

## Required Reporting to the Municipality

To comply with 40 ILCS 5/3-143, each Downstate Police Pension Fund is required to prepare a report indicating various statistics of the pension fund. Various items in the report are "actuarial in nature" and, therefore, to avoid errors by the fund, we include a "draft required report" as part of the actuarial valuation package.

Items contained in this report are taken directly from the source data used to prepare the actuarial valuation and from the current and prior actuarial valuation reports prepared by our firm.

Some Pension Boards use this report as the formal request for the tax levy. **PLEASE BE ADVISED THAT THIS REPORT IS NOT INTENDED TO REPLACE THE FORMAL REQUEST BY THE FUND.** Particular attention should be paid to the "Employer contributions and all other sources" in item 2 and the "estimated amount required to meet the annual requirements of the fund" in item 3(b), both of which are completed based upon the calculated statutory minimum contribution as required by the statute. **These items are not based upon the recommended minimum contribution calculated by our firm and presented in the accompanying actuarial valuation report.**

We strongly suggest that a separate formal request for tax levy be submitted by the Pension Board to the municipality. Your Board attorneys should be consulted for the preparation of this formal request.

**REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD**  
As of 4/30/2014 fiscal year end

(40 ILCS 5/3-143) (from Ch. 108 1/2, par. 3-143)

**Sec. 3-143. Report by pension board.**

The pension board shall report annually to the city council or board of trustees of the municipality on the condition of the pension fund at the end of its most recently completed fiscal year. The report shall be made prior to the council or board meeting held for the levying of taxes for the year for which the report is made.

**1.**

Total Trust Assets (see attachment 1 for complete listing)

Total Assets (market value):	<b>\$73,021,578</b>
Actuarial Value of Assets (see item 8 for explanation):	<b>\$68,931,146</b>

**2.**

Estimated receipts during the next succeeding fiscal year from:

Participant Contributions deducted from payroll:	<b>\$1,230,242</b>
Employer Contributions and all other sources:	<b>\$5,981,501</b>

**3.**

Estimated amount required during the next succeeding fiscal year to:

(a) pay all pensions and other obligations provided in this Article:	<b>\$6,785,695</b>
(b) meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:	<b>\$7,211,743</b>

**4.**

Total Net Income received from investment of net assets:	<b>\$6,810,169</b>
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Assumed Investment Return:	<b>7.00%</b>
Actual Investment Return:	<b>9.97%</b>

Total Net Income received from investment of net assets (FYE 4/30/2013):	<b>\$5,524,392</b>
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Assumed Investment Return (FYE 4/30/2013):	<b>7.00%</b>
Actual Investment Return (FYE 4/30/2013):	<b>8.95%</b>

**5.**

Total number of Active Employees that are financially contributing to the fund:	<b>146</b>
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**6.**

Disbursements to:

(i) Annuitants in receipt of a regular retirement pension:	
Total number of annuitants:	<b>83</b>
Total amount that was disbursed in benefits:	<b>\$4,457,536</b>
(ii) Recipients being paid a disability pension:	
Total number of annuitants:	<b>29</b>
Total amount that was disbursed in benefits:	<b>\$1,290,241</b>
(iii) Survivors and children in receipt of benefits:	
Total number of annuitants:	<b>15</b>
Total amount that was disbursed in benefits:	<b>\$492,910</b>

7.  
Funded ratio of the fund: 46.49%

8.  
Unfunded Actuarial Accrued Liability: \$79,339,028

The Unfunded Actuarial Accrued Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets.

The Actuarial Accrued Liability is the portion of the present value of future plan benefits reflecting projected credited service and salaries determined by the actuarial cost method based upon the plan's actuarial assumptions and not provided for at a valuation date by the actuarial present value of future normal costs. The normal cost is the portion of this present value which is allocated to the current valuation year.

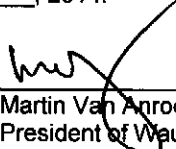
The Actuarial Value of Assets is the asset value derived by using the plan's asset valuation method which is a method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of municipal contributions.

9.  
Investment Policy of the pension board under the statutory investment restrictions imposed on the fund.  
(See attachment 2)

**Certification**

I, Martin Van Anrooy, President of the Waukegan Police Pension Board, City of Waukegan, Lake County, 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 5/3-143.

Witness my hand this 23 day of Oct, 2014.

  
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Martin Van Anrooy  
President of Waukegan Police Pension Board

Source: P.A. 95-950, eff. 8-29-08

