

# ARLINGTON HEIGHTS FIREFIGHTERS' PENSION FUND ANNUAL REPORT TO THE VILLAGE BOARD FOR THE 2011 LEVY (FY2013 BUDGET)

Source: Actuarial Valuation as of May 1, 2011, Goldstein & Associates

Actuarial value of assets	64,457,391
Total actuarial liability	(\$108,856,813)
Unfunded actuarial liability*	(44,399,422)
Funded ratio	59.21%
Annual actuarial requirement for FY2013	<u>\$4,588,000</u>
Village contribution as percent of Firefighter participant payroll	51.04%
Projected employee contributions	\$849,978
Employee contribution rate per State Statute	9.455%
Actuarial assumed investment return	7.00%
Actuarial actual investment return	5.50%
Assumed investment return for FY2011	\$4,569,222
Actual Investment return for FY2011	6,690,510
Actuarial investment gain/(loss) smoothed over three years:	
One-third of investment gain/(loss) for fiscal year 2011	\$707,096
One-third of investment gain/(loss) for fiscal year 2010	\$1,737,086
One-third of investment gain/(loss) for fiscal year 2009	(\$3,659,065)
Total smoothed actuarial gain/(loss)	(\$1,214,883)
Number of active members contributing to the Firefighter Pension Fund	105
Number of inactive members	0
Number of members receiving benefits	92
58 retirement pensions	\$3,344,469
11 survivor pensions	322,041
23 disability pensions	1,066,722

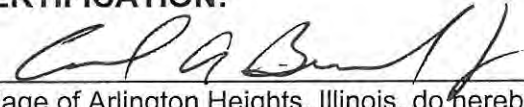
\*The unfunded actuarial liability represents the difference between the actuarial value of pension fund assets less the actuarial liability. To avoid unnecessary market fluctuations, actuarial assets are determined by applying an assumed rate of investment return and smoothing the gains/(losses) of the last three years. The actuarial liability represents the present value of lifetime benefits earned to date of all plan participants, including current Firefighters. The unfunded actuarial liability is amortized over the years remaining through 2040.

To determine the annual required contribution or pension property tax amount for the Village, the normal cost of the Firefighters' pension plan is added to the amortized value of the fund's unfunded liability. Since the unfunded actuarial liability represents future benefits earned to date paid through 2040, the projected liability is not shown in the Firefighters' Pension Fund balance sheet, but is shown as required supplementary information in the Village's Comprehensive Annual Financial Report.


**Firefighters' Pension Fund Report (page 2)**

The investment policy of the Firefighters' Pension Fund is established in accordance with Illinois State Statutes, 40 ILCS 5/1-113.2-.4, and is available upon request. The attached pie chart depicts the fund's assets at market value as of April 30, 2011, the most recent audited fiscal year-end.

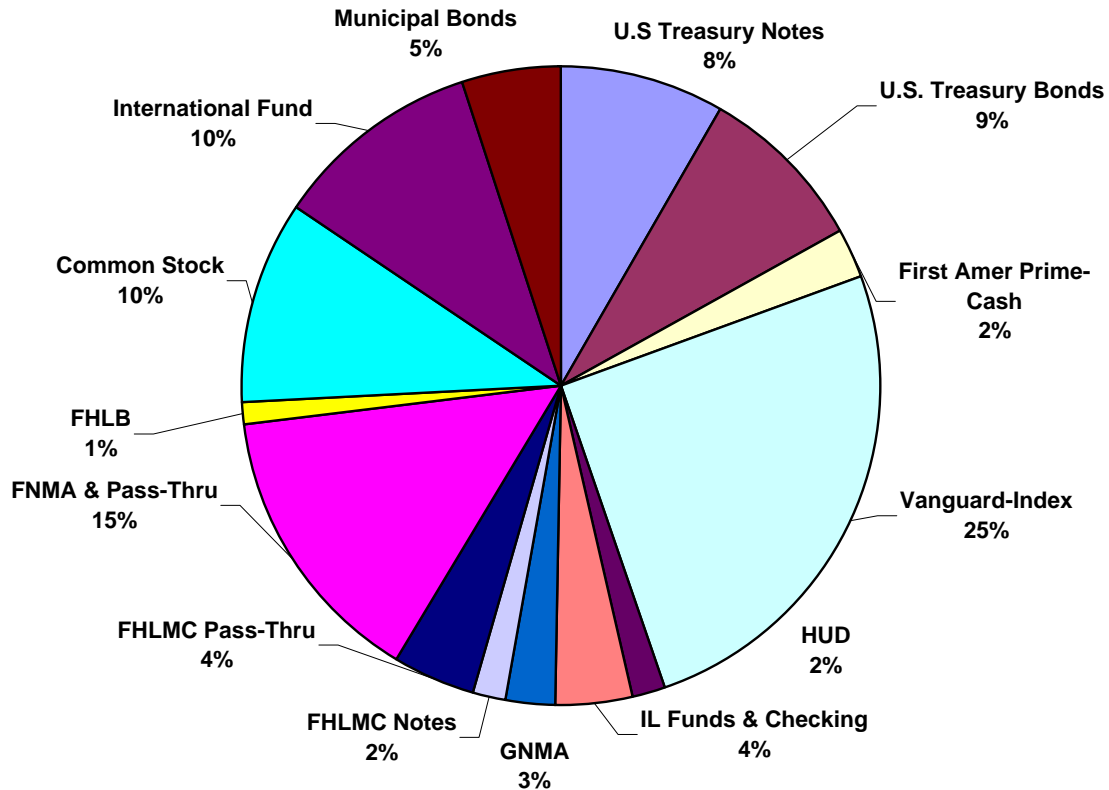
**CERTIFICATION:**

I, , President of the Firefighters' Pension Board, Village of Arlington Heights, Illinois, do hereby certify that this document is a true and correct copy of: "Required Reporting to Municipality By Pension Board" as outlined in 40 ILCS 5/4-134.

Witness my hand this 24 day of October, 2011.

, President  
Arlington Heights Firefighters' Pension Board

**Fire Pension Fund  
Open Investments (Market Value)  
Period Ending April 30, 2011**



U.S Treasury Notes	5,584,190.70
U.S. Treasury Bonds	5,854,257.06
First Amer Prime-Cash	1,722,665.82
Vanguard Stk Mkt Index	17,056,066.84
HUD	1,126,870.50
IL Funds & Checking	2,658,102.62
GNMA	1,733,730.14
FHLMC Notes	1,057,920.00
FHLMC Pass-Thru	2,837,792.24
FNMA & Pass-Thru	9,801,240.01
FHLB	687,836.50
Common Stock	6,974,898.44
International Fund	7,183,575.65
Municipal Bonds	3,308,984.97
<b>Total</b>	<b>67,588,131.49</b>