
TO: Village President
Village Clerk
Board of Trustees

FROM: Raymond Kickert, Fire Pension Board Secretary



DATE: November 8, 2010

RE: HOUSE BILL 5088 (PUBLIC ACT 95-950)
MUNICIPAL COMPLIANCE REPORT

All fire pension funds under Article 4 are now required by law to provide to their Village Board of Trustees on an annual basis a report (Municipal Compliance Report) compiling nine pieces of information as described in 40 ILCS 5/4-134.

(Excerpt below)

The pension board shall certify and provide the following information to the city council or board of trustees of the municipality:

- (1) the total assets of the fund in its custody at the end of the fiscal year and the current market value of those assets;
- (2) the estimated receipts during the next succeeding fiscal year from deductions from the salaries of firefighters, and from all other sources;
- (3) the estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in this Article, and (b) to meet the annual requirements of the fund as provided in Sections 4-118 and 4-120;
- (4) the total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year;
- (5) the total number of active employees who are financially contributing to the fund;
- (6) the total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed

to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits;

(7) the funded ratio of the fund;

(8) the unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability; and

(9) the investment policy of the pension board under the statutory investment restrictions imposed on the fund.

Before the pension board makes its report, the municipality shall have the assets of the fund and their current market value verified by an independent certified public accountant of its choice.

Attached is the Lombard Fire Pension Fund's Municipal Compliance Report for the Year Ended May 31, 2010. This report is advisory as it brings many pieces of information together under one document. The Village of Lombard utilizes an actuarial service to assist in determining the fire pension tax levy for the year for which the report is made. This material is in support of your November 18, 2010 Village Board Agenda item.

RK:lh

Attachment

LOMBARD FIREFIGHTER'S PENSION FUND INVESTMENT POLICY

PURPOSE

The investment of pension funds is the responsibility of the members of the Board of Trustees of the Lombard Firefighter's Pension Fund (Pension Board). The purpose of this investment policy is to indicate a conscious, formal effort by the Pension Board to develop, implement and monitor the investment of pension funds. It shall be considered an important means to communicate the Pension Board's policy views on management of pension funds to the public, participants, and beneficiaries of the Fund.

SCOPE

This policy governs the investment practices and applies to all financial transactions of the Lombard Firefighter's Pension Fund (Fund).

OBJECTIVES

The Pension Board has a fiduciary responsibility to discharge their duties with respect to the pension fund solely in the interest of the participants and beneficiaries as set forth in the Illinois Pension Code at 40 ILCS 5/1-109.

Safety - Safety of principal is the foremost objective of the Lombard Firefighter's Pension Fund. Each investment transaction shall seek to first ensure that large capital losses are avoided whether they be from securities defaults or erosion of market value.

Return on Investments - The Pension Board seeks to attain or exceed market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations and Illinois Laws that restrict the placement of public funds.

Maintenance of Public Trust - All participants in the investment process shall seek to act responsibly as custodians of pension funds. Investment officials shall avoid any transactions that might reasonably impair Fund participant's confidence in the Pension Board's ability to manage the Fund.

Liquidity - The assets shall be sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

RESPONSIBILITY

Management of the investment program is the responsibility of the Lombard Firefighter's Pension Fund Board of Trustees. No person may engage in an investment transaction except as provided under terms of this policy established by the Pension Board.

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The Pension Board may appoint an investment manager (as defined in 40 ILCS 5/1 - 101.4) to assist in the management of the investment program. The investment manager shall acknowledge, in writing, that it is a fiduciary with respect to the Lombard Firefighter's Pension Fund. Any such written agreement shall be attached to this policy.

The Pension Board will meet with the investment manager quarterly to review market conditions and to determine investment strategy. The Treasurer of the Lombard Firefighter's Pension Fund is responsible for ensuring that all investment transactions undertaken are consistent with the Fund's investment strategy.

PRUDENCE

The standard of prudence to be used by investment officials shall be the "prudent person" and shall be applied in the context of managing the portfolio. Investments shall be made with the care, skill, prudence and diligence that a prudent person acting in like capacity and familiar with such matters would use in the conduct of an enterprise of like character with like aims.

PROHIBITED TRANSACTIONS

A Fiduciary with respect to the Fund shall not:

1. Deal with the assets of the Fund in their own interests or for their own account.
2. In their individual or other capacity act in any transaction involving the Fund on behalf of a party whose interests are adverse to the interests of the Fund or the interests of its participants or beneficiaries.
3. Receive any consideration for their own personal account from any party dealing with the Fund in connection with a transaction involving the assets of the Fund.

INVESTMENT INSTRUMENTS

The Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.40. Permitted investment instruments include, but are not limited to:

1. Interest bearing direct obligations of the United States of America.
2. Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.
3. Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this section, "Agencies of the United States of America" include:

- a. The Federal National Mortgage Association and the Student Loan Marketing Association
 - b. Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971
 - c. Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation
 - d. Any agency created by act of Congress that is authorized to issue direct debt obligations 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, or by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits 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 Investment Pool in accordance with the deposit of state moneys act. Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
 7. Direct obligations of the State of Israel.
 8. Money Market Mutual Funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to:
 - a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest.
 - b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
 9. Not to exceed 10% of the portfolio, separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the requirements as outlined in item 10 below.
 10. In addition to the items listed above, a pension fund with net assets of \$2,500,000 or more may invest a portion of its net assets in mutual funds that meet the following requirements:

- a. The mutual fund is managed by an investment company as defined and registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
 - b. The mutual fund has been in operation for at least five years.
 - c. The mutual fund has total net assets of \$250 million or more.
 - d. The mutual fund is comprised of diversified portfolios of common or preferred stocks, bonds, or money market instruments.
11. For pension funds with net assets of \$5,000,000 or more, common and preferred stocks that meet the following requirements:
- a. Investments made through an investment advisor with a written contract.
 - b. Stocks of U.S. Corporations that have been in existence for 5 years.
 - c. Corporations not in arrears in payment of dividends in the last 5 years.
 - d. Market value of stock in any one corporation does not exceed 5 % of cash and invested assets of pension fund.
 - e. Stock in any one corporation does not exceed 5% of the total outstanding stock in the corporation.
 - f. Stocks listed on national securities exchange or quoted in NASDAQNMS.

The Fund's investment in the above equity investments (#10 and 11) shall not exceed 35% (for funds of \$2,500,000 or more) of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

The Board of Trustees may register the investments of the Fund in the name of the Pension Fund, in the nominee name of a bank or trust company authorized to conduct trust business in Illinois, or in the nominee name of the Illinois Public Treasurer's Investment Pool.

PERFORMANCE MEASUREMENTS

Performance will be calculated using professional standards as established by the Association for Investment Management Research. The Pension Board shall utilize the following benchmarks for evaluating the Fund's performance:

<u>Application</u>	<u>Benchmark</u>
Cash Equivalents	90 - day U.S. Treasury Bills
Fixed Income	Merrill Lynch Treasury/Agency Index Merrill Lynch Treasury Index
Large Capitalization Equities	Standard & Poors 500 Stock Index
Small Capitalization Equities	Russell 2000 Stock Index
International Equities	Morgan Stanley Capital International Europe/Australia/Far East Index

CONTROLS

The Fund maintains its books and records in conformance with generally accepted accounting principles. The internal controls shall be reviewed by the Pension Board and an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the Pension Board.

DIVERSIFICATION / STRATEGY

Fixed Income:

The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the maturity/modified duration of the portfolio will be maintained at approximately 5.0 years and will range from 2.0 years to 7.0 years. This type of strategy will result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio if interest rates are declining. The investment manager may change the duration of the portfolio as the market conditions permit.

The allocation guidelines, by asset class, for the fixed income investments are as follows:

	<u>Normal Allocation</u> ³		<u>Range of Allocation</u>
Money Market, IPTIP accounts: ¹	0%	+	40%
Bank Certificates of Deposit: ²	0%	+	40%
U.S. Treasury Securities (including strips):	25%	+/-	30%
U.S. Government Agency "Non-Callable" Securities:	35%	+/-	35%
U.S. Government Agency "Callable" Securities:	20%	+/-	20%
U.S. Government Agency MBS's:	10%	+/-	10%
Taxable Municipal Securities:	10%	+/-	10%

Notes:

1. Cash equivalents will be maintained to manage cashflow of the Fund or as a transition asset.
2. Bank certificates of deposit will only be used if market returns are favorable. They will be used as a substitute for the Treasury and Agency portion of the portfolio.
3. Under normal market conditions the structure of the portfolio will be within these limits, however the portfolio manager may diverge from the above suggestions due to abnormal market conditions.

Equities:

Once the fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

	<u>Normal Allocation</u>	+/-	<u>Range of Allocation</u>
U.S. Large Company Stocks	70%	+/-	30%
U.S. Small Company Stocks	20%	+/-	10%
Foreign Stocks	10%	+/-	10%

Portfolio allocations should be rebalanced annually or at the end of any quarter when the portfolio allocation to equities rises above 45% of total Fund assets.

COLLATERALIZATION - It is the policy of the Fund to require that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default.

1. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:
 - a. U.S. Government Securities = 110%
 - b. Obligations of Federal Agencies = 115%
 - c. Obligations of the State of Illinois = 115%
 - d. Local and Municipal Bonds rated "A" or better by Moody's = 115%

The ratio of fair market value of collateral to the amount of funds secured shall be reviewed at least quarterly and additional collateral shall be requested when the ratio declines below the level required.

2. Safekeeping of collateral
 - a. Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:
 1. A Federal Reserve Bank or branch office.
 2. At another custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third party depository in a suitable vault and insured against loss by fire, theft and similar causes.
 - b) Safekeeping of collateral shall be documented by a written agreement approved by the Treasurer. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.
 - c) Substitution or exchange of securities held in safekeeping as collateral may occur without prior written notice to the Treasurer provided that the market value of the replacement securities are equal to or greater than the market value of the securities being replaced. The Treasurer shall be notified in writing within two days of all substitutions.

CUSTODY AND SAFEKEEPING OF INVESTMENTS

1. Third party safekeeping is required for all securities owned by the Fund. To accomplish this, the securities shall be held in a trust department through book-entry at the Depository Trust Company.
2. Safekeeping shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement. Fees for this service shall be mutually agreed upon by the Pension Board and the safekeeping bank.

ETHICS AND CONFLICTS OF INTEREST

Any fiduciary with respect to the Fund shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

INDEMNIFICATION

Pension Board members, investment officers, and the Treasurer acting in accordance with this Investment Policy and such written procedures as have been or may be established, in relation thereto, and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market changes.

REPORTING

On a monthly basis, the Treasurer shall submit to the Pension board an investment report which shall describe the portfolio in terms of investment securities, maturity, cost, transactions and earnings for the current period. The Treasurer shall also submit a comprehensive annual report on the investment program and activity.

MEETING SCHEDULE

The Board shall schedule quarterly meetings at the start of each year. Special meetings may be called from time-to-time by the Board.

AUDIT

The Fund is subject to periodic examination by the Illinois Department of Insurance.

DEFINITIONS

Beneficiary - person eligible for or receiving benefits from a pension fund.

Book Entry Security - securities that can be transferred from institution to institution using the federal electronic wire system, thus eliminating the physical transfer of certificates. Records are maintained on a computer system at the Federal Reserve.

Collateral - the pledging of a security to guarantee performance of an obligation.

Commercial Paper - unsecured promissory notes of corporations issued for 270 days or less.

Fiduciary - person entrusted with the control of assets for the benefit of others.

Investment Manager - an individual or organization that provides investment management services for a fee, either on a discretionary or nondiscretionary basis. Under Illinois law, an investment manager is considered a fiduciary with respect to the Fund.

IPTIP (Illinois Public Treasurers' Investment Pool) - a short-term money market fund for public funds in Illinois.

Market Value - the present price of a given security.

Merrill Lynch Treasury Index - benchmark index that quantifies the price and yield performance of all U.S. Treasury obligations with a maturity of at least one year and an outstanding par value of at least \$100 million. The securities comprising the index are rebalanced on a daily basis.

Merrill Lynch US Treasury/Agency Index: The U.S. Government/Agency Index tracks the performance of the combined U.S. Treasury and U.S. Agency Markets. It includes U.S. dollar-denominated U.S. Treasury and U.S. Agency Bonds, issued in the U.S. domestic bond market, having at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 Billion for U.S. Treasuries and \$150 Million for U.S. Agencies. The index is re-balanced on the last calendar day of the month.

Morgan Stanley Capital International (EAFE) - Indices are based on the share prices of approximately 1,600 companies listed on stock exchanges in the twenty-two countries that make up the MSCI National Indices.

Return - the profit or interest as payment for investment.

Russell 2000 Stock Index - is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 11% of the Russell 3000 total market capitalization. The Index was developed with a base value of 135.00 as of December 31, 1986.

Security - any note, stock, bond, certificate of interest or certificate of deposit.

Separate Account - term used of variable annuities. Because the risk is borne by the investor in a variable annuity, the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.

Standard & Poors 500 Stock Index - is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

Treasury Bill - short-term debt obligation of U.S. government which will mature within ten years at the time of original issuance.

Treasury Bond - longer debt obligations of U.S. government which will mature in ten years or longer at the time of original issuance.

Yield - percentage measured by taking annual interest from an investment and dividing by current market value.

AMENDMENT

This policy may be amended from time to time by the Pension Board.

CONFLICT

In the event of any conflict between this Policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, the Statutes and case law decisions shall govern.

**VILLAGE OF LOMBARD, ILLINOIS
FIREFIGHTERS' PENSION FUND**

HOUSE BILL 5088 – MUNICIPAL COMPLIANCE REPORT

FOR THE YEAR ENDED

MAY 31, 2010

**VILLAGE OF LOMBARD
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended May 31, 2010**

The Pension Board certifies to the Board of Trustees of the Village of Lombard on the condition of the Pension Fund at the end of its most recently completed fiscal year the following information:

- 1) The total assets of the fund and their current market value of those assets:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Total Assets	<u>\$ 35,822,867</u>	<u>\$ 31,565,938</u>
Market Value	<u>\$ 35,822,867</u>	<u>\$ 31,565,938</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries or wages of firefighters' and from other sources:

Estimated Receipts - Employee Contributions	<u>\$ 549,700</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$ 2,686,700</u>
Municipal Contributions	<u>\$ 1,199,233</u>

- 3) The estimated amount necessary during the fiscal year to meet the annual actuarial requirements of the pension fund as provided in Sections 4-118 and 4-120:

Actuarial Required Contribution as Determined by:

Illinois Department of Insurance - Actuarial Report	<u>\$ 1,762,206</u>
Private Actuary	<u>\$ 1,199,233</u>

**VILLAGE OF LOMBARD
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended May 31, 2010**

- 4) The total net income received from investment of assets along with the assumed investment return and actual investment return received by the fund during its most recently completed fiscal year compared to the total net income, assumed investment return, and actual investment return received during the preceding fiscal year:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Net Income Received from Investment of Assets	<u>\$ 3,957,059</u>	<u>\$ (3,228,633)</u>
Assumed Investment Return		
Illinois Department of Insurance - Actuarial Report	<u>7.00%</u>	<u>7.00%</u>
Private Actuary	<u>7.50%</u>	<u>7.50%</u>
Actual Investment Return	<u>11.74%</u>	<u>-9.78%</u>

- 5) The increase in employer pension contributions that results from the implementation of the provisions of P.A. 93-0689

Illinois Department of Insurance - Actuarial Report	<u>\$ 88,110</u>
Private Actuary	<u>\$ N/A</u>

- 6) The total number of active employees who are financially contributing to the fund: 70

- 7) The total amount that was disbursed in benefits during the fiscal year, including the number of and total amount disbursed to (i) annuitants in receipt of a regular retirement pension, (ii) recipients being paid a disability pension, and (iii) survivors and children in receipt of benefits:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	<u>16</u>	<u>\$ 923,003</u>
(ii) Disability Pension	<u>9</u>	<u>\$ 374,028</u>
(iii) Survivors and Child Benefits	<u>2</u>	<u>\$ 100,126</u>
Total	<u>27</u>	<u>\$ 1,397,157</u>

**VILLAGE OF LOMBARD
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended May 31, 2010**

8) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance - Actuarial Report	<u>67.84%</u>	<u>78.81%</u>
Private Actuary	<u>74.70%</u>	<u>71.30%</u>

9) The unfunded liability carried by the fund, along with an actuarial explanation of the unfunded liability:

Unfunded Liability:

Illinois Department of Insurance - Actuarial Report	<u>\$ 14,564,256</u>
Private Actuary	<u>\$ 12,146,385</u>

The accrued liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and the actuarial assumptions employed in the valuation. The unfunded accrued liability is the excess of the accrued liability over the actuarial value of assets.

10) The investment policy of the Pension Board under the statutory investment restrictions imposed on the fund.

Investment Policy - See Attached

Please see Notes Page attached

**CERTIFICATION OF MUNICIPAL FIREFIGHTERS'
PENSION FUND COMPLIANCE REPORT**

The Board of Trustees of the Pension Fund, based upon information and belief, and to the best of our knowledge, hereby certify pursuant to §4-134 of the Illinois Pension Code 40 ILCS 5/4-134, that the preceding report is true and accurate.

Adopted this 8 day of Nov, 2010

President

John H. Jones

Date

Nov. 8, '10

Secretary

Ray Kula

Date

11-8-10

**VILLAGE OF LOMBARD
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended May 31, 2010**

INDEX OF ASSUMPTIONS

- 1) **Total Assets - as Reported in the Audited Financial Statements for the Years Ended May 31, 2010 and 2009**

Market Value - Same as Above

- 2) **Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended May 31, 2010 plus 5.25% Increase (Actuarial Salary Increase Assumption) Rounded to the Nearest \$100**

Estimated Receipts - All Other Sources

Investment Earnings - Cash and Equivalents and Investments as Reported in the Audited Financial Statements for the Year Ended May 31, 2010, times 7.5% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100

Municipal Contributions - Tax Levy Requirement as Reported in the May 31, 2009 Timothy W. Sharpe Actuarial Valuation

- 3) **Annual Requirement of the Fund as Determined by:**

Illinois Department of Insurance - Suggested Amount of Tax Levy as Reported in the May 31, 2009 Actuarial Valuation

Private Actuary - Tax Levy Requirement as Reported in the Timothy W. Sharpe May 31, 2009 Actuarial Valuation

**VILLAGE OF LOMBARD
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended May 31, 2010**

INDEX OF ASSUMPTIONS - Continued

- 4) **Net Income Received from Investment of Assets - Investment Income (Loss) net of Investment Expense, as Reported in the Audited Financial Statements for the Years Ended May 31, 2010 and 2009**

Assumed Investment Return

Illinois Department of Insurance - Interest Rate Assumption as Reported in the May 31, 2009 and 2008 Actuarial Valuations

Private Actuary - Interest Rate Assumption as Reported in the May 31, 2009 Timothy W. Sharpe Actuarial Valuation

Actual Investment Return - Net Income Received from Investments as Reported Above as a Percentage of the Average of the Beginning and End of Year Cash and Cash Equivalents and Investments as Reported in the Audited Financial Statements for the Years Ended May 31, 2010, 2009 and 2008

- 5) **Illinois Department of Insurance - Amount of total suggested tax levy to be excluded from the property tax extension limitation law as contemplated by 35 ILCS 200/18-185**

Private Actuary - Not Applicable

- 6) **Number of Active Members - Illinois Department of Insurance Annual Statement for May 31, 2010 - Schedule P**

- 7) (i) **Regular Retirement Pension - Illinois Department of Insurance Annual Statement for May 31, 2010 - Schedule P for Number of Participants and Expense page 1 for Total Amount Disbursed**

(ii) **Disability Pension - Same as above**

(iii) **Survivors and Child Benefits - Same as above**

**VILLAGE OF LOMBARD
FIREFIGHTERS' PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Year Ended May 31, 2010**

INDEX OF ASSUMPTIONS - Continued

8) The funded ratio of the fund:

Illinois Department of Insurance - Net Present Assets as a percentage of Total Assets as Reported in the May 31, 2009 and 2008 Actuarial Valuations

Private Actuary - Percent Funded as Reported in the May 31, 2009 Timothy W. Sharpe Actuarial Valuation

9) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) as Reported in the May 31, 2009 Actuarial Valuation

Private Actuary - Unfunded Accrued Liability as Reported in the Timothy W. Sharpe May 31, 2009 Actuarial Valuation