TSW
Actuary

LISLE-WOODRIDGE FIRE PROTECTION DISTRICT

FIREFIGHTERS PENSION FUND

Actuarial Valuation Report

For the Year

Beginning January 1, 2012

And Ending December 31, 2012

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

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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, 2012, and ending December 31, 2012.

The valuation results reported herein are based on plan provisions in effect as of January 1, 2012, 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, 2011, 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

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Date

SUMMARY OF RESULTS

There were no changes with respect to Plan Provisions, Actuarial Methods or Actuarial Assumptions from the prior year.

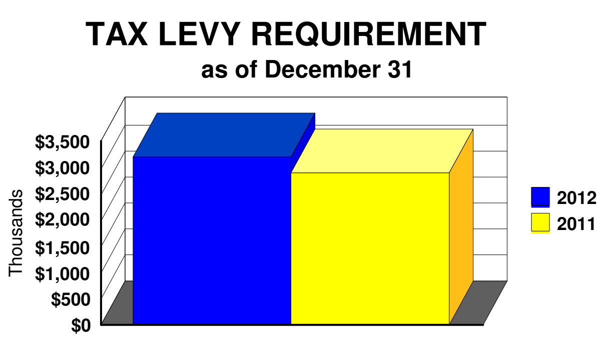
There were no unexpected changes with respect to the participants included in this actuarial valuation (2 new members, 0 terminations, 6 retirements, 0 incidents of disability, annual payroll increase -0.5%, average salary increase 4.8%).

There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 0.52%).

The District's Tax Levy Requirement has increased from $2,897,565 last year to $3,207,418 this year (10.7%). The increase in the Tax Levy is due to the increase in average salaries and the investment return was less than assumed. The Percent Funded has decreased from 62.2% last year to 60.2% this year.

SUMMARY OF RESULTS (Continued)

	For Year Ending December 31	
	2012	2011
Tax Levy Requirement	$ 3,207,418	$ 2,897,565
	as of January 1	
	2012	2011
District Normal Cost	1,832,502	1,739,819
Anticipated Employee Contributions	908,807	913,023
Accrued Liability	73,135,182	66,503,092
Actuarial Value of Assets	44,004,266	41,375,746
Unfunded Accrued Liability/(Surplus)	29,130,916	25,127,346
Amortization of Unfunded Accrued Liability/(Surplus)	1,151,143	955,590
Percent Funded	60.2%	62.2%
Annual Payroll	$ 9,611,921	$ 9,656,507

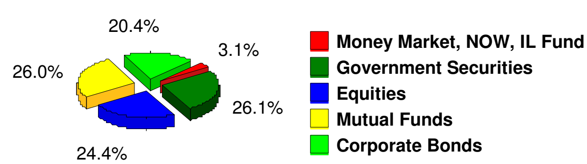


ACTUARIAL VALUATION OF ASSETS

		as of January 1 2012		2011
Money Market, NOW, IL Fund	$	1,305,560	$	1,338,926
Government Securities		10,839,745		19,767,156
Equities		10,111,152		9,228,658
Mutual Funds		10,796,781		10,192,940
Corporate Bonds		8,468,952		812,431
Interest Receivable		171,620		40,942
Miscellaneous Receivable/(Payable)		(2,144)		(5,307)
Market Value of Assets		41,691,666	$	41,375,746
Actuarial Value of Assets		44,004,266		
FYE 2011 (G)/L	$	2,890,751		

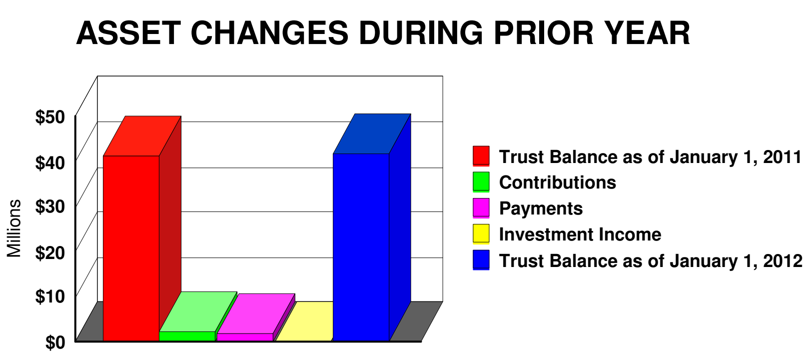
SUMMARY OF ASSETS

As Of January 1, 2012



ASSET CHANGES DURING PRIOR YEAR

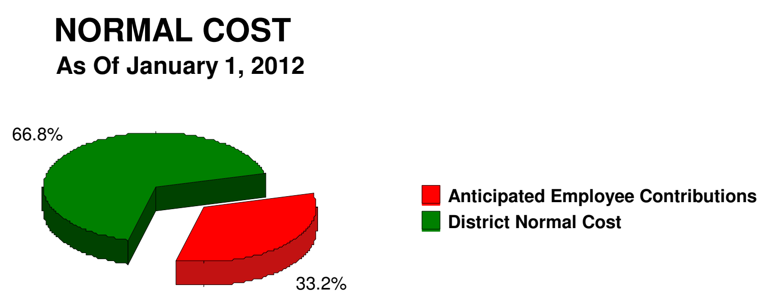
Trust Balance as of January 1, 2011		$	41,375,746
Contributions			
District	1,394,210		
Employee	903,927		
Total			2,298,137
Payments			
Benefit Payments	2,149,661		
Expenses	48,727		
Total			2,198,388
Investment Income			216,171
Trust Balance as of January 1, 2012		$	41,691,666
Approximate Annual Rate of Return			0.52%



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.

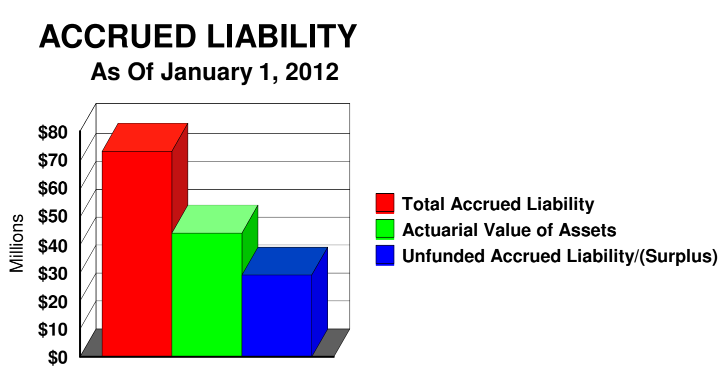
	as of January 1 2012		as of January 1 2011	
Total Normal Cost	$	2,741,309	$	2,652,842
Anticipated Employee Contributions		908,807		913,023
District Normal Cost		1,832,502		1,739,819
Normal Cost Payroll	$	9,611,921	$	9,656,507
District Normal Cost Rate		19.06%		18.02%
Total Normal Cost Rate		28.52%		27.47%



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 2012		as of January 1 2011
Accrued Liability			
Active Employees	$ 41,284,959		$ 41,132,936
Children Annuities	3,094		3,919
Disability Annuities	4,247,034		4,195,302
Retirement Annuities	26,740,651		20,790,606
Surviving Spouse Annuities	702,545		234,376
Terminated Vested Annuities	156,899		145,953
Total Annuities	31,850,223		25,370,156
Total Accrued Liability	73,135,182		66,503,092
Actuarial Value of Assets	44,004,266		41,375,746
Unfunded Accrued Liability/(Surplus)	$ 29,130,916		$ 25,127,346
Percent Funded	60.2%		62.2%



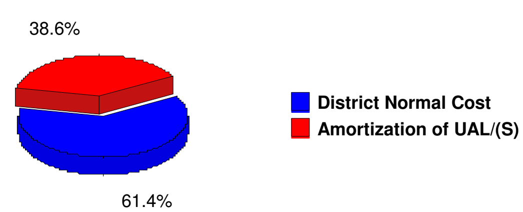
TAX LEVY REQUIREMENT

The Public Act 096-1495 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			
		2012		2011
District Normal Cost as of Beginning of Year	$	1,832,502	$	1,739,819
Amortization of Unfunded Accrued Liability/(Surplus)		1,151,143		955,590
Interest for One Year		223,773		202,156
Tax Levy Requirement as of End of Year	$	3,207,418	$	2,897,565
Public Act 096-1495 Tax Levy Requirement				
1) Normal Cost (PUC)		1,832,502		1,739,819
2) Accrued Liability (PUC)		73,135,182		66,503,092
3) Amortization Payment		1,151,143		955,590
4) Interest for One Year		223,773		202,156
5) PA 096-1495 Tax Levy Requirement (1 + 3 + 4)	$	3,207,418		2,897,565

TAX LEVY REQUIREMENT

For Fiscal Year Ending December 31, 2012



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	2012	2012	2011	2011
Current Employees				
Vested	76		80	
Nonvested	35		33	
Total	111		113	
Inactive Participants		Annual Benefits		Annual Benefits
Children	3	$ 922	4	$ 1,165
Disabled Employees	7	253,730	7	253,730
Retired Employees	26	1,861,533	23	1,493,147
Surviving Spouses	2	100,365	1	25,876
Terminated Vesteds	2	15,706	2	15,706
Total	40	2,232,256	37	1,789,624
Annual Payroll		$ 9,611,921		$ 9,656,507

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

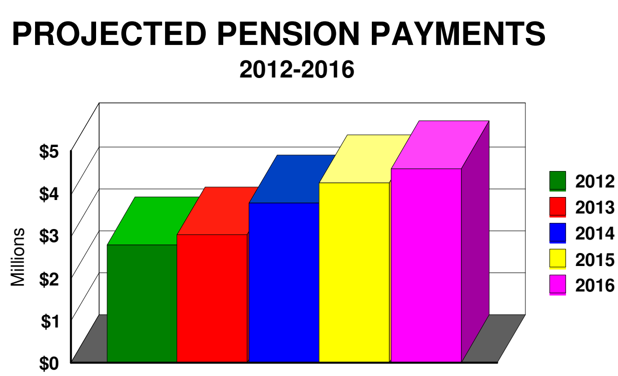
Service / Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24									
25-29	4							4	63,833
30-34	6	9						15	79,207
35-39	1	4	7	2				14	83,726
40-44		10	4	10	4			28	86,188
45-49			3	10	12	3		28	93,325
50-54				8	9	2		19	86,768
55-59				2				2	121,100
60+		1						1	79,168
Total	11	24	14	32	25	5	0	111	86,594
Salary	68,785	83,812	86,167	86,050	94,144	106,055			

Average Age: 43.0 Average Service: 14.4

DURATION (years) Active Members: 18.0 Retired Members: 10.3 All Members: 14.7

PROJECTED PENSION PAYMENTS

2012	2013	2014	2015	2016
$2,821,935	$3,043,220	$3,780,219	$4,284,968	$4,604,038



SUMMARY OF PLAN PROVISIONS

The Plan Provisions have not been changed from the prior year.

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, 2012, 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 for PA 096-1495)

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

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, 2012
Asset Valuation Method	5-year Average 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, 2011	December 31, 2010
Retirees and beneficiaries receiving benefits	38	35
Terminated plan members entitled to but not yet receiving benefits	2	2
Active vested plan members	76	80
Active nonvested plan members	35	33
Total	151	150
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)
12/31/09	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%
12/31/11	41,691,666	80,099,250	38,407,584	52.1%	9,611,921	399.6%

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

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	December 31, 2011	December 31, 2010
Annual required contribution	3,182,470	2,954,404
Interest on net pension obligation	390,093	271,183
Adjustment to annual required contribution	(278,049)	(221,993)
Annual pension cost	3,294,514	3,003,594
Contributions made	1,394,210	1,418,120
Increase (decrease) in net pension obligation	1,900,304	1,585,474
Net pension obligation beginning of year	5,201,244	3,615,770
Net pension obligation end of year	7,101,548	5,201,244

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	2,221,296	58.0%	3,615,770
12/31/10	3,003,594	47.2%	5,201,244
12/31/11	3,294,514	42.3%	7,101,548

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

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:		
District	14.505%	14.686%
Plan members	9.455%	Same
Annual pension cost	3,294,514	3,003,594
Contributions made	1,394,210	1,418,120
Actuarial valuation date	12/31/2011	12/31/2010
Actuarial cost method	Entry age	Same
Amortization period	Level percentage of pay, closed	Same
Remaining amortization period	29 years	30 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