
**FIREMEN'S RETIREMENT
SYSTEM OF ST. LOUIS**

FINANCIAL REPORT
(Audited)

Year Ended September 30, 2009

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
FINANCIAL REPORT

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Hochschild, Bloom & Company LLP
Certified Public Accountants
Consultants and Advisors

INDEPENDENT AUDITORS' REPORT

February 2, 2010

The Board of Trustees
FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

We have audited the accompanying statements of plan net assets of the **FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS** (the System), a component unit of the City of St. Louis, Missouri, as of September 30, 2009 and 2008, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits 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 System'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, the financial statements referred to above present fairly, in all material respects, the plan net assets as of September 30, 2009 and 2008, and the changes in plan net assets for the years then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and required supplemental information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by the U.S. generally accepted accounting principles. We have applied certain limited proce-

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dures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements taken as a whole. The other supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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.

Hochschild & Bloom & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED SEPTEMBER 30, 2009

The following management's discussion and analysis (MD&A) of the Firemen's Retirement System of St. Louis (the System) provides an overview of the System's financial activities for the fiscal year ended September 30, 2009. The MD&A should be read in conjunction with the System's financial statements and supplementary information.

FINANCIAL HIGHLIGHTS

The System's net assets were \$381 million at September 30, 2009, which represents a decrease of \$40 million from September 30, 2008.

Additions to net assets for fiscal year 2009 were negative (\$4) million as compared to negative additions of (\$72) million for fiscal year 2008. The current period negative additions are comprised of \$19 million of net investment loss, \$12 million in employer contributions, and \$3 million in Members contributions.

Deductions from net assets were \$36 million for fiscal year 2009 and \$32 million for fiscal year 2008.

The overall investment return for the System was (4.70%) for fiscal year 2009 as compared to (17.59%) for fiscal year 2008. The negative investment return during the last two fiscal years is due to the general downturn in the economy. The Board of Trustees acts to ensure the System retains the top performing Investment Managers while maintaining a balanced investment portfolio. The investment return for fiscal year 2009 and 2008 was substantially under the actuarial assumption of 7.625%.

FINANCIAL STATEMENTS

The financial report of the System consists of two financial statements: the statements of plan net assets and the statements of changes in plan net assets. The statements of plan net assets provide the detail of the System's assets and related liabilities other than benefit obligations. The net assets of the System reflect the resources available for future benefit payments. The statements of changes in plan net assets provide the detail of the System's activity during the year that lead to the change in plan net assets from the prior year.

In addition to the financial statements, the financial report contains the notes to financial statements and supplemental information, which provide additional information for use in analyzing the financial statements and actuarial information related to the funded status of the System.

FINANCIAL ANALYSIS

Total assets at September 30, 2009 were \$383,274,234 and were mainly comprised of cash, investments, and other receivables. Total assets decreased \$40,116,344 or 9.48% from September 30, 2008.

Total liabilities at September 30, 2009 were \$1,966,282 and consisted mainly of unsettled investment transactions and accrued expenses. Total liabilities increased \$51,407 or 2.68% from September 30, 2008.

Net assets held in trust for pension benefits were \$381,307,952 at September 30, 2009, a decrease of \$40,167,751 or 9.53% from the prior period. This decrease mainly resulted from a decrease in investments of \$46 million, the majority of which was the result of a \$22 million decline in the market value of the investments.

Following is a condensed version of the statements of plan net assets (dollars in thousands):

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	September 30			Total Change			
				Amount		Percentage	
	2009	2008	2007	2009	2008	2009	2008
ASSETS							
Investments	\$ 367,654	413,644	505,259	(45,990)	(91,615)	(11.1) %	(18.1)
Cash	14,152	7,841	5,308	6,311	2,533	80.5	47.7
Receivables	1,091	1,515	16,939	(424)	(15,424)	(28.0)	(91.1)
Capital assets, net	377	391	376	(14)	15	(3.6)	4.0
Total Assets	<u>383,274</u>	<u>423,391</u>	<u>527,882</u>	<u>(40,117)</u>	<u>(104,491)</u>	<u>(9.5)</u>	<u>(19.8)</u>
LIABILITIES	<u>1,966</u>	<u>1,915</u>	<u>2,769</u>	<u>51</u>	<u>(854)</u>	<u>2.7</u>	<u>(30.8)</u>
NET ASSETS	<u>\$ 381,308</u>	<u>421,476</u>	<u>525,113</u>	<u>(40,168)</u>	<u>(103,637)</u>	<u>(9.5) %</u>	<u>(19.7)</u>

Revenues - Additions to Plan Net Assets

The reserves needed to finance retirement benefits as well as death and disability benefits are accumulated through the collection of employer and employee (members) contributions and through earnings on investments. Members contribute 8% (1% while in DROP status) of their salary to fund future retirement benefits. This percentage is set by state statute and was unchanged from the prior year. Total contribution income (employer and members) totaled \$15,111,832 for the year ended September 30, 2009 as compared to \$10,329,698 for the prior year. Delinquent employer contributions were recovered during the year ended September 30, 2007 totaling \$49,404,691.

Net investment losses totaled \$18,864,872 in fiscal year 2009 as compared to net investment losses of \$81,989,764 in the prior period. Investment income (loss) is net of investment expenses (management and custodial fees) totaling \$1,178,471 and \$1,713,052 for the years ended September 30, 2009 and 2008, respectively.

Expenses - Deductions from Plan Net Assets

The primary expenses of the System include the payment of pension benefits to retirees and beneficiaries, refunds of Members contributions, and administrative expenses to operate the System. Total expenses for fiscal year 2009 were \$36,414,711, an increase of \$4,437,278 from the prior year.

Following is a condensed version of the statements of changes in plan net assets (dollars in thousands):

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2009

	For The Years			Total Change			
	Ended September 30			Amount		Percentage	
	2009	2008	2007	2009	2008	2009	2008
ADDITIONS							
Employer contributions	\$ 12,194	7,485	63,690	4,709	(56,205)	62.9 %	(88.2)
Members contributions	2,918	2,845	2,796	73	49	2.6	1.8
Net investment income (loss)	<u>(18,865)</u>	<u>(81,990)</u>	<u>65,629</u>	<u>63,125</u>	<u>(147,619)</u>	77.0	(224.9)
Total Additions (Net)	<u>(3,753)</u>	<u>(71,660)</u>	<u>132,115</u>	<u>67,907</u>	<u>(203,775)</u>	94.8	(154.2)
DEDUCTIONS							
Benefits paid	34,230	29,908	29,742	4,322	166	14.5	0.6
Refund of Members contributions	1,207	1,152	1,391	55	(239)	4.8	(17.2)
Administrative expenses	978	917	904	61	13	6.7	1.4
Total Deductions	<u>36,415</u>	<u>31,977</u>	<u>32,037</u>	<u>4,438</u>	<u>(60)</u>	13.9	(0.2)
CHANGE IN NET ASSETS							
	(40,168)	(103,637)	100,078	63,469	(203,715)	61.2	(203.6)
NET ASSETS, BEGIN- NING OF YEAR	<u>421,476</u>	<u>525,113</u>	<u>425,035</u>	<u>(103,637)</u>	<u>100,078</u>	(19.7)	23.5
NET ASSETS, END OF YEAR	<u>\$ 381,308</u>	<u>421,476</u>	<u>525,113</u>	<u>(40,168)</u>	<u>(103,637)</u>	(9.5) %	(19.7)

SUMMARY

The System's net assets held in trust for pension benefits have increased in six out of the past ten years. The decreases, which occurred in fiscal years 2009, 2008, 2002, and 2001, were the result of investment losses due to economic slowdowns that detrimentally affected most pension systems in those years. The Trustees believe, and the actuarial calculations confirm, that the System is in a financial position to meet its current and projected obligations. With a continued focus on a prudent investment program, cost controls, and strategic planning, the System should continue to improve its current financial position.

REQUESTS FOR INFORMATION

This financial report is designed to provide the Board of Trustees, our Members, and other users of our financial report with a general overview of the System's finances and to demonstrate the System's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact:

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FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
STATEMENTS OF PLAN NET ASSETS

	September 30	
	2009	2008
ASSETS		
Investments, at fair value:		
Equities:		
Corporate stocks	\$ 176,765,102	182,766,279
Collective investment funds	36,430,835	34,612,180
Hedge fund	8,631,221	20,471,472
Fixed income:		
Collective investment funds	102,410,954	98,191,546
Corporate bonds	103,919	111,735
Real estate investment trust	30,617,564	47,827,468
Money market funds	12,694,780	29,663,189
Total Investments	367,654,375	413,643,869
Cash and cash equivalents	14,152,045	7,840,951
Receivables:		
Unsettled investment transactions	606,300	954,595
Other receivables	203,404	129,851
Interest and dividends	167,389	314,554
Members contributions	114,051	116,353
Total Receivables	1,091,144	1,515,353
Capital assets, less accumulated depreciation	376,670	390,405
Total Assets	383,274,234	423,390,578
LIABILITIES		
Unsettled investment transactions	1,515,632	1,555,832
Accrued investment management fees	308,871	341,015
Members contributions refundable	79,960	9,872
Accrued administrative expenses	61,819	8,156
Total Liabilities	1,966,282	1,914,875
NET ASSETS HELD IN TRUST FOR PENSION		
BENEFITS (a schedule of funding progress for the System is presented on page 26)	\$ 381,307,952	421,475,703

See notes to financial statements

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
STATEMENTS OF CHANGES IN PLAN NET ASSETS

	For The Years	
	Ended September 30	
	2009	2008
ADDITIONS TO NET ASSETS ATTRIBUTED TO:		
Contributions:		
Employer	\$ 12,193,989	7,484,524
Members	<u>2,917,843</u>	<u>2,845,174</u>
Total Contributions	<u>15,111,832</u>	<u>10,329,698</u>
Investment income (loss):		
Net appreciation (depreciation) in fair value of investments	(21,737,952)	(86,501,685)
Dividends	3,598,051	4,641,463
Securities lending income	305,670	301,751
Interest	134,688	1,191,850
Recapture commissions	13,142	8,167
Class action settlements	-	81,742
Total Investment Income (Loss)	<u>(17,686,401)</u>	<u>(80,276,712)</u>
Less - Investment management and custodial fees	<u>1,178,471</u>	<u>1,713,052</u>
Net Investment Income (Loss)	<u>(18,864,872)</u>	<u>(81,989,764)</u>
Total Additions - Net	<u>(3,753,040)</u>	<u>(71,660,066)</u>
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Benefits paid to retirees and beneficiaries	34,230,413	29,908,146
Refunds of Members contributions	1,206,585	1,152,581
Administrative expenses	<u>977,713</u>	<u>916,706</u>
Total Deductions	<u>36,414,711</u>	<u>31,977,433</u>
NET DECREASE IN PLAN NET ASSETS	(40,167,751)	(103,637,499)
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, BEGINNING OF YEAR	<u>421,475,703</u>	<u>525,113,202</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS, END OF YEAR	<u><u>\$ 381,307,952</u></u>	<u><u>421,475,703</u></u>

See notes to financial statements

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE A - DESCRIPTION OF PLAN

The **FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS** (the System) administers a single employer defined benefit pension plan providing pension benefits to the City of St. Louis firemen (the Members). Membership in the System consists of:

	September 30		Increase (Decrease)
	2009	2008	
Retirees and beneficiaries currently receiving benefits	<u>1,010</u>	<u>1,025</u>	<u>(15)</u>
Current Members:			
Vested - DROP	63	48	15
Vested - Non-DROP	118	95	23
Nonvested	<u>547</u>	<u>582</u>	<u>(35)</u>
Total Current Members	<u>728</u>	<u>725</u>	<u>3</u>
Total Membership	<u>1,738</u>	<u>1,750</u>	<u>(12)</u>

The System provides retirement benefits as well as death and disability benefits. Members can voluntarily retire after a minimum of 20 years of service. The monthly allowance consists of 40% of the final two-year average monthly compensation at 20 years of service, plus 2% of such final average compensation for each of the next five years of service, plus 5% of final average compensation for each additional year of service after 25 years with a maximum pension of 75%. Unused accrued sick pay may increase the maximum pension beyond this limitation.

Covered Members contribute 8% of their salary. Upon leaving employment, the Member's contributions are refunded. In addition, terminated Members receive interest.

The System, in accordance with Ordinance 62994 of the City of St. Louis, initiated during the fiscal year ended August 31, 1994, a Deferred Retirement Option Plan (DROP). The DROP option is available to Members of the System who have at least 20 years of creditable service and have achieved eligibility for retirement. Those Members who elect to participate will continue active employment, will have a service retirement allowance credited monthly in the DROP account of the Member, and the Member's contributions will be reduced to 1% from the normal 8%. During participation in the DROP, the Member will not receive credit for City contributions or credit for service. A Member may participate in the DROP only once for any period up to five years. At retirement the funds in the Member's DROP account plus 1) interest and 2) accrued sick leave if elected is available to the Member in a lump sum or in installments. The number of Members with DROP account balances was 170 and 175 at September 30, 2009 and 2008, respectively.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied by the System in the preparation of the accompanying financial statements are summarized as follows:

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1. Reporting Entity

The System is a pension trust fund of the City of St. Louis, Missouri (the City). As such, the System is considered part of the City and is included in the City's Comprehensive Annual Financial Report as a pension trust fund. The System and its Board of Trustees (Board) are not financially accountable for any other entities or other organizations. Accordingly, the System is the only entity included in this financial report.

2. Basis of Accounting

The financial statements were prepared using the accrual basis of accounting. Members and employer contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. Dividend income is recognized based on the ex-dividend date and interest income is recognized on the accrual basis as earned. Investment purchases and sales are recorded on a trade-date basis.

3. Investment Valuation

Marketable securities are stated at fair value. Fair values are based on the last reported sales price on September 30 or on the last reported bid price if no sale was made on that date.

4. Cash

Cash on deposit with Commerce Bank N.A. is maintained for the System by the Treasurer of the City.

5. Operating Expenditures

Benefits paid and administrative expenses are approved by the Board. Payments are processed by the Treasurer of the City.

6. Net Assets Held in Trust for Pension Benefits

The System's net assets held in trust for pension benefits consist of:

Member's Savings Fund - Members contribute 8% of their compensation to the System. Such contributions are credited to the Member's Savings Fund. Interest, at a rate determined by the Board, is credited annually on the balance in each Member's account during the preceding year. Withdrawal refunds of Member's accumulated contributions are charged to this fund. Upon retirement or death in service of a Member with a surviving beneficiary, the Member's own contributions are refunded. Upon

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Net Assets Held in Trust for Pension Benefits (Continued)

termination of employment or death in service with no survivor, the Member's contributions, including interest, are refunded. The balance at September 30, 2009 and 2008 was \$67,194,513 and \$62,476,638, respectively.

Benefit Reserve Fund - Upon retirement or death, the Benefit Reserve Fund is payable to the Member or their beneficiaries. This amount is determined by the actuaries, in accordance with Ordinances 49623, 56444, 57603, 58242, 58651, 58652, and 59018. An amount is transferred from the General Reserve Fund which, when added to the amount transferred from Member's Savings Fund, brings the balance of the Benefit Reserve Fund to an amount equal to the present value of future benefits. The balance at September 30, 2009 and 2008 was \$292,710,197 and \$287,631,676, respectively.

General Reserve Fund - Contributions made by the City are credited to the General Reserve Fund. The present value of all future estimated benefits payable to active Members on death or retirement not provided by Member's contributions are accumulated in this fund. The balance at September 30, 2009 and 2008 was \$16,346,643 and \$66,091,258, respectively.

Future Benefit Fund - The Future Benefit Fund was established June 29, 1990 by City ordinance as a method to fund increased benefits for retired Members. The funding of the Future Benefit Fund was terminated per the City ordinance after fiscal year ended August 31, 1993. The balance in the fund will be used for future benefits until it is exhausted. Benefits of \$0 and \$414,955 were paid from the Future Benefit Fund during the years ended September 30, 2009 and 2008, respectively. The Future Benefit Fund is excluded from the assets used in determining the City's contribution requirement. The balance at September 30, 2009 and 2008 was \$4,636,821 and \$4,871,856, respectively.

System Employees Benefit Fund - On August 28, 1997, the Board approved a resolution to provide additional benefits for the administrative employees of the System in the form of severance pay and a limited retirement package. The severance pay applies to employees who are dismissed for any reason other than for just cause based on the wrongful conduct of the employee. The dismissed employee would be entitled to one months pay for each year or part of year that the employee has been employed by the System. The retirement package is for employees who have completed five years of service. Upon completing five years of service, the employee will have five months of salary credited to him or her. Thereafter the employee will be credited with a month of salary upon completion of each additional year of service. Employees accrued additional benefits of \$24,669 and \$20,301 for the years ended September 30, 2009 and 2008, respectively. The employees' accounts will be credited each anniversary date with interest on the account at the same rate as earned by the System. No

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

6. Net Assets Held in Trust for Pension Benefits (Continued)

benefits were paid from the System Employees Benefit Fund during the years ended September 30, 2009 and 2008. The System Employees Benefit Fund is excluded from the assets used in determining the City's contribution requirement. The balance at September 30, 2009 and 2008 was \$419,778 and \$404,275, respectively.

7. Use of Estimates

The preparation of the System's financial statements in conformity with U.S. generally accepted accounting principles requires management and the System's actuary to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets during the reporting period. Actual results could differ from those estimates.

8. Capital Assets

Expenditures for property and equipment exceeding \$1,000 are capitalized and depreciated over the estimated useful lives of the property on the straight-line method as follows:

Asset	Years
Building	40
Building improvements	10 - 15
Furniture and equipment	5 - 7

Expenditures for repairs and maintenance are expensed as incurred. Gains and losses on disposition of property and equipment are included in income as realized.

Capital asset activity was as follows:

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets (Continued)

	For The Year Ended September 30, 2009			
	Balance September 30 2008	Additions	Deletions And Re- classifications	Balance September 30 2009
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 83,086	-	-	83,086
Construction in progress	1,574	6,774	8,348	-
Total Capital Assets Not Being Depreciated	84,660	6,774	8,348	83,086
Capital assets being depreciated:				
Building	205,417	-	-	205,417
Building improvements	205,959	8,348	1,125	213,182
Furniture and equipment	88,902	-	7,636	81,266
Total Capital Assets Being Depreciated	500,278	8,348	8,761	499,865
Less - Accumulated depreciation for:				
Building	36,803	5,135	-	41,938
Building improvements	70,819	13,825	966	83,678
Furniture and equipment	86,911	1,390	7,636	80,665
Total Accumulated Depreciation	194,533	20,350	8,602	206,281
Total Capital Assets Being Depreciated, Net	305,745	(12,002)	159	293,584
Governmental Activities Capital Assets, Net	\$ 390,405	(5,228)	8,507	376,670

Depreciation expense for the years ended September 30, 2009 and 2008 was \$20,350 and \$20,781, respectively.

NOTE C - CASH AND CASH EQUIVALENTS

The System's bank deposits and repurchase agreements are required by state law to be secured by the deposit of certain securities specified by RSMo 30.270. The collateralized securities are held by a trustee institution. The value of the securities must amount to the total of the System's cash not insured by the Federal Deposit Insurance Corporation. The System's bank deposits as of September 30, 2009 were \$14,158,401 and 2008 balances were \$425,000. Both years' balances were insured by the FDIC or collateralized with securities held by the pledging financial institution's trust department in the System's

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH AND CASH EQUIVALENTS (Continued)

name. The System's carrying amount of bank deposits was \$14,152,045 and \$999,610 as of September 30, 2009 and 2008, respectively.

At September 30, 2009, there was no repurchase agreement, and the September 30, 2008 repurchase agreement was pledged by a Freddie Mac maturing on April 15, 2026. The collateral is held by the Federal Reserve Bank.

Cash and cash equivalents consist of the following:

	September 30	
	2009	2008
Checking	\$14,152,045	999,610
Repurchase agreement	-	6,841,341
Total Cash And Cash Equivalents	\$14,152,045	7,840,951

NOTE D - CONTRIBUTION RECEIVABLE - EMPLOYER

Employer contributions are calculated by the System's actuary (Gabriel Roeder Smith & Company). The employer contribution due to the System for the year ended September 30, 2009 was \$12,193,989 and was paid prior to year-end; the employer contribution due to the System from the City for the year ended September 30, 2008 was \$7,484,524 and was paid prior to year-end.

Contribution receivable - employer consists of the following:

	September 30	
	2009	2008
Current year contribution due from the City as calculated by the System's actuary	\$12,193,989	7,484,524
Unpaid contributions from prior year (2007)	-	14,285,300
Received from the City during current year	(12,193,989)	(21,769,824)
Total Contribution Receivable	\$ -	-

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE E - INVESTMENTS

Investments of the System are managed by various Investment Managers hired by the Board to invest according to guidelines established by the Board. The fair value of investments managed consisted of the following:

	September 30	
	2009	2008
Aberdeen Asset Management, Inc.:		
Collective investment fund - fixed income	<u>\$102,410,954</u>	<u>98,191,546</u>
New York Life Investment Management:		
Corporate stocks	54,208,223	59,475,849
Money market fund	<u>98,137</u>	<u>79,096</u>
	<u>54,306,360</u>	<u>59,554,945</u>
Fisher Investments, Inc.:		
Corporate stocks	49,645,062	47,109,329
Money market fund	<u>195,689</u>	<u>341,757</u>
	<u>49,840,751</u>	<u>47,451,086</u>
Artisan Partners LP:		
Collective investment fund - equity (International)	36,430,835	34,612,180
Money market fund	<u>329</u>	<u>327</u>
	<u>36,431,164</u>	<u>34,612,507</u>
Principal Real Estate:		
Real estate investment trust	<u>30,617,564</u>	<u>47,827,468</u>
Brandywine Asset Management:		
Corporate stocks	21,629,848	25,908,765
Money market fund	<u>569,873</u>	<u>450,133</u>
	<u>22,199,721</u>	<u>26,358,898</u>
Castleark Management, LLC:		
Corporate stocks	18,372,029	18,583,771
Money market fund	<u>631,323</u>	<u>767,861</u>
	<u>19,003,352</u>	<u>19,351,632</u>
Pinnacle Associates, LTD:		
Corporate stocks	18,168,558	17,199,235
Money market fund	<u>720,200</u>	<u>710,055</u>
	<u>18,888,758</u>	<u>17,909,290</u>
Pzena Investment Management:		
Corporate stocks	14,697,372	14,427,912
Money market fund	<u>334,629</u>	<u>307,884</u>
	<u>15,032,001</u>	<u>14,735,796</u>
UBP Asset Management, LLC:		
Hedge fund (multi-strategy)	8,631,221	20,471,472
Money market fund	<u>3,246,970</u>	<u>-</u>
	<u>11,878,191</u>	<u>20,471,472</u>

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE E - INVESTMENTS (Continued)

	September 30	
	2009	2008
The Northern Trust Company:		
Money market fund	6,882,272	26,940,273
Corporate bonds	103,919	111,735
Corporate stocks	44,010	61,418
	7,030,201	27,113,426
Oppenheimer Capital:		
Money market fund	15,358	65,803
Total	\$367,654,375	413,643,869

The System's investments are continuously exposed to various types of inherent risks. These risks are mitigated by the System's development and continual monitoring of sound investment policies. The Investment Maturities, Credit Rating by Investment, and Foreign Currency Exposures by Asset Class schedules are presented as follows to provide an illustration of the System's current level of exposure to various risks.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE E - INVESTMENTS (Continued)

The following schedule provides a summary of the investment maturities by investment type, which helps demonstrate the current level of interest rate risk assumed by the System:

	Maturities As Of September 30, 2009					
	Fair Market Value	No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Equities:						
Corporate stocks	\$ 176,765,102	176,765,102	-	-	-	-
Collective invest- ment funds	36,430,835	36,430,835	-	-	-	-
Hedge fund	8,631,221	8,631,221	-	-	-	-
Fixed income:						
Collective invest- ment funds	102,410,954	-	-	36,683,604	51,461,504	14,265,846
Corporate bonds	103,919	-	-	-	-	103,919
Real estate invest- ment trust	30,617,564	30,617,564	-	-	-	-
Money market funds	12,694,780	12,694,780	-	-	-	-
Total	\$ 367,654,375	265,139,502	-	36,683,604	51,461,504	14,369,765

	Maturities As Of September 30, 2008					
	Fair Market Value	No Maturity	Less Than One Year	1 - 5 Years	6 - 10 Years	More Than 10 Years
Equities:						
Corporate stocks	\$ 182,766,279	182,766,279	-	-	-	-
Collective invest- ment funds	34,612,180	34,612,180	-	-	-	-
Hedge fund	20,471,472	20,471,472	-	-	-	-
Fixed income:						
Collective invest- ment funds	98,191,546	-	3,161,768	41,417,194	42,605,312	11,007,272
Corporate bonds	111,735	-	-	-	-	111,735
Real estate invest- ment trust	47,827,468	47,827,468	-	-	-	-
Money market funds	29,663,189	29,663,189	-	-	-	-
Total	\$ 413,643,869	315,340,588	3,161,768	41,417,194	42,605,312	11,119,007

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE E - INVESTMENTS (Continued)

The System's current level of exposure to credit risk, or the risk that an issuer or other counterparty to an investment will not fulfill its obligations, is demonstrated by the following table:

Credit Rating Level	Credit Rating By Investment Category As Of September 30, 2009					
	Corporate Stocks	Collective Investment Funds	Corporate Bonds	Money Market Funds	Hedge Fund	Real Estate Investment Trust
AAA	\$ -	57,841,707	103,919	-	-	-
AA	-	6,052,487	-	-	-	-
A	-	16,365,270	-	-	-	-
BBB	-	15,402,608	-	-	-	-
N/A	176,765,102	-	-	-	-	-
Not rated	-	43,179,717	-	12,694,780	8,631,221	30,617,564
Total	<u>\$ 176,765,102</u>	<u>138,841,789</u>	<u>103,919</u>	<u>12,694,780</u>	<u>8,631,221</u>	<u>30,617,564</u>

Credit Rating Level	Credit Rating By Investment Category As Of September 30, 2008					
	Corporate Stocks	Collective Investment Funds	Corporate Bonds	Money Market Funds	Hedge Fund	Real Estate Investment Trust
AAA	\$ -	73,054,510	111,735	-	-	-
AA	-	5,724,567	-	-	-	-
A	-	7,128,706	-	-	-	-
BBB	-	12,244,486	-	-	-	-
N/A	182,766,279	-	-	-	-	-
Not rated	-	34,651,457	-	29,663,189	20,471,472	47,827,468
Total	<u>\$ 182,766,279</u>	<u>132,803,726</u>	<u>111,735</u>	<u>29,663,189</u>	<u>20,471,472</u>	<u>47,827,468</u>

Foreign Currency Risk is the risk that changes in exchange rates will adversely impact the fair value of an investment. The System's policy is to allow the individual Investment Managers to decide what action to take regarding their respective portfolio's foreign currency exposure. The following table demonstrates the System's current level of foreign currency exposure:

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE E - INVESTMENTS (Continued)

Foreign Currency Exposures By Asset Class In U.S. Dollars As Of September 30, 2009

Currency	Money Market Funds	Equities	Fixed Income	Hedge Fund	Real Estate Investment Trust	Total
Australian Dollar	\$ -	2,079,933	-	-	-	2,079,933
Brazilian Real	-	208,442	-	-	-	208,442
British Pound Sterling	-	3,610,818	-	-	-	3,610,818
Canadian Dollar	2,284	1,340,332	-	-	-	1,342,616
Danish Krone	-	599,300	-	-	-	599,300
Euro	-	18,850,969	-	-	-	18,850,969
Hong Kong Dollar	-	1,082,703	-	-	-	1,082,703
Indonesian Rupiah	-	588,907	-	-	-	588,907
Japanese Yen	-	8,901,628	-	-	-	8,901,628
Malaysian Ringgit	-	118,665	-	-	-	118,665
Mexican Peso	-	327,530	-	-	-	327,530
Norwegian Krone	-	371,837	-	-	-	371,837
Singapore Dollar	-	718,080	-	-	-	718,080
South Korean Won	-	254,666	-	-	-	254,666
Swedish Krona	-	1,198,624	-	-	-	1,198,624
Swiss Franc	-	4,077,875	-	-	-	4,077,875
Total Foreign Currency	2,284	44,330,309	-	-	-	44,332,593
United States Dollar	12,692,496	168,865,628	102,514,873	8,631,221	30,617,564	323,321,782
Total	<u>\$ 12,694,780</u>	<u>213,195,937</u>	<u>102,514,873</u>	<u>8,631,221</u>	<u>30,617,564</u>	<u>367,654,375</u>

Foreign Currency Exposures By Asset Class In U.S. Dollars As Of September 30, 2008

Currency	Money Market Funds	Equities	Fixed Income	Hedge Fund	Real Estate Investment Trust	Total
Australian Dollar	\$ -	2,280,850	-	-	-	2,280,850
British Pound Sterling	-	3,972,263	-	-	-	3,972,263
Canadian Dollar	-	1,428,342	-	-	-	1,428,342
Euro	-	17,608,359	-	-	-	17,608,359
Hong Kong Dollar	-	609,111	-	-	-	609,111
Indonesian Rupiah	-	263,340	-	-	-	263,340
Japanese Yen	-	9,289,270	-	-	-	9,289,270
Malaysian Ringgit	-	82,222	-	-	-	82,222
Mexican Peso	-	230,594	-	-	-	230,594
Norwegian Krone	-	712,061	-	-	-	712,061
Singapore Dollar	-	502,378	-	-	-	502,378
Swedish Krona	-	1,121,383	-	-	-	1,121,383
Swiss Franc	-	3,861,021	-	-	-	3,861,021
Total Foreign Currency	-	41,961,194	-	-	-	41,961,194
United States Dollar	29,663,189	175,417,265	98,303,281	20,471,472	47,827,468	371,682,675
Total	<u>\$ 29,663,189</u>	<u>217,378,459</u>	<u>98,303,281</u>	<u>20,471,472</u>	<u>47,827,468</u>	<u>413,643,869</u>

Investments Policies

Custodial Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The System's minimum credit quality for each issue shall be "BBB" (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE E - INVESTMENTS (Continued)

The fixed income portfolio should have an average quality rating of at least "A" (or its equivalent). Commercial paper issues must be rated at least "A1" (or its equivalent) at the time of purchase. In the event of a split-rating, the higher rating shall apply. In the event of a downgrade below investment grade by any rating agency, the Investment Manager is required to notify the Board and Investment Consultant as soon as possible and to refrain from any further investment in the downgraded issue.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The effective duration of any fixed income portfolio shall not exceed 120% of the effective duration of the Investment Manager's broad market benchmark.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the System's investment in a single issuer. The System's policy does not allow the concentration per issuer to exceed 5% of the portfolio's market value at cost, with the exception of cash, cash equivalents, U.S. Treasury, or U.S. Agency securities. Furthermore, the Investment Manager may not hold more than 5% of the outstanding shares of any single issuer with the exception of U.S. Treasuries or Agencies. Investment in any single fund of hedge funds shall not exceed 10% of the fund's market value.

It is the System's policy to invest in each asset class ranging between a minimum and maximum as shown below:

<u>Asset Class</u>	<u>Asset Class As A Percent Of Total Assets</u>		
	<u>Minimum</u>	<u>Target Mix</u>	<u>Maximum</u>
Domestic Equity:			
Large Cap	24%	29	34
Small-Mid Cap	10	15	20
Fixed Income	25	20	35
International Equities	16	21	26
Real Estate Trust	-	10	15
Hedge Fund	-	5	10

NOTE F - INVESTMENTS GREATER THAN 5% OF NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

Investments which exceed 5% or more of net assets held in trust for pension benefits are as follows:

	<u>September 30</u>	
	<u>2009</u>	<u>2008</u>
Aberdeen Core Plus Fixed Income Portfolio	\$102,410,954	98,191,546
Artisan International Stock Fund	36,430,835	34,612,180
The Principal U.S. Property Account	30,617,564	47,827,468
Northern Trust Global Investment Collective Government Short-term Investment Fund (classified with money market funds on the statement of net assets)	-	26,121,883

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE G - NET APPRECIATION (DEPRECIATION) IN FAIR VALUE OF INVESTMENTS

The net appreciation (depreciation) in fair value of investments consists of:

	For The Years	
	Ended September 30	
	2009	2008
Equities:		
Corporate stocks	\$ (9,271,727)	(64,444,462)
Collective investment funds	1,378,873	(15,105,799)
Hedge fund	(858,965)	(2,351,784)
Fixed income:		
Collective investment funds	4,219,408	(4,113,939)
Corporate bonds	4,363	1,077
Government and agency obligations	-	2
Real estate investment trust	(17,209,904)	(486,780)
	\$ (21,737,952)	(86,501,685)

NOTE H - GASB STATEMENT NO. 25 ANNUAL REQUIRED CONTRIBUTION

The actuarial funding method used is the entry age frozen liability method. Under this method, the initial unfunded accrued liability is amortized over thirty years from August 31, 1977 with increases in the unfunded accrued liability subsequent to that date amortized over thirty years from the date the liability is added.

Actuarially determined contributions in accordance with GASB Statement No. 25 requirements are as shown in the following table:

	For The Years		Covered Payroll	
	Ended September 30		Percentage	
	2009	2008	2009	2008
Required contributions - employer:				
Portion of normal cost attributable to the System's fiscal year	\$ 5,532,860	10,005,016	13.2 %	24.0
Unfunded actuarial accrued liability amortization payment	3,129,030	2,580,090	7.4	6.2
Total Employer Required Contribution	\$ 8,661,890	12,585,106	20.6 %	30.2
Contribution made by employer during System's fiscal year	\$ 12,193,989	7,484,524	29.0 %	18.0

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE H - GASB STATEMENT NO. 25 ANNUAL REQUIRED CONTRIBUTION (Continued)

The City made an extraordinary contribution in May 1998 of the scheduled unfunded accrued liability amortization payments through August 31, 2010. Therefore, the above required contributions for unfunded actuarial accrued liability amortization payments for the years ended September 30, 2009 and 2008 do not include amortization payments of the remaining unfunded accrued liability prior to 1998. Starting September 30, 2011, the remaining balance of the unfunded actuarial accrued liability prior to 1998 of \$2,418,467 will be amortized over the remainder of the thirty year amortization period from the year the liability was added.

NOTE I - FUNDED STATUS AND FUNDING PROGRESS

The funded status of the System as of October 1, 2009, the most recent actuarial valuation date, and October 1, 2008 is as follows (dollar amounts in thousands):

Valuation For The Actuarial Years Beginning October 1	Actuarial Value Of Assets	Entry Age Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL As A Percentage Of Covered Payroll
2009	\$449,655	\$487,313	\$37,657	92.3%	\$42,052	89.5%
2008	485,139	523,036	37,897	92.8	41,649	91.0

The schedules of funding progress, presented as required supplemental information following the notes to financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Additional information as of the latest actuarial valuation follows:

The information presented in the schedule of funding progress and the schedule of employer contributions was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	October 1, 2009
Actuarial cost method	Entry-age - Frozen Initial Liability
Amortization method	30 year closed period from establishment
Remaining amortization period	Various
Asset valuation method	3-year smoothed market

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE I - FUNDED STATUS AND FUNDING PROGRESS (Continued)

Actuarial assumptions:		
Investment rate of return		7.625%
Projected salary increases		4.0%
Inflation		3.5%
Cost-of-living adjustments:	Under Age 60	
	<u>Service Years</u>	<u>COLA</u>
	20 - 24	1.5%
	25 - 29	2.25%
	30 or more	3.0%
	Over Age 60	
	3% with a maximum of 25% in increases after age 60	

NOTE J - SECURITIES LENDING

The System participated in Northern Trust Company's securities lending program in order to enhance the investment yield. In a securities lending transaction, the System transfers possession--but not title--of the security to the borrower. Borrowers shall be rated AA, A, or higher by Moodys or Standard and Poors. Collateral consisting of cash, letter of credit, U.S. government or agency securities, or floating rate notes of U.S. issuers is received and held by Northern Trust Company. The collateral maintained is at least 102% of loan value for domestic securities and 105% of loan value for international securities of the market value of the securities lent. The System maintains all the rights in the collateral of a secured lender under the Uniform Commercial Code. The System continues to earn income on the loaned security. In addition, the System receives 60% of the net lending fees generated by each loan of securities.

Northern Trust Company receives the remaining 40% of the net lending fees as compensation for its services provided in the securities lending program. The Northern Trust Company indemnifies operational risk and counter party risk. The System authorizes the lending and loans of the following: domestic securities, U.S. Treasuries, corporate bonds, and equities. The System does not have the ability to pledge or sell collateral securities without borrower default. Therefore, for accounting purposes, the statements of net assets and changes in net assets do not reflect an increase in assets or liabilities associated with securities lent. At September 30, 2009 and 2008 the System has recorded a liability of \$573,652 each year due to collateral deficiency resulting from a borrower's bankruptcy.

At September 30, 2009 and 2008, outstanding loans to borrowers were \$8,673,088 and \$14,597,960, respectively. The System earned income of \$305,670 and \$301,751 for its participation in the securities lending program for the years ended September 30, 2009 and 2008, respectively.

NOTE K - RELATED PARTY TRANSACTIONS

The System reimburses the City 100% of the total salaries, payroll taxes, and employee fringe benefits for System employees. The System's expense for the years ended September 30, 2009 and 2008 was \$416,020 and \$389,092, respectively.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE L - RISK MANAGEMENT

The System is exposed to various risks of loss related to natural disasters, errors and omissions, loss of assets, torts, etc. The System has chosen to cover such losses through the purchase of commercial insurance. There have been no material insurance claims filed or paid during the past three fiscal years.

NOTE M - COMMITMENTS AND CONTINGENCIES

The System was committed to the future settlement of investments purchased (accounted for by trade date) at September 30, 2009 and 2008 of \$1,515,632 and \$1,555,832, respectively. These amounts are reflected in the statements of plan net assets as a liability for unsettled investment transactions.

NOTE N - RISKS AND UNCERTAINTIES

The System invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and such changes could materially affect the amounts reported in the statements of plan net assets.

Actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates, and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE O - SUBSEQUENT EVENT

The System entered into an agreement to purchase a new computer system. The agreement is for implementation and service costs for four years beginning with the first payment due October 1, 2009. The total of the upgrade will be \$425,946.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
NOTES TO FINANCIAL STATEMENTS

NOTE P - SYSTEM RESERVES

Changes in the System's reserves for the years ended September 30, 2009 and 2008 are as follows:

	<u>Total</u>	<u>Member's Savings Fund</u>	<u>Benefit Reserve Fund</u>	<u>General Reserve Fund</u>	<u>Future Benefit Fund</u>	<u>System Employees Benefit Fund</u>
Balance, September 30, 2007	\$ 525,113,202	58,226,804	281,707,518	178,483,157	6,278,372	417,351
Contributions	10,329,698	2,845,174	-	7,484,524	-	-
Net investment income (loss) less administrative expenses	(82,906,470)	(9,648,324)	(43,602,419)	(28,651,090)	(991,561)	(13,076)
Transfer due to (surplus) deficit	-	12,205,565	79,019,768	(91,225,333)	-	-
Benefits paid to retirees and beneficiaries	(29,908,146)	-	(29,493,191)	-	(414,955)	-
Refunds of Members contributions	(1,152,581)	(1,152,581)	-	-	-	-
Net increase (decrease)	<u>(103,637,499)</u>	<u>4,249,834</u>	<u>5,924,158</u>	<u>(112,391,899)</u>	<u>(1,406,516)</u>	<u>(13,076)</u>
Balance, September 30, 2008	<u>421,475,703</u>	<u>62,476,638</u>	<u>287,631,676</u>	<u>66,091,258</u>	<u>4,871,856</u>	<u>404,275</u>
Contributions	15,111,832	2,917,843	-	12,193,989	-	-
Net investment income (loss) less administrative expenses	(19,842,585)	(3,055,262)	(13,050,270)	(3,517,521)	(235,035)	15,503
Transfer due to (surplus) deficit	-	6,061,879	52,359,204	(58,421,083)	-	-
Benefits paid to retirees and beneficiaries	(34,230,413)	-	(34,230,413)	-	-	-
Refunds of Members contributions	(1,206,585)	(1,206,585)	-	-	-	-
Net increase (decrease)	<u>(40,167,751)</u>	<u>4,717,875</u>	<u>5,078,521</u>	<u>(49,744,615)</u>	<u>(235,035)</u>	<u>15,503</u>
Balance, September 30, 2009	<u>\$ 381,307,952</u>	<u>67,194,513</u>	<u>292,710,197</u>	<u>16,346,643</u>	<u>4,636,821</u>	<u>419,778</u>

REQUIRED SUPPLEMENTAL INFORMATION SECTION

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
REQUIRED SUPPLEMENTAL INFORMATION

Ten-year historical trend information about the System is presented herewith as required supplemental information. This information is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons with other plans.

SCHEDULE OF FUNDING PROGRESS

For The Actuarial Valuation	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)
October 1, 2009	\$ 449,655,366	\$ 487,312,779	\$ 37,657,413	92.3 %	\$ 42,052,210	89.5 %
October 1, 2008	485,138,953	523,035,764	37,896,811	92.8	41,648,953	91.0
October 1, 2007	495,116,340	533,235,588	38,119,248	92.9	37,690,439	101.1
October 1, 2006	410,775,345	440,486,134	29,710,789	93.3	35,726,289	83.2
October 1, 2005	391,181,701	429,764,156	38,582,455	91.0	35,433,943	108.9
October 1, 2004	369,893,135	408,660,044	38,766,909	90.5	33,847,826	114.5
September 1, 2003	391,020,699	429,972,716	38,952,017	90.9	34,648,486	112.4
September 1, 2002	427,199,947	466,310,235	39,110,288	91.6	34,520,010	113.3
September 1, 2001	456,143,883	470,607,738	14,463,855	96.9	32,626,002	44.3
September 1, 2000	441,611,320	457,572,578	15,961,258	96.5	31,559,439	50.6

SCHEDULE OF EMPLOYER CONTRIBUTIONS

For The Years Ended	GASB Statement No. 25 Annual Required Contribution			Statutory Annual Required Contribution		
	Per Actuarial Valuation	Percentage Contributed	Percentage Of Covered Payroll	Per Actuarial Valuation	Percentage Contributed	Percentage Of Covered Payroll
September 30, 2009	\$ 8,661,890	140.8 %	20.6 %	\$ 12,193,989	100.0 %	29.0 %
September 30, 2008	12,585,106	59.5	30.2	7,484,524	100.0	18.0
September 30, 2007	17,206,230	394.0	45.7	14,285,300	474.6	37.9
September 30, 2006	17,871,455	23.0	50.0	18,179,873	22.6	50.9
September 30, 2005	14,766,270	27.8	41.7	17,768,649	23.1	50.1
September 30, 2004	9,721,831	21.1	28.7	13,765,477	14.9	40.7
August 31, 2003	4,289,688	48.4	12.4	8,913,102	23.3	25.7
August 31, 2002	3,514,488	95.7	10.2	3,365,007	100.0	9.7
August 31, 2001	3,300,380	107.4	10.1	3,544,385	100.0	10.9
August 31, 2000	2,905,731	111.9	9.2	3,251,579	100.0	10.3

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
REQUIRED SUPPLEMENTAL INFORMATION

NOTE TO REQUIRED SUPPLEMENTAL INFORMATION

Actuarial Accrued Liability

The actuarial accrued liability at October 1, 2009 and 2008 equals the outstanding balance of the initial unfunded actuarial liability under the entry age frozen initial liability cost method, plus the actuarial value of assets as follows:

	October 1	
	2009	2008
Actuarial value of assets	\$449,655,366	485,138,953
Initial unfunded actuarial liability	<u>37,657,413</u>	<u>37,896,811</u>
Actuarial Accrued Liability	<u>\$487,312,779</u>	<u>523,035,764</u>

Covered Payroll

The covered payroll for the System's years ended September 30, 2009 and 2008 were as follows:

	For The Years Ended September 30	
	2009	2008
Active Members non-DROP	\$37,618,833	38,289,160
Active Members participating in DROP	<u>4,433,377</u>	<u>3,359,793</u>
Total Covered Payroll	<u>\$42,052,210</u>	<u>41,648,953</u>

Annual Required Contribution (ARC)

The ARC applicable to the System's year ended September 30, 2009 and each prior year-end is presented in accordance with GASB Statement No. 25's requires blending of the actuarial valuations. The ARC is presented each year using the aggregate of the City's ARCs for the portions of the City's fiscal years that overlap the System's fiscal year.

SUPPLEMENTAL INFORMATION SECTION

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
SUPPLEMENTAL INFORMATION

	For The Years	
	Ended September 30	
	2009	2008
BENEFITS PAID TO RETIREES AND BENEFICIARIES		
Service retirees	\$ 17,716,234	13,718,137
Accidental disability	12,928,795	12,542,278
Beneficiaries	3,122,816	3,207,773
Ordinary disability	384,309	370,467
Death	60,000	56,000
Medical, surgical, and hospital	18,259	13,491
	<u> </u>	<u> </u>
Total Benefits Paid To Retirees And Beneficiaries	<u><u>\$ 34,230,413</u></u>	<u><u>29,908,146</u></u>
 ADMINISTRATIVE EXPENSES		
Salaries, payroll taxes, and employee fringe benefits	\$ 416,020	389,092
Investment consultant's fees	144,332	141,556
Office supplies and expenses	87,296	70,528
Medical reviews, consulting, and investigations	84,669	80,490
Actuary fees	66,821	42,185
Legal fees	54,570	30,685
Accounting and auditing fees	40,360	44,315
Insurance	28,788	42,710
Building operations	22,490	20,710
Depreciation	20,350	20,781
Travel and seminars	12,017	33,654
	<u> </u>	<u> </u>
Total Administrative Expenses	<u><u>\$ 977,713</u></u>	<u><u>916,706</u></u>

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
SUPPLEMENTAL INFORMATION

SCHEDULE OF INVESTMENT MANAGEMENT AND CUSTODIAL FEES

	For The Years	
	Ended September 30	
	2009	2008
Investment management fees:		
Fisher Investments, Inc.	\$ 283,273	404,340
Aberdeen Capital	268,874	290,322
New York Life Investment Management	151,870	215,493
Pinnacle Associates, Ltd.	126,884	174,272
Brandywine Asset Management	98,869	139,445
Pzena Investment Management	40,656	63,951
Castleark Management, LLC	38,042	206,246
Total Investment Management Fees	1,008,468	1,494,069
Custodial fees:		
The Northern Trust Company	170,003	218,983
Total Investment Management And Custodial Fees	\$ 1,178,471	1,713,052

The System bears its share of fund operating expenses (including the investment management fees) which are deducted directly from each individual fund's assets for the following investment funds:

Artisan Partners, L.P.
Principal Real Estate
UBS Asset Management, L.L.C. (Hedge Fund)

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
SUPPLEMENTAL INFORMATION

SUMMARY OF INSURANCE COVERAGE

<u>Type</u>	<u>Coverage</u>
Fiduciary Liability	\$ 5,000,000
Property:	
Building	\$ 383,517
Contents	\$ 402,700
General Liability:	
Per occurrence	\$ 1,000,000
Aggregate	\$ 3,000,000
Workers' Compensation and Employers Liability	Statutory \$ 1,000,000
Umbrella Liability:	
Per occurrence	\$ 1,000,000
Aggregate	\$ 1,000,000
Non-owned Automobile	\$ 1,000,000

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
SUPPLEMENTAL INFORMATION

HISTORICAL TREND INFORMATION

Additions to net assets:

<u>For The Years Ended</u>	<u>Contributions</u>		<u>Net Investment Income (Loss)</u>	<u>Total</u>
	<u>Employer</u>	<u>Members</u>		
September 30, 2009	\$ 12,193,989	2,917,843	(18,864,872)	(3,753,040)
September 30, 2008	7,484,524	2,845,174	(81,989,764)	(71,660,066)
September 30, 2007 (A)	63,689,991	2,796,286	65,629,492	132,115,769
September 30, 2006	4,110,402	2,853,058	34,103,149	41,066,609
September 30, 2005	4,110,402	2,644,335	47,975,057	54,729,794
September 30, 2004 (B)	2,055,201	2,873,886	47,359,907	52,288,994
August 31, 2003	2,078,155	2,625,526	36,632,933	41,336,614
August 31, 2002	3,365,007	2,511,580	(46,833,960)	(40,957,373)
August 31, 2001	3,544,385	2,344,970	(29,027,981)	(23,138,626)
August 31, 2000	3,251,579	2,221,819	61,530,979	67,004,377

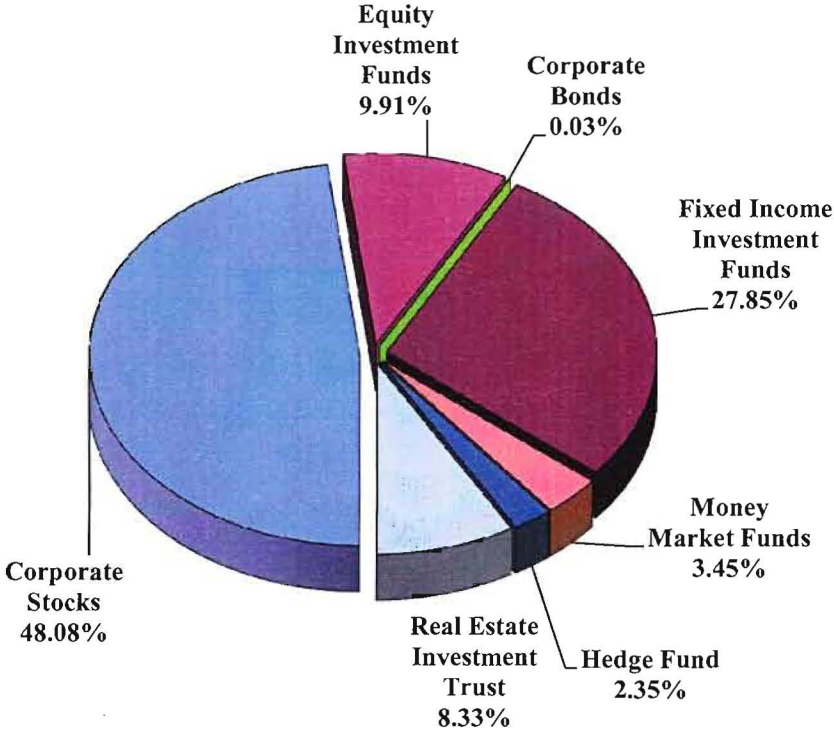
Deductions from net assets:

<u>For The Years Ended</u>	<u>Benefits Paid</u>	<u>Refunds Of Members Contributions</u>	<u>Admini- strative Expenses</u>	<u>Total</u>
September 30, 2009	\$ 34,230,413	1,206,585	977,713	36,414,711
September 30, 2008	29,908,146	1,152,581	916,706	31,977,433
September 30, 2007	29,742,364	1,390,936	903,835	32,037,135
September 30, 2006	28,615,532	1,685,199	894,487	31,195,218
September 30, 2005	27,624,677	1,380,787	766,082	29,771,546
September 30, 2004 (B)	29,288,492	945,481	826,258	31,060,231
August 31, 2003	26,722,702	688,451	829,334	28,240,487
August 31, 2002	27,063,392	508,336	721,915	28,293,643
August 31, 2001	26,538,890	1,390,435	844,263	28,773,588
August 31, 2000	25,348,189	2,280,569	832,426	28,461,184

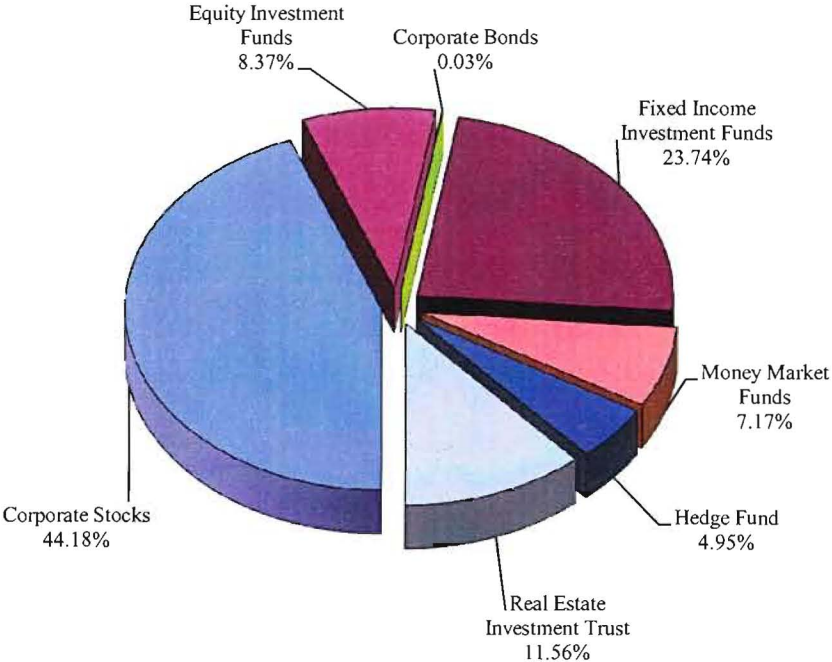
(A) The City's contribution for the year ended September 30, 2007 includes delinquent contributions for the previous four fiscal years and related interest charges totaling \$49,404,691.

(B) Period includes 13 months.

**FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
INVESTMENTS**

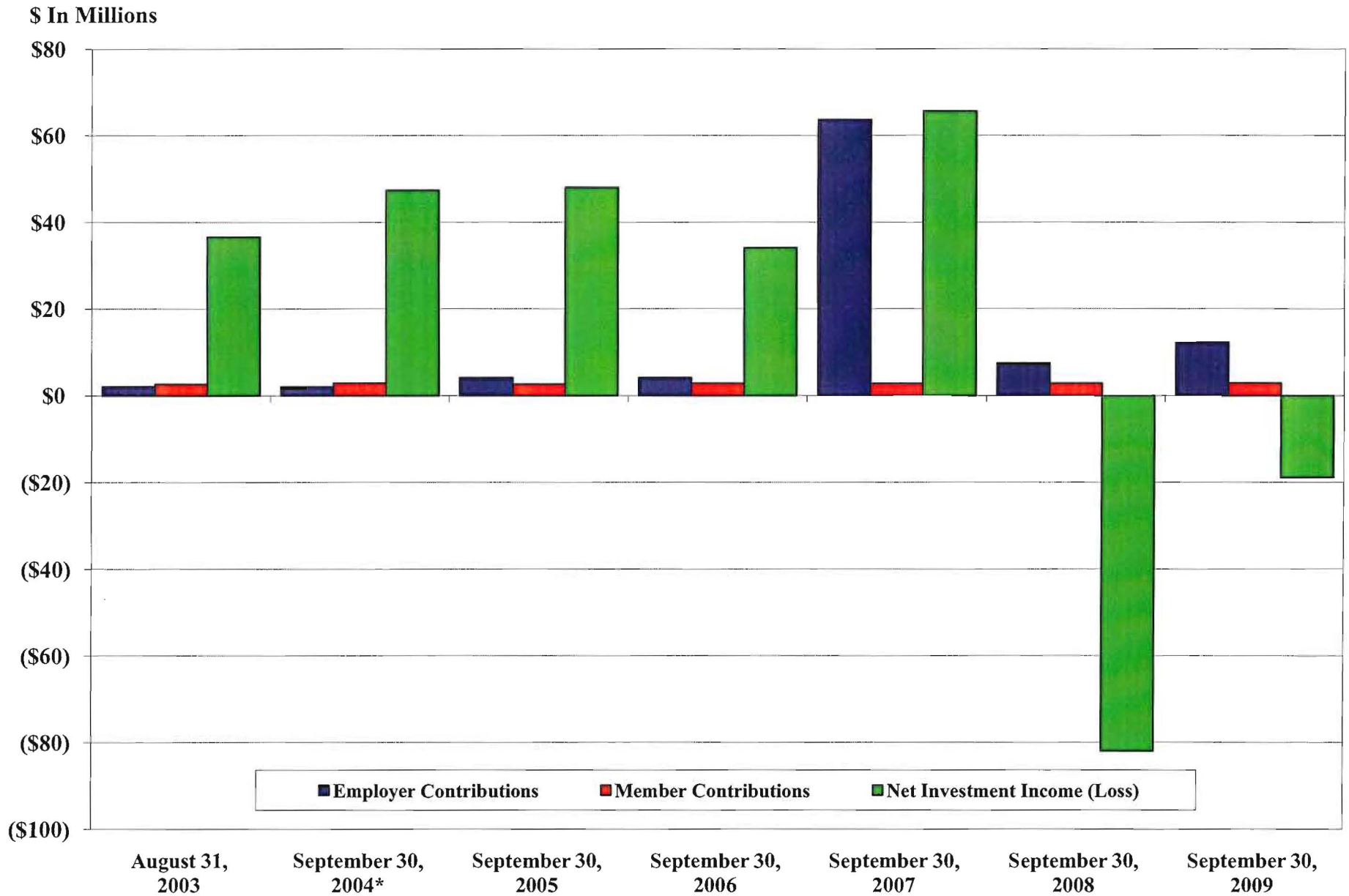


September 30, 2009



September 30, 2008

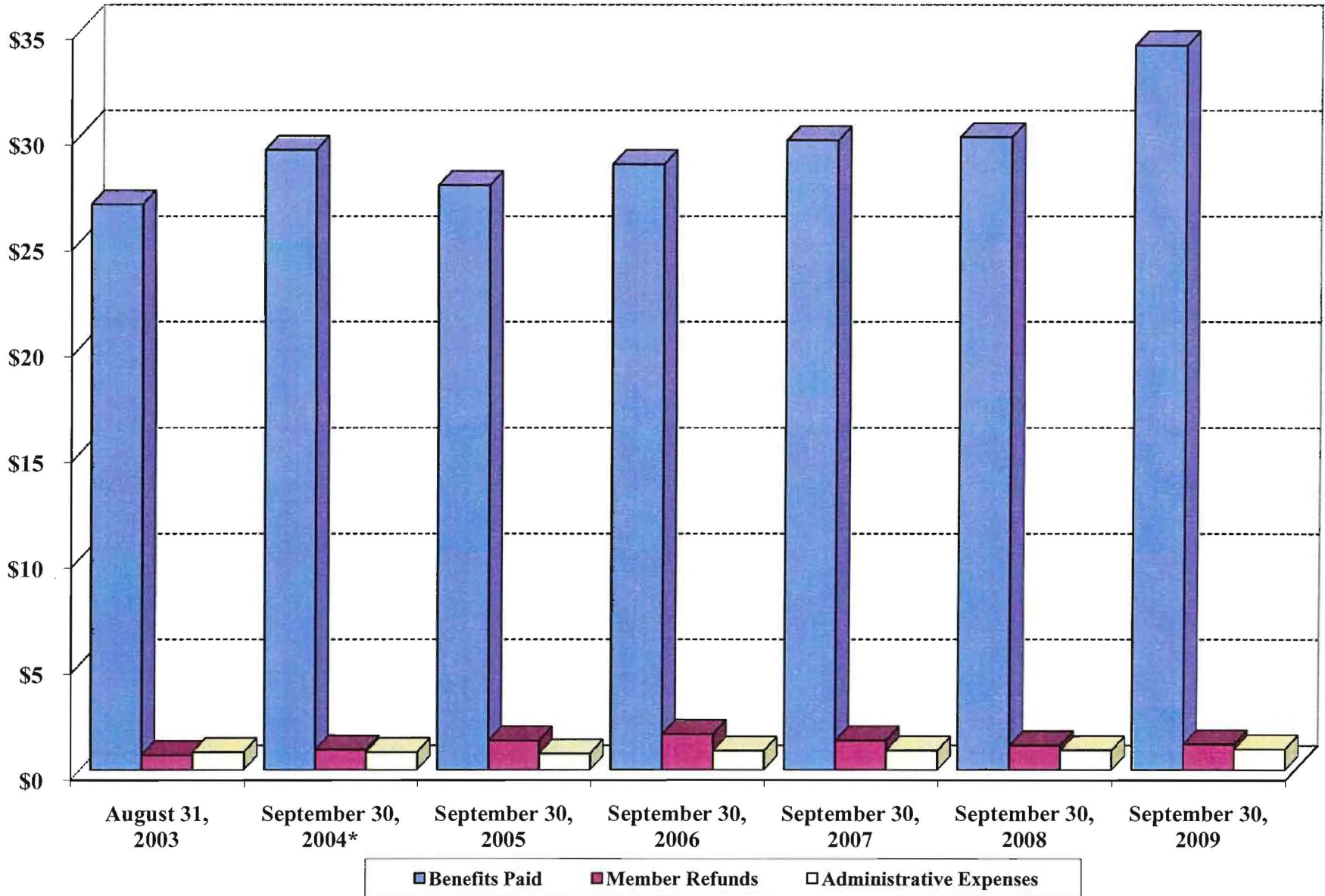
FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
ADDITIONS TO NET ASSETS
FOR THE YEARS ENDED



*Period includes 13 months.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS
DEDUCTIONS FROM NET ASSETS
FOR THE YEARS ENDED

\$ In Millions

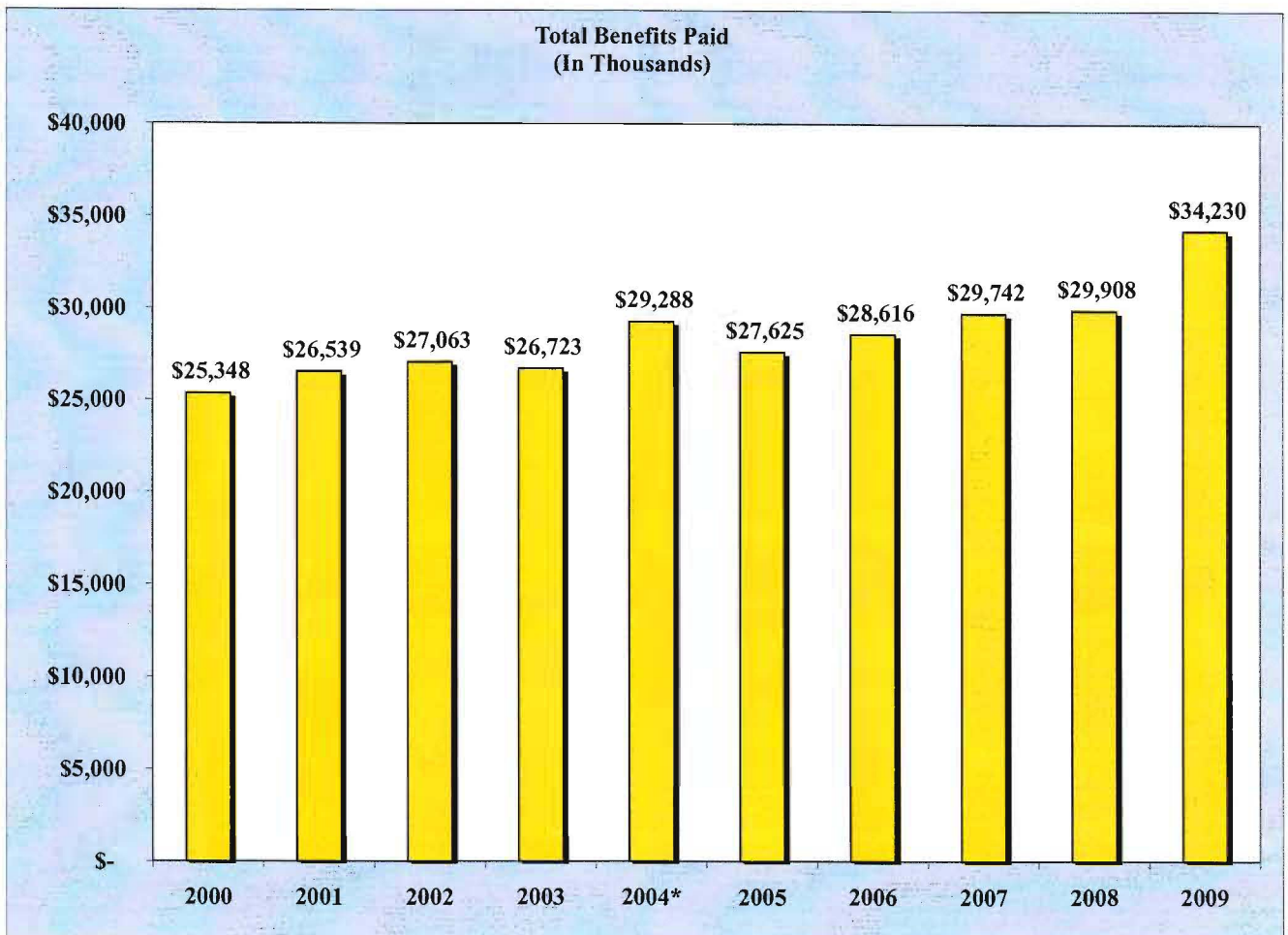


*Period includes 13 months.

FIREMEN'S RETIREMENT SYSTEM OF ST. LOUIS

BENEFITS PAID BY TYPE

For The Fiscal Years Ended	Service Retirees	Accidental Disability	Beneficiaries	Ordinary Disability	Death	Medical, Surgical, And Hospital	Total
2000	\$ 12,096,671	10,161,209	2,695,530	303,688	72,000	19,091	25,348,189
2001	13,354,573	10,303,677	2,505,783	308,204	46,000	20,653	26,538,890
2002	13,678,554	10,513,535	2,474,508	301,130	70,000	25,665	27,063,392
2003	13,107,963	10,658,381	2,573,454	305,554	50,000	27,350	26,722,702
2004*	14,115,447	11,728,689	3,012,175	332,409	54,000	45,772	29,288,492
2005	13,026,477	11,220,188	2,955,585	342,667	48,000	31,760	27,624,677
2006	13,526,512	11,682,680	3,032,113	319,198	32,000	23,029	28,615,532
2007	14,136,541	12,095,190	3,063,714	384,633	46,000	16,286	29,742,364
2008	13,718,137	12,542,278	3,207,773	370,467	56,000	13,491	29,908,146
2009	17,716,234	12,928,795	3,122,816	384,309	60,000	18,259	34,230,413



*Period includes 13 months.