TSW
Actuary

LISLE-WOODRIDGE FIRE PROTECTION DISTRICT

FIREFIGHTERS PENSION FUND

Actuarial Valuation Report

For the Year

Beginning January 1, 2011

And Ending December 31, 2011

Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600

TABLE OF CONTENTS

INTRODUCTION

Fire-sworn personnel of the Lisle-Woodridge Fire Protection District are covered by the Firefighters Pension Plan that is a defined-benefit, single-employer pension plan. The purpose of this report is to disclose the Tax Levy Requirement and GASB Statements No. 25 & 27 financial information and related actuarial information for the year beginning January 1, 2011, and ending December 31, 2011.

The valuation results reported herein are based on plan provisions in effect as of January 1, 2011, the employee data furnished by the District, the financial data provided by the Fund's trustee and the actuarial methods and assumptions described later in this report. I hereby certify that this report is complete and accurate and fairly presents the actuarial position of the Fund as of December 31, 2010, in accordance with generally accepted actuarial principles and procedures. In my opinion, the assumptions used are reasonably related to the experience of the Plan and to reasonable expectations.

Respectfully submitted,

Timothy W. Sharpe, EA, MAAA
Enrolled Actuary No. 11-4384

____
Date

SUMMARY OF RESULTS

The provisions of Public Act 096-1495 are reflected in this actuarial report, including changes to benefit provisions (page 13), the actuarial methods (page 14), and the amortization period and method (page 10).

There were no changes with respect to Actuarial Assumptions from the prior year.

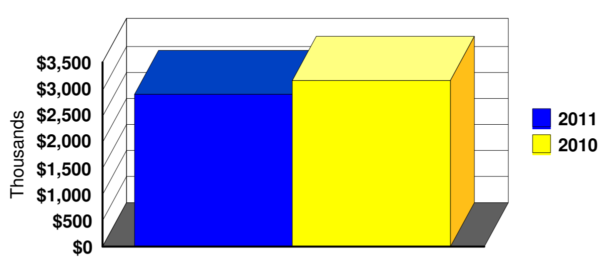
There were no unexpected changes with respect to the participants included in this actuarial valuation (1 new member, 0 terminations, 0 retirements, 0 incidents of disability, annual payroll increase 2.5%, average salary increase 2.0%).

There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 9.70%).

The District's Tax Levy Requirement has decreased from $3,182,470 last year to $2,897,565 this year (9.0%). The decrease in the Tax Levy is due to many of the changes referenced above and also due to the investment return was greater than assumed. The Percent Funded has increased from 54.2% last year to 62.2% this year.

SUMMARY OF RESULTS (Continued)

	For Year Ending December 31	
	2011	2010
Tax Levy Requirement	$ 2,897,565	$ 3,182,470
	as of January 1	
	2011	2010
District Normal Cost	1,739,819	1,081,384
Anticipated Employee Contributions	913,023	890,813
Accrued Liability	66,503,092	69,004,369
Actuarial Value of Assets	41,375,746	37,368,735
Unfunded Accrued Liability/(Surplus)	25,127,346	31,635,634
Amortization of Unfunded Accrued Liability/(Surplus)	955,590	222,033
Percent Funded	62.2%	54.2%
Annual Payroll	$ 9,656,507	$ 9,421,603

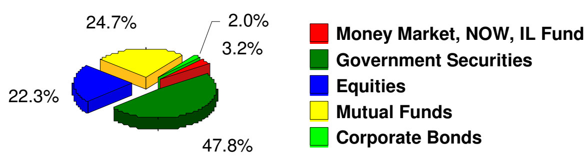


ACTUARIAL VALUATION OF ASSETS

	as of January 1 2011	2010
Money Market, NOW, IL Fund	$ 1,338,926	$ 2,393,532
Government Securities	19,767,156	18,143,454
Equities	9,228,658	7,825,215
Mutual Funds	10,192,940	8,342,184
Corporate Bonds	812,431	609,380
Interest Receivable	40,942	60,258
Miscellaneous Receivable/(Payable)	(5,307)	(5,288)
Actuarial Value of Assets	$ 41,375,746	$ 37,368,735

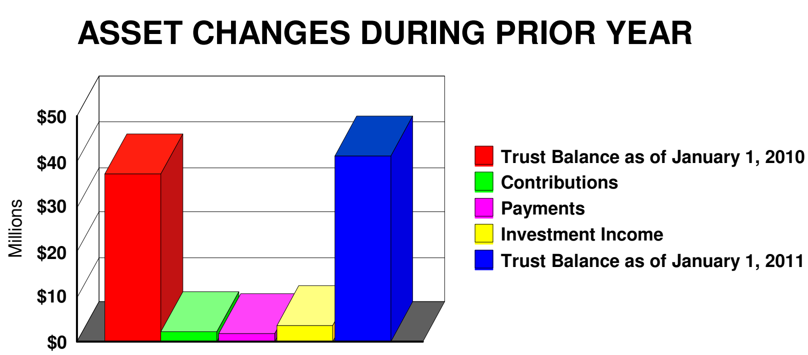
SUMMARY OF ASSETS

As Of January 1, 2011



ASSET CHANGES DURING PRIOR YEAR

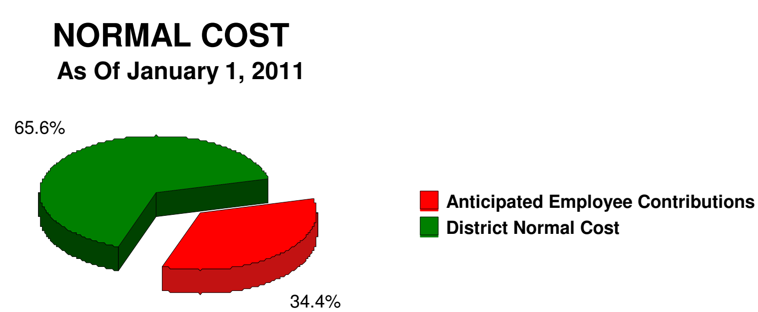
Trust Balance as of January 1, 2010		$	37,368,735
Contributions			
District	1,418,120		
Employee	893,183		
Total			2,311,303
Payments			
Benefit Payments	1,902,297		
Expenses	43,902		
Total			1,946,199
Investment Income			3,641,907
Trust Balance as of January 1, 2011		$	41,375,746
Approximate Annual Rate of Return			9.70%



NORMAL COST

The Normal Cost is the actuarial present value of the portion of the projected benefits that are expected to accrue during the year based upon the actuarial valuation method and actuarial assumptions employed in the valuation.

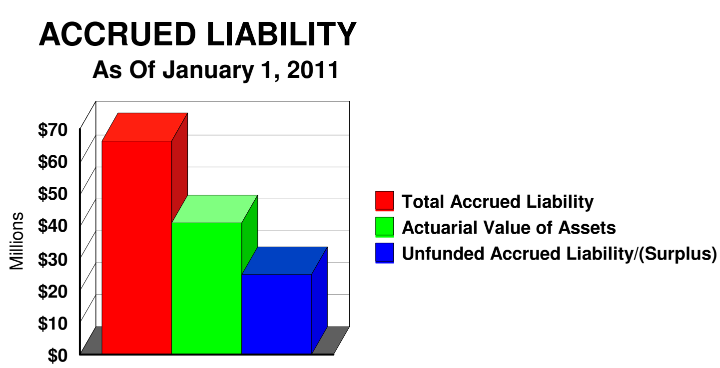
	as of January 1	
	2011	2010
Total Normal Cost	$ 2,652,842	$ 1,972,197
Anticipated Employee Contributions	913,023	890,813
District Normal Cost	1,739,819	1,081,384
Normal Cost Payroll	$ 9,656,507	$ 9,421,603
District Normal Cost Rate	18.02%	11.48%
Total Normal Cost Rate	27.47%	20.93%



ACCRUED LIABILITY

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 actuarial assumptions employed in the valuation. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets.

		as of January 1		
Accrued Liability		2011		2010
Active Employees	$	41,132,936	$	43,800,311
Children Annuities		3,919		4,474
Disability Annuities		4,195,302		4,149,887
Retirement Annuities		20,790,606		20,674,162
Surviving Spouse Annuities		234,376		239,765
Terminated Vested Annuities		145,953		135,770
Total Annuities		25,370,156		25,204,058
Total Accrued Liability		66,503,092		69,004,369
Actuarial Value of Assets		41,375,746		37,368,735
Unfunded Accrued Liability/(Surplus)	$	25,127,346	$	31,635,634
Percent Funded		62.2%		54.2%

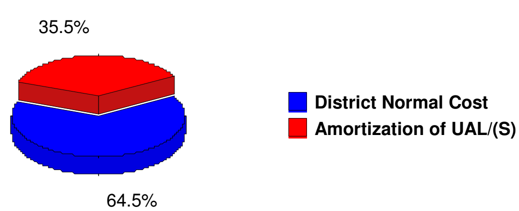


TAX LEVY REQUIREMENT

The Tax Levy Requirement is determined as the annual contribution necessary to fund the normal cost, plus the amount to amortize the excess (if any) of ninety percent (90%) of the accrued liability over the actuarial value of assets as a level percentage of payroll over a thirty (30) year period which commenced in 2011, plus an adjustment for interest. Prior to 2011, the amortization amount was equal to the amount to amortize the unfunded accrued liability as a level percentage of payroll over a forty (40) year period which commenced in 1993.

	For Year Ending December 31			
		2011		2010
District Normal Cost as of Beginning of Year	$	1,739,819	$	1,081,384
Amortization of Unfunded Accrued Liability/(Surplus)		955,590		1,879,053
Interest for One Year		202,156		222,033
Tax Levy Requirement as of End of Year	$	2,897,565	$	3,182,470

TAX LEVY REQUIREMENT
For Fiscal Year Ending December 31, 2011



SUMMARY OF PLAN PARTICIPANTS

The actuarial valuation of the Plan is based upon the employee data furnished by the District. The information provided for Active participants included:

- Name
- Sex
- Date of Birth
- Date of Hire
- Compensation
- Employee Contributions

The information provided for Inactive participants included:

- Name
- Sex
- Date of Birth
- Date of Pension Commencement
- Monthly Pension Benefit
- Form of Payment

Membership	2011	2011	2010	2010
Current Employees				
Vested	80		79	
Nonvested	33		35	
Total	113		114	
Inactive Participants		Annual Benefits		Annual Benefits
Children	4	$ 1,165	4	$ 1,091
Disabled Employees	7	253,730	7	253,730
Retired Employees	23	1,493,147	21	1,450,246
Surviving Spouses	1	25,876	1	25,876
Terminated Vesteds	2	15,706	2	15,706
Total	37	1,789,624	35	1,746,649
Annual Payroll		$ 9,656,507		$ 9,421,603

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

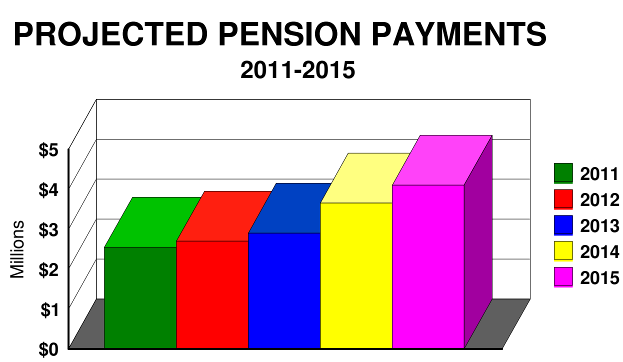
Service Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24									
25-29	5							5	68,368
30-34	5	8	1					14	75,490
35-39	1	6	7	2				16	80,317
40-44	2	5	7	12	4			30	83,738
45-49			2	8	15			25	89,434
50-54			2	8	9	4	1	24	89,491
55-59								0	
60+		1						1	76,940
Total	13	20	19	30	28	4	1	115	83,970
Salary	67,652	81,388	82,063	83,876	90,654	99,892	135,906		

Average Age: 42.8 Average Service: 14.2

DURATION (years) Active Members: 18.1 Retired Members: 10.3 All Members: 15.1

PROJECTED PENSION PAYMENTS

2011	2012	2013	2014	2015
$2,565,717	$2,724,499	$2,939,782	$3,660,779	$4,147,674



SUMMARY OF PLAN PROVISIONS

The Lisle-Woodridge Fire Protection District Firefighters Pension Fund was created and is administered as prescribed by "Article 4. Firefighters' Pension Fund - Municipalities 500,000 and Under" of the Illinois Pension Code (Illinois Compiled Statutes, 1992, Chapter 40). A brief summary of the plan provisions is provided below.

Employees attaining the age of (50) or more with (20) or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service. The pension shall be increased by (1/12) of (2.5%) of such monthly salary for each additional month of service over (20) years up to (30) years, to a maximum of (75%) of such monthly salary.

Employees with at least (10) years but less than (20) years of credited service may retire at or after age (60) and receive a reduced benefit ranging from (15%) of final salary for (10) years of service to (45.6%) for 19 years of service.

Surviving spouses receive (100%) of final salary for fatalities resulting from an act of duty, or otherwise the greater of (54%) of final salary or the monthly retirement pension that the deceased firefighter was receiving at the time of death. Surviving children receive (12%) of final salary. The maximum family survivor benefit is (75%) of final salary.

Employees disabled in the line of duty receive (65%) of final salary.

The monthly pension of a covered employee who retired with (20) or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least (55) years, by (3%) of the amount of the pension payable at the time of the increase.

Employees are required to contribute (9.455%) of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than twenty (20) years of service, accumulated employee contributions may be refunded without accumulated interest.

For Employees hired after January 1, 2011, the annual retirement benefit is (2.5%) of final average salary for each year of service up to (30) years, to a maximum of (75%) of such salary, the Normal Retirement age is attainment of age 55 and completion of 10 years of service; Early Retirement age is attainment of age 50, completion of 10 years of service and the Early Retirement Factor is 6% per year; the Employee’s Accrued Benefit is based on the Employee’s final 8-year average salary not to exceed $106,800 (as indexed); Cost-of-living adjustments are simple increases (not compounded) of the lesser of 3% or 50% of CPI beginning the later of the anniversary date and age 60; Surviving Spouse’s Benefits are 66 2/3% of the Employee’s benefit at the time of death.

ACTUARIAL METHODS

The Actuarial Methods employed for this valuation are as follows:

Projected Unit Credit Cost Method (for years beginning on or after 2011)

Under the Projected Unit Credit Cost Method, the Normal Cost is the present value of the projected benefit (including projected salary increases) earned during the year.

The Accrued Liability is the present value of the projected benefit (including projected salary increases) earned as of the actuarial valuation date. The Unfunded Accrued Liability is the excess of the Accrued Liability over the plan's assets. Experience gains or losses adjust the Unfunded Accrued Liability.

Entry Age Normal Cost Method (for years beginning prior to 2011)

Under the Entry Age Normal Cost Method the Normal Cost for each participant is computed as the level percentage of pay which, if paid from the earliest age the participant is eligible to enter the plan until retirement or termination, will accumulate with interest to sufficiently fund all benefits under the plan. The Normal Cost for the plan is determined as the greater of a) the sum of the Normal Costs for all active participants, and b) 17.5% of the total payroll of all active participants.

The Accrued Liability is the theoretical amount that would have accumulated had annual contributions equal to the Normal Cost been paid. The Unfunded Accrued Liability is the excess of the Accrued Liability over the plan's assets. Experience gains or losses adjust the Unfunded Accrued Liability.

ACTUARIAL ASSUMPTIONS

The Actuarial Assumptions used for determining the Tax Levy Requirement and GASB Statements No. 25 & 27 Disclosure Information are the same and have not been changed from the prior year. The Actuarial Assumptions employed for this valuation are as follows:

Valuation Date	January 1, 2011
Asset Valuation Method	Market Value
Investment Return	7.50%
Salary Scale	4.00%
Mortality	1971 Group Annuity Mortality Table
Withdrawal	State of Illinois DOI Experience Rates
Disability	State of Illinois DOI Experience Rates
Retirement	State of Illinois DOI Experience Rates (100% by Age 62)
Marital Status	80% Married, Spouse Same Age
Plan Expenses	None

	Sample Annual Rates Per 100 Participants			
Age	Mortality	Withdrawal	Disability	Retirement
20	0.05	4.02	0.17	
30	0.81	2.56	0.20	
40	0.16	1.14	0.30	
50	0.53		0.62	20.00
60	1.31		1.84	83.33
62	1.59			100.00

STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION

The Governmental Accounting Standards Board (GASB) issued Statements No. 25 & 27 that established generally accepted accounting principles for the annual financial statements for defined benefit pension plans. The required information is as follows:

Membership in the plan consisted of the following as of:

	December 31, 2010	December 31, 2009
Retirees and beneficiaries receiving benefits	35	33
Terminated plan members entitled to but not yet receiving benefits	2	2
Active vested plan members	80	79
Active nonvested plan members	33	35
Total	150	149
Number of participating employers	1	1

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/08	33,497,846	63,232,958	29,735,112	53.0%	8,976,816	331.2%
12/31/09	37,368,735	69,004,369	31,635,634	54.2%	9,421,603	335.8%
12/31/10	41,375,746	73,311,625	31,935,879	56.4%	9,656,507	330.7%

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION (Continued)

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	December 31, 2010	December 31, 2009
Annual required contribution	2,954,404	2,180,506
Interest on net pension obligation	271,183	201,148
Adjustment to annual required contribution	(221,993)	(160,358)
Annual pension cost	3,003,594	2,221,296
Contributions made	1,418,120	1,287,501
Increase (decrease) in net pension obligation	1,585,474	933,795
Net pension obligation beginning of year	3,615,770	2,681,975
Net pension obligation end of year	5,201,244	3,615,770

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/08	1,999,147	61.4%	2,681,975
12/31/09	2,221,296	58.0%	3,615,770
12/31/10	3,003,594	47.2%	5,201,244

GASB STATEMENTS NO. 25 & 27 DISCLOSURE INFORMATION (Continued)

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:		
District	14.686%	13.665%
Plan members	9.455%	Same
Annual pension cost	3,003,594	2,221,296
Contributions made	1,418,120	1,287,501
Actuarial valuation date	12/31/2010	12/31/2009
Actuarial cost method	Entry age	Same
Amortization period	Level percentage of pay, closed	Same
Remaining amortization period	30 years	24 years
Asset valuation method	Market	Same
Actuarial assumptions:		
Investment rate of return*	7.50%	Same
Projected salary increases*	4.00%	Same
*Includes inflation at	3.00%	Same
Cost-of-living adjustments	3.00% per year	Same