Contributed</u>
1998	\$1,718,128	\$1,720,000	100.11%
1999	1,757,785	1,757,785	100.00%
2000	2,054,221	2,054,221	100.00%
2001	2,076,874	2,076,874	100.00%
2002	2,869,394	2,869,394	100.00%
2003	3,040,190	3,040,200	100.00%
2004	3,414,096	3,414,096	100.00%
2005	3,898,795	3,898,795	100.00%
2006	4,405,554	4,405,554	100.00%
2007	5,349,896	5,349,896	100.00%
2008	6,131,904	6,131,904	100.00%

Notes to the Required Supplementary Information

This information is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was the level dollar amount, and the amortization period was to the year 2033; the asset valuation was determined by smoothing unexpected gains or losses from investment return over a four-year period; and the significant actuarial assumptions were an investment rate of return at 8.00% compounded annually; a projected salary increase assumption of 4.0% compound annually and an additional projected merit increase of 1.0% compounded annually.

**SPRINGFIELD FIREFIGHTERS' PENSION FUND
CITY OF SPRINGFIELD, ILLINOIS**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

February 29, 2008

<u>Fiscal Year</u>	<u>Annual Required Contribution (ARC)</u>	<u>Annual Pension Cost (APC)</u>	<u>Employer Contributions</u>	<u>Percentage of ARC Contributed</u>	<u>Net Pension Obligation (Asset) (NPO)</u>
1998	\$1,718,128	\$1,715,211	\$1,720,000	100.11%	\$(106,803)
1999	1,757,785	1,754,804	1,757,785	100.00%	(109,784)
2000	2,054,221	2,051,236	2,054,221	100.00%	(112,769)
2001	2,076,874	2,073,895	2,076,874	100.00%	(115,748)
2002	2,869,394	2,866,433	2,869,394	100.00%	(118,709)
2003	3,040,190	3,037,259	3,040,200	100.00%	(121,650)
2004	3,414,096	3,411,209	3,414,096	100.00%	(124,537)
2005	3,898,795	3,895,968	3,898,795	100.00%	(127,364)
2006	4,405,554	4,402,804	4,405,554	100.00%	(130,114)
2007	5,349,896	5,347,243	5,349,896	100.00%	(132,767)
2008	6,131,904	N/A*	6,131,904	100.00%	N/A

* Not available

Notes to the Required Supplementary Information

This information is presented in accordance with GASB Statement No. 25. The information presented was determined as part of the actuarial valuations at the date indicated. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was the level dollar amount, and the amortization period was to the year 2033; the asset valuation was determined by smoothing unexpected gains or losses from investment return over a four-year period; and the significant actuarial assumptions were an investment rate of return at 8.00% compounded annually; a projected salary increase assumption of 4.0% compound annually and an additional projected merit increase of 1.0% compounded annually.

