

**CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
(A Pension Trust Fund of the City of Springfield, Illinois)**

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

For the Year Ended February 28, 2011

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Police Pension Fund  
City of Springfield, Illinois

We have audited the basic financial statements of the Springfield Police Pension Fund, a pension trust fund of the City of Springfield, Illinois, as of and for the year ended February 28, 2011, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Springfield Police Pension Fund management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1a, these basic financial statements present only the Springfield Police Pension Fund, a pension trust fund of the City of Springfield, Illinois, and are not intended to present fairly the financial position and changes in financial position of the City of Springfield, Illinois in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the plan net assets of the Springfield Police Pension Fund, a pension trust fund of the City of Springfield, Illinois as of February 28, 2011, 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 Springfield Police Pension Fund has not presented a management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

The required supplementary information listed in the table of contents is not a required part of the basic financial statements but is 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.

*Silvick UP*

Springfield, Illinois  
August 3, 2011

BASIC FINANCIAL STATEMENTS

CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
(A Pension Trust Fund of the City of Springfield, Illinois)

STATEMENT OF PLAN NET ASSETS

February 28, 2011

|   |                       |
|---|-----------------------|
| <b>ASSETS</b>   |                       |
| Cash and cash equivalents                                 | \$ 2,064,423          |
| Investments, at fair value                                |                       |
| Mutual fund equities                                      | 42,298,177            |
| Common stock  | 8,161,805             |
| U.S. Treasury   | 27,376,868            |
| Federal Home Loan Banks (FHLB)                            | 14,065,195            |
| Federal Home Loan Mortgage Corporation (FHLMC)            | 5,706,105             |
| Federal Farm Credit Banks (FFCB)                          | 1,113,610             |
| Federal National Mortgage Association (FNMA)              | 5,766,685             |
| Government National Mortgage Association (GNMA)           | 1,038,744             |
| Private Export Funding Corporation bonds                  | 1,062,750             |
|   | <hr/>                 |
| Total investments   | 106,589,939           |
|   | <hr/>                 |
| Accrued interest  | 344,881               |
| Pension contribution receivable                           | 84,839                |
|   | <hr/>                 |
|   | 429,720               |
|   | <hr/>                 |
| Total assets  | 109,084,082           |
|   | <hr/>                 |
| <b>LIABILITIES</b>  |                       |
| Accounts payable  | 1,777                 |
|   | <hr/>                 |
| Total liabilities   | 1,777                 |
|   | <hr/>                 |
| <b>NET PLAN ASSETS HELD IN TRUST FOR PENSION BENEFITS</b> | <b>\$ 109,082,305</b> |
|   | <hr/> <hr/>           |

See accompanying Notes to Financial Statements.

CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
(A Pension Trust Fund of the City of Springfield, Illinois)

STATEMENT OF CHANGES IN PLAN NET ASSETS

For the Year Ended February 28, 2011

|  |                       |
|--|-----------------------|
| <b>ADDITIONS</b>   |                       |
| Contributions  |                       |
| Employer contributions                                       | \$ 7,897,449          |
| Participant contributions                                    | 1,673,483             |
| Total contributions  | <u>9,570,932</u>      |
| Miscellaneous income   | <u>6,188</u>          |
| Investment income  |                       |
| Net appreciation (depreciation) in fair value of investments | 8,784,894             |
| Interest and dividends                                       | 2,539,679             |
| Total investment income                                      | <u>11,324,573</u>     |
| Less investment expense                                      | (202,092)             |
| Net investment income  | <u>11,122,481</u>     |
| Total additions  | <u>20,699,601</u>     |
| <b>DEDUCTIONS</b>  |                       |
| Pension benefits and refunds                                 |                       |
| Retired  | 7,931,363             |
| Disabled   | 207,905               |
| Widows   | 752,735               |
| Contributions refunded                                       | 163,284               |
| Total pension benefits and refunds                           | <u>9,055,287</u>      |
| Administrative expenses                                      |                       |
| Legal  | 20,859                |
| Professional services  | 57,795                |
| Office supplies, equipment, and postage                      | 4,665                 |
| Other  | 40,096                |
| Total administrative expenses                                | <u>123,415</u>        |
| Total deductions   | <u>9,178,702</u>      |
| <b>NET INCREASE</b>  | <b>11,520,899</b>     |
| <b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>         |                       |
| March 1, 2010  | <u>97,561,406</u>     |
| February 28, 2011  | <u>\$ 109,082,305</u> |

See accompanying Notes to Financial Statements.

CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
(A Pension Trust Fund of the City of Springfield, Illinois)

NOTES TO FINANCIAL STATEMENTS

February 28, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Springfield Police Pension Fund, a pension trust 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.

a. Reporting Entity

The Police Pension Fund is a pension trust of the City of Springfield, Illinois. 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. The Board of Trustees includes two City appointees, one elected retiree and two elected active police officers.

b. 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.

c. 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 (e.g., additions) and decreases (e.g., deductions) in plan net assets.



CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
NOTES TO FINANCIAL STATEMENTS - Continued

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

c. Basis of Accounting - Continued

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.

d. Investments

Investments are reported at fair value at February 28, 2011. Securities traded on material exchanges are reported at the last quoted market price. Investment income is recognized as earned. Gains and losses on sales and exchanges of investment securities are recognized on the transaction date.

e. Contributions

Participant contributions are recognized in the period in which the contributions are earned. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions.

2. DEPOSITS AND INVESTMENTS

The deposits and investments of the Plan are held separately from those of the City.

The Plan's investment policy authorizes the pension fund to invest in securities permitted in the Illinois Compiled Statutes (40 ILCS 5/1-113). The statutes authorize the Pension Fund to invest in 1) interest bearing direct obligations of the United States of America; 2) interest bearing obligations to the extent they are fully guaranteed or insured by the United States of America; 3) interest bearing bonds, notes, debentures or other similar obligations of agencies of the United States of America; 4) interest bearing savings accounts or certificates of deposit issued by federally chartered banks or savings and loan associations, state of Illinois chartered banks or savings and loan associations, or credit unions to the extent the investments are insured by agencies or instrumentalities of the federal government; 5) interest bearing bonds of the state of Illinois; 6) pooled interest bearing accounts managed by the Illinois Public Treasurer's Pool; 7) interest bearing bonds or tax anticipation warrants of any county, township or municipal corporation of the state of Illinois; 8) direct obligations of the state of Israel subject to certain limitations as defined in the statute; 9) money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953 and are diversified, open-ended management investment companies provided the money market portfolio is limited to bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of

CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
NOTES TO FINANCIAL STATEMENTS - Continued

2. DEPOSITS AND INVESTMENTS - Continued

America; bonds, notes, debentures or other similar obligations of the United States of America or its agencies; or certain short-term obligations of corporations; 10) general accounts of life insurance companies authorized to transact business in Illinois; 11) separate accounts managed by life insurance companies authorized to transact business in Illinois that are comprised of diversified portfolios consisting of common or preferred stocks, bonds, money market instruments or real estate or loans upon real estate secured by a first or second mortgage; 12) mutual funds managed by an investment company as defined and registered under the federal Investment Company Act of 1940 and Illinois Securities Law of 1953; that have been in operation for at least five years; that have total net assets of \$250 million or more; and that are comprised of diversified portfolios consisting of common or preferred stocks, bonds, money market instruments; 13) common and preferred stocks authorized for investments of trust funds under the laws of the state of Illinois that meet certain requirements detailed in the statutes.

a. Deposits

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Plan's deposits with financial institutions.

b. Investments

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Plan will not be able to recover the value of its investments that are in possession of an outside party. The Plan's investment policy does not specifically address custodial credit risk, except for the Plan's compliance with State statutes.

CITY OF SPRINGFIELD, ILLINOIS  
 POLICE PENSION FUND  
 NOTES TO FINANCIAL STATEMENTS - Continued

2. DEPOSITS AND INVESTMENTS - Continued

b. Investments - Continued

Concentration of Credit Risk

The Plan's investments are held in a custodial account of US Bank and managed by Fiduciary Management Associates, LLC. The plan has adopted an asset allocation policy as follows:

|                       | <u>Minimum</u> | <u>Maximum</u> |
|-----------------------|----------------|----------------|
| Large Cap Stocks      | 20%            | 45%            |
| Small & Midcap Stocks | -              | 15             |
| International Stocks  | -              | 10             |
| Real Estate Inv Trust | -              | 5              |
| Fixed Income          | 55             | 80             |
| Cash                  | -              | 20             |

In addition, the Plan must comply with State statutes which dictate that individual holdings must meet certain criteria, and no individual investment held (with the exception of the United States Government and agencies securities) may exceed 5% of the invested assets in total.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in the market interest rates. The Plan's investment policy minimizes the risk that the market value of the 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 Plan's investment policy does not limit the maximum maturity length of investments.

As of the February 28, 2011, the Plan had the following investments and maturities of debt securities:

| <u>Investment</u>        | <u>Fair Value</u> | <u>Maturity (In years)</u> |              |              |               |
|--------------------------|-------------------|----------------------------|--------------|--------------|---------------|
|                          |                   | <u>Less than 1</u>         | <u>1-5</u>   | <u>6-10</u>  | <u>&gt;10</u> |
| U.S. Treasury Securities | \$27,376,868      | \$9,289,085                | \$ 8,631,148 | \$ 8,766,245 | \$ 690,390    |
| FHLB                     | 14,065,195        | 4,537,240                  | 8,245,385    | 1,282,570    | -             |
| FHLMC                    | 5,706,105         | 1,029,320                  | 4,676,785    | -            | -             |
| FFCB                     | 1,113,610         | -                          | 1,113,610    | -            | -             |
| FNMA                     | 5,766,685         | 3,018,450                  | 1,495,100    | -            | 1,253,135     |
| GNMA                     | 1,038,744         | -                          | 30,947       | -            | 1,007,797     |
| Private Export           | 1,062,750         | -                          | 1,062,750    | -            | -             |

CITY OF SPRINGFIELD, ILLINOIS  
 POLICE PENSION FUND  
 NOTES TO FINANCIAL STATEMENTS - Continued

2. DEPOSITS AND INVESTMENTS - Continued

b. Investments - Continued

Credit risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Plan's investment policy does not specifically address credit risk for investments, except for Plan compliance with State statutes.

As of February 28, 2011, the portfolio consisted of U.S. treasury securities, Federal Home Loan Mortgage notes, Corporate Bonds, Federal Farm Credit Banks, Federal Home Loan Banks (all rated Aaa by Moody's), Federal National Mortgage Association (rated Aaa by Moody's except for \$1,253,135 with maturities greater than 10 years which are not rated by Moody's), and GNMA (not rated by Moody's).

3. POLICE PENSION FUND

a. Plan Description

1. Police sworn personnel are covered by the Plan, which is a defined benefit single-employer pension plan. Although this is considered a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (ILCS), 40 ILCS 5/4 and may be amended only by the Illinois legislature. At February 28, 2010, the Plan's membership consisted of:

|  |     |
|--|-----|
| Retirees and beneficiaries currently receiving benefits          | 207 |
| Terminated employees entitled to, but not yet receiving benefits | 6   |
| Current employees  |     |
| Vested   | 187 |
| Nonvested  | 78  |
| Total  | 478 |

CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
NOTES TO FINANCIAL STATEMENTS - Continued

3. POLICE PENSION FUND - Continued

a. Plan Description - Continued

2. The following is a summary of the Plan as provided for in Illinois State statutes:

The Police Pension Plan provides retirement benefits as well as death and disability benefits. For employees hired before January 1, 2011, 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 equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. For a person who first becomes a police officer under Chapter 40, Article 3 of state statute on or after January 1, 2011 who is at least age 55 and who has 10 or more years of service in that capacity shall be entitled at his option to receive a monthly pension for his service as a police officer computed by multiplying 2.5% for each year of such service by his or her final average salary. The maximum pension shall be 75% of final average salary, and shall not exceed \$106,800 (excluding annual pension increases). The pension of an employee who is retiring after attaining age 50 with 10 or more years of creditable service shall be reduced by one-half of 1% for each month that the employee's age is under age 55.

The monthly benefit of a police officer, hired before January 1, 2011, who retired with 20 or more years of service after January 1977, shall be increased, upon either the first of the month following the first anniversary of the date of retirement if the officer is 55 years of age or by 1/12 of 3.00% of the originally granted pension for each full month that has elapsed since the pension began. The monthly pension benefit of a police officer who first becomes a police officer under Chapter 40, Article 3 of state statute on or after January 1, 2011 shall be increased on the January 1 occurring either on or after the attainment of age 60 or the first anniversary of the pension start date, whichever is later. Each annual increase shall be calculated at 3% or one-half the annual adjusted percentage increase (but not less than zero) in the consumer price index-u (published by the Bureau of Labor Statistics of the US Department of Labor) for the twelve months ending with the September preceding each November 1, whichever is less, of the originally granted pension. If the annual adjusted percentage change in the consumer price index-u for a twelve month period ending in September is zero or, when compared with the preceding period, decreases, then the pension shall not be increased.

CITY OF SPRINGFIELD, ILLINOIS  
 POLICE PENSION FUND  
 NOTES TO FINANCIAL STATEMENTS - Continued

3. POLICE PENSION FUND - Continued

a. Plan Description - Continued

Employees are required by ILCS to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. An employee is fully vested in the plan on the earliest of the completion of six years of service with the municipality; or the death of the employee while employed by the municipality, if the participant has completed at least 1.5 years of service. If the participating employee who is fully vested terminates employment, the participating employee shall be entitled to both employer and employee contributions and any investment returned thereon. The City is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective January 1, 1993, the City has until the year 2033 to fully fund the past service cost for the Plan.

b. Related Party Transactions and Significant Investments

There were no securities of the employer or any other related parties included in plan assets, including any loans. There are no investments (other than U.S. government and agencies' securities – separate accounts) in any one organization that represents 5% or more of net assets available for benefits.

c. Actuarial Valuation

An actuarial valuation was performed as of February 28, 2010. The valuation determined the following:

|  |               |
|--|---------------|
| Actuarial accrued liability  | \$186,040,560 |
| Actuarial value of assets  | \$106,129,535 |
| Unfunded actuarial liability                                       | \$79,911,025  |
| Funded ratio   | 57.05%        |
| Annual covered payroll   | \$17,919,522  |
| Ratio of unfunded actuarial liability<br>to annual covered payroll | 445.94%       |

The actuarial methods and significant assumptions used for the February 28, 2010 valuation are summarized below:

Mortality rates: The UP-1984 Mortality Table

CITY OF SPRINGFIELD, ILLINOIS  
 POLICE PENSION FUND  
 NOTES TO FINANCIAL STATEMENTS - Continued

3. POLICE PENSION FUND - Continued

c. Actuarial Valuation - Continued

Termination rates: The following is a sample of the termination rates that were used:

| <u>Age</u>  | <u>Rate of Termination</u> |
|-------------|----------------------------|
| 25          | .0476                      |
| 30          | .0237                      |
| 35          | .0157                      |
| 40          | .0140                      |
| 45 and over | .0105                      |

Disability rates: The following is a sample of the disability rates that were used:

| <u>Age</u> | <u>Rate of Disability</u> |
|------------|---------------------------|
| 25         | .0012                     |
| 30         | .0021                     |
| 35         | .0031                     |
| 40         | .0041                     |
| 45         | .0050                     |
| 50         | .0085                     |
| 55         | .0267                     |
| 60         | .0000                     |

Retirement rates: Rates of retirement for each age from 50 to 65 were used. The following is a sample of the retirement rates that were used:

| <u>Age</u> | <u>Rate of Termination</u> |
|------------|----------------------------|
| 50         | .2111                      |
| 55         | .1689                      |
| 60         | .3815                      |
| 65         | 1.0000                     |

Salary progression: 5.0% per year, compounded annually. This can be considered to consist of a 4.0% inflation assumption and a 1.0% merit increase assumption.

Inflation rate: 4.0% per year, compounded annually.

Investment return rate: 7.5% per year, compounded annually.

CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION FUND  
NOTES TO FINANCIAL STATEMENTS - Continued

3. POLICE PENSION FUND - Continued

d. Actuarial Valuation - Continued

Marital status: 80% of participants were assumed to be married.

Spouse's age: The age of the spouse was assumed to be 4 years younger than the age of the employee.

Actuarial value of assets: The actuarial value of assets was determined by smoothing unexpected gains or losses from investment return over a five-year period.

Actuarial cost method: The entry age actuarial cost method was used with costs allocated on the basis of earnings.

Amortization method: The amortization method used was level-percent of pay with a closed approach.

Amortization period: The amortization period was to the year 2033.

The required schedule of funding progress immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

4. CONTINGENT LIABILITIES

The Plan is subject to a program compliance audit by the Illinois Department of Financial and Professional Regulation. The compliance audit for the year ended February 28, 2011 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 Financial and Professional Regulation cannot be determined at this time although the Plan expects such amount, if any, to be immaterial.



REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SPRINGFIELD, ILLINOIS  
POLICE PENSION PLAN  
(A Pension Trust Fund of the City of Springfield, Illinois)

SCHEDULE OF FUNDING PROGRESS

February 28, 2011

| Actuarial<br>Valuation<br>Date<br><u>February 28/29</u> | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial Accrued<br>Liability (AAL)<br>-- Entry Age<br>(b) | Unfunded<br>AAL (UAAL)<br>(b-a) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | UAAL as a<br>Percentage of<br>Covered Payroll<br>((b-a)/c) |
|---|--|---|---------------------------------|--------------------------|---------------------------|--|
| 2005  | \$ 82,044,577                          | \$ 124,373,250  | \$ 42,328,673                   | 65.97%                   | \$ 14,285,279             | 296.31%  |
| 2006  | 86,968,718                             | 134,137,870   | 47,169,152                      | 64.84%                   | 15,602,359                | 302.32%  |
| 2007  | 93,968,422                             | 144,077,490   | 50,109,068                      | 65.22%                   | 16,019,656                | 312.80%  |
| 2008  | 99,114,641                             | 172,067,154   | 72,952,513                      | 57.60%                   | 15,995,773                | 456.07%  |
| 2009  | 100,639,944                            | 173,781,048   | 73,141,104                      | 57.91%                   | 17,376,447                | 420.92%  |
| 2010  | 106,129,535                            | 186,040,560   | 79,911,025                      | 57.05%                   | 17,919,522                | 445.94%  |

See Independent Auditor's Report.

CITY OF SPRINGFIELD, ILLINOIS  
 POLICE PENSION FUND  
 (A Pension Trust Fund of the City of Springfield, Illinois)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

February 28, 2011

| Fiscal<br>Year | Annual<br>Required<br>Contribution<br>(ARC) | Annual<br>Pension<br>Cost<br>(APC) | Employer<br>Contributions | Percentage<br>of ARC<br>Contributed | Employer<br>Net Pension<br>Obligation<br>(Asset)<br>(NPO) |
|----------------|---|------------------------------------|---------------------------|-------------------------------------|---|
| 2006           | \$ 4,460,984                                | \$ 4,456,950                       | \$ 4,460,984              | 100%                                | \$ (190,869)  |
| 2007           | 4,801,235                                   | 4,797,342                          | 4,801,235                 | 100%                                | (194,762)   |
| 2008           | 5,382,890                                   | 5,379,191                          | 5,382,890                 | 100%                                | (198,481)   |
| 2009           | 5,714,717                                   | 5,711,207                          | 5,714,717                 | 100%                                | (201,991)   |
| 2010           | 8,008,143                                   | 8,005,283                          | 8,008,143                 | 100%                                | (204,851)   |
| 2011           | 7,897,449                                   | N/A                                | 7,897,449                 | N/A                                 | N/A   |

See Independent Auditor's Report.