

POLICE PENSION FUND REPORTS

- a. Required Reporting to Municipality by Pension Board for Fiscal Year Ended 4/30/2009
- b. Required Reporting to Municipality by Pension Board for Fiscal Year Ended 4/30/2010
- c. South Barrington Police Pension fund – Statement of Investment Policy
- d. Actuary Report for Year ended April 30, 2011

- a. Required Reporting to Municipality by Pension Board for Fiscal Year Ended 4/30/2009

Required Reporting to Municipality by Pension Board For the Fiscal Year Ended 4/30/2009

(400 ILCS 5/3-143) (from Ch. 108 1/2, par 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:		
Cash/Short Term Investments	\$ 490,729	
US Treasuries & US Agencies	1,421,139	
Mutual Funds & Life Insurance Annuity	1,416,074	
Receivables	14,372	
Total Assets (market value)		\$ 3,342,314
2. Estimated Receipts during the next succeeding fiscal year from:		
Participant contributions deducted from payroll		\$ 118,397
Employer Contributions and all other sources		\$ 570,713
3. Estimated amount required during the next succeeding fiscal year to:		
Pay all pensions and other obligations provided in this Article		\$ 295,030
Meet the annual requirements of the fund as provided in Sections 3-125 & 3-127		\$ 394,080
4. Total Net Income received from investment of net assets:		(\$ 438,561)
Assumed Investment Return		7.5%
Actual Investment Return		(12.0%)
Total Net Income received from investment of net assets (FYE 4/30/2008)		\$ 130,764
Assumed Investment Return		7.5%
Actual Investment Return		4.07%
5. Total number of Active Employees that are financial contributing to the fund:		15
6. Disbursements to:		
a. Annuitants in receipt of a regular retirement pension:		
Total number of annuitants		1
Total amount that was disbursed in benefits		\$ 26,435
b. Recipients being paid a disability pension		
Total number of annuitants		3
Total amount that was disbursed in benefits		\$ 99,245
c. Survivors and children in receipt of benefits		
Total number of annuitants		0
Total amount that was disbursed in benefits		-
7. Funded ratio of the fund		43.2%

8. Unfunded Actuarial Accrued Liability

\$ 4,390,820

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

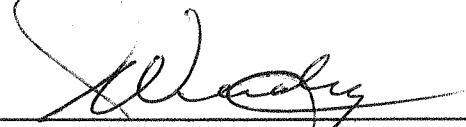
The Actuarial Accrued Liability is the portion of the present value of future plan benefits reflecting projected credited service and salaries determined by the actuarial cost method based upon the plan's actuarial assumptions and not provided for at a valuation date by the actuarial present value of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

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

Certification

I, James Weidig, President of the South Barrington Police Pension Board, Village of South Barrington, Cook 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 40ILCS 5/3-143.

Witness my hand this 18th day of January, 2010
~~December, 2009~~



James Weidig, President
South Barrington Police Pension Board

- b. Required Reporting to Municipality by Pension Board for Fiscal Year Ended 4/30/2010

Required Reporting to Municipality by Pension Board For the Fiscal Year Ended 4/30/2010

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

Report by pension board:

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1. Total Trust Assets:		
Cash/Short Term Investments	\$ 334,955	
US Treasuries & US Agencies	2,057,372	
Mutual Funds & Life Insurance Annuity	1,951,210	
Receivables	17,836	
Total Assets (market value)		\$4,361,373
2. Estimated Receipts during the next succeeding fiscal year from:		
Participant contributions deducted from payroll		\$ 133,220
Employer Contributions and all other sources		\$ 686,197
3. Estimated amount required during the next succeeding fiscal year to:		
Pay all pensions and other obligations provided in this Article		\$ 350,822
Meet the annual requirements of the fund as provided in Sections 3-125 & 3-127		\$ 468,595
4. Total Net Income received from investment of net assets:		\$ 620,805
Assumed Investment Return	7.5%	
Actual Investment Return	17.53%	
Total Net Income received from investment of net assets (FYE 4/30/2009)		(\$ 438,561)
Assumed Investment Return	7.5%	
Actual Investment Return	(12.0%)	
5. Total number of Active Employees that are financial contributing to the fund:		17
6. Disbursements to:		
a. Annuitants in receipt of a regular retirement pension:		
Total number of annuitants	2	
Total amount that was disbursed in benefits		\$ 54,497
b. Recipients being paid a disability pension		
Total number of annuitants	4	
Total amount that was disbursed in benefits		\$131,804
c. Survivors and children in receipt of benefits		
Total number of annuitants	0	
Total amount that was disbursed in benefits		-
7. Funded ratio of the fund		48.0%

8. Unfunded Actuarial Accrued Liability

\$ 4,718,496

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

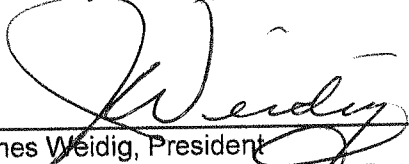
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9. Investment Policy of the pension board under the statutory investment restrictions imposed on the fund. (See Attached)

Certification

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Witness my hand this 18th day of January, 2011
~~December, 2010~~



James Weidig, President
South Barrington Police Pension Board

c. South Barrington Police Pension fund – Statement of Investment Policy

SOUTH BARRINGTON POLICE PENSION FUND STATEMENT OF INVESTMENT POLICY

Adopted

A. Purpose:

The purpose of this Statement of Investment Policy is to set forth the investment policy of the Retirement Boards, the "Board", of the South Barrington Police Pension Fund.

B. Responsibilities:

1. It is the intent of the Board to establish an investment policy that is to guide the investment of the assets of the Fund. The investment policy describes the degree of investment risk that members of the Board presently deem appropriate.
2. Investment brokers retained shall not have discretionary authority to invest pension assets of the Fund. However, it is presumed that all recommendations of such professionals will be in accordance with this investment policy and applicable statutes (including the Illinois Pension Code) as they may be modified or amended from time to time. In particular, investment brokers are to present their written goals and objectives to the Board, within investment policy and legal limits, on an annual basis.
3. The Board designates the Treasurer of the Fund to handle all transactions with the investment brokers in accordance with the Fund's Investment Policy.
4. The Board designates the President to establish the internal controls and written procedures for the operation of the investment program.
5. Each Investment Manager must acknowledge in writing its acceptance of responsibility as a fiduciary under Illinois law Section 1-101.2 of the Code. Subject to the requirements thereof and to the authority of the Board of Trustees, each investment Manager will have discretion to make investment decisions for the assets placed under its jurisdiction, while observing and operating within all policies, guidelines, constraints, and philosophies as outlined in this statement. Specific responsibilities of the Investment Manager(s) include, but are not limited to the following:
 1. Discretionary investment management, within the guidelines set forth by the board, including decisions to buy, sell, or hold individual securities, and to alter asset allocation established within this Statement.
 2. Reporting, at least monthly, the current investments held in the account, their current market value and all transactions within the account.

3. Communicating any major changes in economic outlook, investment strategy, or any other factors that effect implementation of investment process, or the investment objective progress of the Plan's investment management.
4. Informing the Board regarding any qualitative change in the investment management organization: Examples include changes in portfolio management personnel, ownership structure, investment philosophy, etc.
5. In regards to stock purchased by the Fund or otherwise owned by the Fund, voting proxies on behalf of the Plan if directed to do so by the Board of Trustees and communicating such voting records to the Board of Trustees on a timely basis.
6. Having a written contract, with the Investment Policy as part of the Contract.
7. Provide full disclosure of fees, both direct, and indirect.
8. Written acknowledgement of fiduciary responsibility to the Plan.

Investment Managers will be held responsible and accountable to achieve the objectives of this Statement. While it is not believed that there are limitations set by this investment policy that will hamper investment managers, managers should request modifications when they deem them appropriate.

C. General Investment Policy:

The goal of the Fund is total return; that is, the aggregate return of capital appreciation, dividend income, and interest income. All investments shall be made in the name of the Board of Trustees and shall be clearly held and accounted for to indicate ownership by the Board of Trustees.

1. Fixed Income Portfolio:

The goal of the fixed income investment manager(s), shall be to:

Meet or exceed the performance of the Lehman Intermediate Government Bond Index. The fixed income investment manager must also display an overall level of risk in the portfolio, which is consistent with the risk associated with the benchmark specified above. Measures of risk to be used include duration, beta, and standard deviation of returns.

Investment Managers are expected to adhere to the investment management styles for which they are hired. Managers will be evaluated regularly for adherence to their investment discipline. Investment made on behalf of the Fund shall be with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in like capacity and familiar with such matters would use in the investment of a fund of a like character and with like aims.

The investment portfolio will remain sufficiently liquid to enable the Fund to meet all operating requirements, which might be reasonably anticipated.

All investments shall be made solely in the interest of the participants and beneficiaries of the Fund and for the exclusive purpose of providing benefits accrued there under and defraying the reasonable expenses of administration.

Understanding that risk is present in all types of securities and investment styles, the Boards of Trustees recognizes that some risk is necessary to produce long-term investment results that are sufficient to meet Fund's objectives. However, the Investment Managers are to make reasonable efforts to control risk and will be evaluated regularly to ensure that the risk assumed is commensurate with the given investment style and objectives. Safety of principle will always be considered.

Investment of the Fund shall be diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

The Board of Trustees may employ one or more Investment Managers of varying styles and philosophies to attain the Fund's objectives.

Cash is to be employed productively at all times, by investment in short-term cash equivalents to provide safety, liquidity, and return.

Specific investment goals and constraints for each Investment Manager, if any, shall be incorporated as part of this Statement. Each Manager shall receive a written statement outlining specific goals and constraints as they differ from those objectives of the entire Plan.

2. Equity Portfolio

The investment manager shall have discretionary authority in regards to

investments in the equity portion of the portfolio within the guidelines set forth below in the Aggregate Plan Asset Allocation.

D. Aggregate Plan Asset Allocation Guidelines (at market value)

<u>Asset Class</u>	<u>Minimum</u>	<u>Maximum</u>
Equities	<u>25</u> %	<u>45</u> %
Fixed Income	<u>50</u> %	<u>75</u> %
Cash and Equivalents	<u>1</u> %	<u>6</u> %

The following shall be used as target indices to form a blended index for the entire fund and to measure the performance of each individual asset class:

<u>Asset Class</u>	<u>Target Index</u>	<u>% in Blend</u>
Domestic Equities	S&P 500 with dividends	34%
Internatl Equities	EAFE (Europe, Asia & Far East)	9%
REITS	NAREIT	2%
Fixed Income	Lehman Intermediate Government	55%

The Board of Trustees may employ managers whose investment disciplines require investment outside the established asset allocation guidelines. However, taken as a component of the aggregate plan, such disciplines must fit within the overall asset allocation guidelines established in this Statement. Such investment managers will receive written direction from the Board of Trustees regarding specific objectives and guidelines.

E. Derivatives:

Investment brokers will not recommend or purchase derivative securities for the fixed income portfolio.

F. Diversification:

The assets of the Fund are to be diversified in order to reasonably minimize the impact of large losses in individual investments. Multiple investment brokers or investment advisors may be retained to further that end. For additional protection of the Fund, its "duration and average maturity", as well as its asset mix shall be reviewed on at least an annual basis.

G. Liquidity:

The Trustees shall examine liquidity needs of the Fund not less often than annually.

H. Rebalancing:

At least annually, the portfolio shall be reviewed for balancing between fixed and equity positions. At that time it is imperative to take the necessary steps for the pension fund to be in compliance with the Illinois Statutes governing the fund.

I. Statement of Investment Professional Goals:

Each investment broker or investment advisor retained to execute the investment policy should submit to the Board, within seven (7) business days of receipt of this Statement of Investment Policy and the accompanying Investment Guideline, a written statement by the investment broker or investment advisor setting forth goals with respect to accomplishing the investment policy. The statement shall be succinctly presented on no more than two (2) typewritten pages. Each such investment professional shall revise its statement of goals from time to time when such revision is appropriate requested by the Fund.

J. Reporting:

It shall be the responsibility of the Investment Manager to prepare a written report of all investment transactions for the quarter. The report is to be presented at the quarterly Pension Board meeting. The Secretary shall maintain these reports. Additionally, the Treasurer will be responsible for preparing the annual report. All Investment Managers designated by the Board shall be expected to submit quarterly reports to include performance and benchmark tracking.

K. Investment Fee Disclosure:

According to Illinois Administrative Rule, it shall be the responsibility of the Board to obtain from each investment professional, prior to purchase, the fees the fund will be charged directly or indirectly. In addition, all brokers, money managers, investment advisors, and any other investment professionals shall disclose in April of each year any and all fees received either directly or indirectly in connection with the relationship with this pension fund during the previous twelve months. This includes but is not limited to fees received by 1) their investment firm 2) any individual connected with the investment firm, or 3) any firm to which they direct pension fund investment assets, or 4) any other entity. Such fees include, but are not limited to, markups, commissions, soft-dollars, 12(b)-1 fee, sales charges, investment management fees, penalties, and custodial fees. Each type of fee and the amount charged must be itemized separately. This disclosure of all fees charged must be signed by a principal of the investment firm.

L. Enforcement:

The Board of Trustees expects each investment broker or investment advisor to comply with this policy statement. If any broker or investment advisor concludes that any aspect of this statement is inappropriate or will unnecessarily inhibit performance, the broker or investment advisor is obligated to notify the Board of Trustees rather than fail to comply with the Statement.

The fact that an investment produces a gain does not justify violation of the guidelines and policy.

Violations of the investment guidelines and policy shall be considered by the Board of Trustees in deciding on matters of retention.

M. Prudence

Investments shall be made with judgment and care. The standard of prudence, as used by investment officials, shall be the "prudent person" standard, and shall be applied in the context of managing the overall portfolio.

N. Ethics and Conflicts of Interest:

The members of the South Barrington Police Pension Fund and all other parties involved in the investment process 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.

O. Internal Control:

The office of the Village Treasurer shall establish an annual process of independent review by an independent auditor. This review should include the examination of compliance with policies and procedures.

P. Amendments:

The Board of Trustees may, in its discretion, modify or withdraw this statement at any time.

Q. Annual Review:

A review of this investment policy shall be conducted no less than annually by a designated committee (preferably in October). Said committee shall present their findings and suggestions to the Board of Trustees. Any changes shall be recorded with the Illinois Department of Insurance.

PENSION FUND INVESTMENT GUIDELINES

Adopted

These investment guidelines expand upon the "Statement of Policy" of the South Barrington Police Pension Fund.

A. Guidelines:

1. Subject to restrictions appearing in the Illinois Pension Code and other applicable laws or regulations, each portfolio of the Fund is to be invested in qualified equity and/or fixed income securities as defined in the Statement of Investment Policy. (A current list of authorized investments is attached as Exhibit I and a list of prohibited transactions is attached as Exhibit II.)
2. The Fund's portfolio is to be diversified to reduce the impact of large losses in individual investments. Diversification will take place gradually and in such a manner as to minimize the realization of losses by the Fund.
3. The Fund's portfolio will be invested in such a manner as to assure the appropriate liquidity for purposes of meeting the Fund's projected cash needs.
4. The Trustees of the Fund are responsible for:
 - A. Selecting qualified investment professionals, including Investment Consultant(s), Investment Advisor(s), Money Manager(s), Investment Broker(s) and Custodian(s).
 - B. Regularly evaluating the performance of the Investment Professional(s) to assure adherence to policy guidelines and to monitor investment objective progress.
 - C. Developing and enacting proper control procedures.

EXHIBIT I

Permitted Investments

Investments by suburban and downstate police pension funds are limited to those authorized by the legal list contained in Illinois Pension Code Section 1-113.1 thru 1.113.4.

A. Treasury Bills: The safest and most liquid investment next to cash. Treasury Bills are short-term direct obligations of the U.S. Government and are issued at a discount with maturities of three months, six months or one year.

B. Treasury Notes: Direct obligations of the U.S. Treasury are issued at par and enjoy an active trading market having maturities of one to seven years, pay interest semi-annually and are guaranteed as to principal and interest by the United States Government.

C. Treasury Bonds: Direct obligations of the U.S. Treasury having maturities from five to thirty years, pay interest semi-annually and are guaranteed as to principal and interest by the United States Government.

D. Certificates of Deposit: A written certification by a bank, savings and loan association or a credit union that a fixed dollar amount has been deposited with it for a fixed period of time at a predetermined rate of interest. Certificates are registered in the name of the depositor. (See 540.)

E. Government Bonds & Tax Anticipation Warrants: Interest bearing bonds and short term obligations to finance current expenditures pending receipt of expected tax payments issued by the United States Government, the State of Illinois, or any county, township, or municipal corporation of the State of Illinois.

F. State of Israel Bonds: Direct obligations of the State of Israel for the payment of money, or obligations for the payment of money, which are guaranteed as to the payment of principal and interest by the State of Israel (Illinois Pension Code, Section 1-113 (5.1)).

G. General Accounts of Life Insurance Companies: An investment instrument issued by a regulated insurance company and guaranteed from the general assets of the insurance company. General accounts (GIC's) usually pay a fixed rate of return determined in advance, but generally are not marketable. GIC contracts must be with an insurance company authorized to do business in Illinois and are not limited to percentage limitations as are separate accounts.

H. Separate Accounts of Life Insurance Companies: A separate account is an insurance company product that allows investments in real estate, stocks, bonds, and money market instruments. The assets of the investment funds are owned by the company and are held separately from other assets of the company and are not chargeable with liabilities arising out of any of the company's other business.

I. Government Agencies: Federal definition of "Agency" defined in federal law as an "executive department, an independent federal establishment, or a corporation or other entity established by the Congress, which is owned in whole or in part by the United States." (Federal Financing Bank Act of 1973).

Federal List of Agencies and Government Sponsored Agencies:

- Federal Housing Administration (FHA)
- Government National Mortgage Association (GNMA)
- Public Housing Boards (HUD)
- Farmers Home Administration
- General Services Administration (GSA)
- Maritime Administration
- Small Business Administration (SBA)
- SBA Loan Pools
- Tennessee Valley Authority (TVA)
- Washington Metropolitan Area Transit Authority

Additional agencies authorized by the pension code. Illinois law authorizes investments in the following agencies and government-sponsored agencies:

- Federal Land Banks
- Federal Intermediate Credit Banks
- Bank for Cooperatives
- Federal Farm Credit Banks
- Federal Home Loan Banks
- Federal Home Loan Mortgage Corporation
- Federal National Mortgage Association (FNMA)
- Student Loan Marketing Association (Sallie Mae)

J. Money Market Mutual Funds: Open-ended mutual funds that invest in highly liquid and safe securities and pays money market rates of interest. Funds are not federally insured, but invest only in government-backed securities as stated in Section 1-113.2.

K. Strips -- Separate Trading of Registered Interest and Principal of Securities: A pre-stripped, zero-coupon bond that's a direct obligation of the U.S. Treasury (only Treasury strips are approved investments which do not include brokerage house created strips, such as CATS and TIGRS).

L. CUBES -- Coupon Under Book Entry Safekeeping: Programs introduced by the U.S. Treasury that are direct obligations of the U.S. Government.

M. Illinois Public Treasurers Investment Pool (IPTIP): Any public agency may also invest any public funds in a Public Treasurers Investment Pool under Section 17 of the State Treasurer Act.

N. Bank Managed Fund: Any public agency may also invest any public funds in a fund managed, operated, and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.

EXHIBIT II


Prohibited Transactions

Prohibited Transactions are those transactions prohibited under Sections 1-110 and 1-111 of the Code and not allowed under Section 3-135 of the Code and also include, but are not limited to, the following:

1. Short selling.
2. Margin transactions.
3. Any transaction involving futures or option contracts.
4. Reverse Repurchase Agreements.
5. Repurchase Agreements.
6. Any borrowing or lending agreements.
7. Derivatives.
8. International Common Stocks, including ADR's.

ADOPTION OF POLICY

The South Barrington Police Pension Fund Statement of Investment Policy was adopted on this 6th day of May, 2008.


Signed


Signed

Wce President
Title

TRUSTEE
Title


Signed

Signed

SAC
Title

Title

STATEMENT OF COMPLIANCE

I have reviewed the South Barrington Police Pension Fund Statement of Investment Policy and Guidelines, and current statutory provisions and restrictions. Our review indicated we are in compliance with the Board's Investment Policy and Guidelines and all statutory provisions and restrictions.

Signed

SK. VICE PRESIDENT

Title

MITCHELL, VAUGHN & TRAYLOR

Company

Date

5/6/08

d. Actuary Report for Year ended April 30, 2011



Actuary

VILLAGE OF SOUTH BARRINGTON
SOUTH BARRINGTON POLICE PENSION FUND

Actuarial Valuation Report

For the Year

Beginning May 1, 2010

And Ending April 30, 2011

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

TABLE OF CONTENTS

	<u>Page</u>
Introduction	3
Summary of Results	4
Actuarial Valuation of Assets	6
Asset Changes During Prior Year	7
Normal Cost	8
Accrued Liability	9
Tax Levy Requirement	10
Summary of Plan Participants	11
Duration	12
Projected Pension Payments	12
Summary of Plan Provisions	13
Actuarial Method	14
Actuarial Assumptions	15
GASB Statements No. 25 & 27 Disclosure	16

INTRODUCTION

Police-sworn personnel of the Village of South Barrington are covered by the Police 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 May 1, 2010, and ending April 30, 2011.

The valuation results reported herein are based on plan provisions in effect as of May 1, 2010, the employee data furnished by the Village, 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 April 30, 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. 08-4384

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 (4 new members, 0 terminations, 1 retirement, 1 incident of disability, annual payroll increase 12.5%, average salary increase 8.3%).

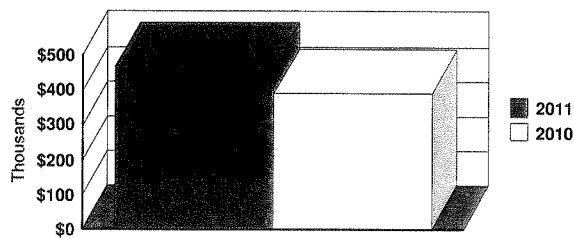
There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 17.53%).

The Village's Tax Levy Requirement has increased from \$394,080 last year to \$468,595 this year (18.9%). The increase in the Tax Levy is due to the increase in salaries was greater than assumed, the new incident of disability, and was offset due to the investment return was greater than assumed. The Percent Funded has increased from 43.2% last year to 48.0% this year.

SUMMARY OF RESULTS (Continued)

	For Year Ending April 30	
	<u>2011</u>	<u>2010</u>
Tax Levy Requirement	\$ 468,595	\$ 394,080
	as of May 1	
	<u>2010</u>	<u>2009</u>
Village Normal Cost	199,368	154,122
Anticipated Employee Contributions	133,220	118,397
Accrued Liability	9,079,869	7,733,133
Actuarial Value of Assets	4,361,373	3,342,313
Unfunded Accrued Liability/(Surplus)	4,718,496	4,390,820
Amortization of Unfunded Accrued Liability/(Surplus)	238,571	214,177
Percent Funded	48.0%	43.2%
Annual Payroll	\$ 1,344,302	\$ 1,194,718

TAX LEVY REQUIREMENT
as of April 30

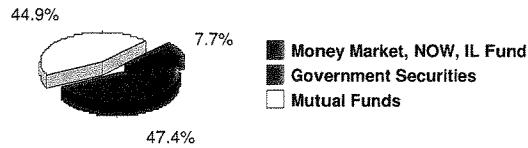


ACTUARIAL VALUATION OF ASSETS

		as of May 1	
	<u>2010</u>		<u>2009</u>
Money Market, NOW, IL Fund	\$ 334,955		\$ 490,730
Certificates of Deposit	0		1,421,137
Government Securities	2,057,372		0
Insurance Contracts	1,951,210		1,416,074
Mutual Funds	<u>17,836</u>		<u>14,372</u>
Actuarial Value of Assets	\$ <u>4,361,373</u>		\$ <u>3,342,313</u>

SUMMARY OF ASSETS

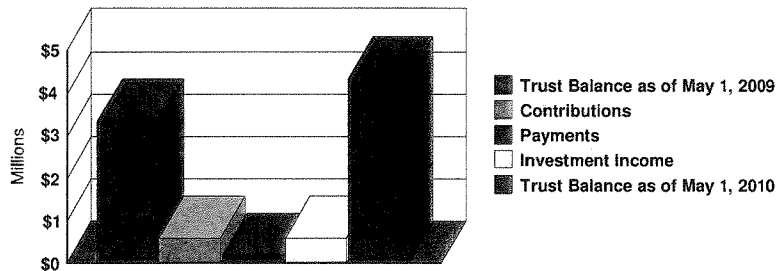
As Of May 1, 2010



ASSET CHANGES DURING PRIOR YEAR

Trust Balance as of May 1, 2009		\$	3,342,313
Contributions			
Village	412,992		
Employee	<u>186,958</u>		
Total			599,950
Payments			
Benefit Payments	186,301		
Expenses	<u>15,394</u>		
Total			201,695
Investment Income			<u>620,805</u>
Trust Balance as of May 1, 2010		\$	<u>4,361,373</u>
Approximate Annual Rate of Return			17.53%

ASSET CHANGES DURING PRIOR YEAR

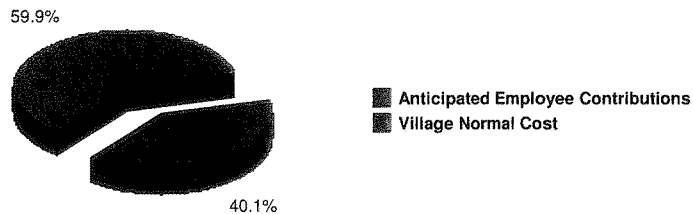


NORMAL COST

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 May 1	
		<u>2010</u>	<u>2009</u>
Total Normal Cost	\$	332,588	\$ 272,519
Anticipated Employee Contributions		<u>133,220</u>	<u>118,397</u>
Village Normal Cost		<u>199,368</u>	<u>154,122</u>
Normal Cost Payroll	\$	1,344,302	\$ 1,194,718
Village Normal Cost Rate		14.83%	12.90%
Total Normal Cost Rate		24.74%	22.81%

NORMAL COST As Of May 1, 2010

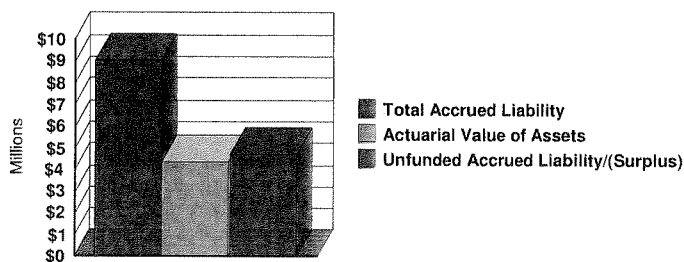


ACCRUED LIABILITY

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 May 1	
Accrued Liability	<u>2010</u>	<u>2009</u>
Active Employees	\$ 6,465,170	\$ 6,330,775
Children Annuities	0	0
Disability Annuities	1,990,220	1,254,414
Retirement Annuities	624,479	147,944
Surviving Spouse Annuities	0	0
Terminated Vested Annuities	<u>0</u>	<u>0</u>
Total Annuities	2,614,699	1,402,358
 Total Accrued Liability	 9,079,869	 7,733,133
 Actuarial Value of Assets	 <u>4,361,373</u>	 <u>3,342,313</u>
 Unfunded Accrued Liability/(Surplus)	 \$ <u>4,718,496</u>	 \$ <u>4,390,820</u>
 Percent Funded	 48.0%	 43.2%

ACCRUED LIABILITY
As Of May 1, 2010

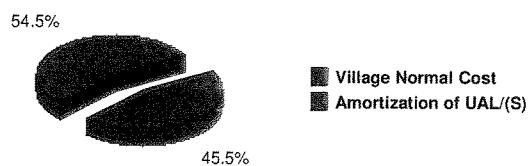


TAX LEVY REQUIREMENT

The Tax Levy Requirement is determined as the annual contribution necessary to fund the normal cost, plus the amount to amortize the unfunded accrued liability as a level percentage of payroll over a forty (40) year period which commenced in 1993.

	For Year Ending April 30	
	<u>2011</u>	<u>2010</u>
Village Normal Cost as of Beginning of Year	\$ 199,368	\$ 154,122
Amortization of Unfunded Accrued Liability/(Surplus)	238,571	214,177
Interest for One Year	<u>30,656</u>	<u>25,781</u>
Tax Levy Requirement as of End of Year	\$ <u>468,595</u>	\$ <u>394,080</u>

TAX LEVY REQUIREMENT For Fiscal Year Ending April 30, 2011



SUMMARY OF PLAN PARTICIPANTS

The actuarial valuation of the Plan is based upon the employee data furnished by the Village.
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	<u>2010</u>	<u>2010</u>	<u>2009</u>	<u>2009</u>
Current Employees				
Vested	9		11	
Nonvested	<u>8</u>		<u>4</u>	
Total	<u>17</u>		<u>15</u>	
Inactive Participants		<u>Annual Benefits</u>		<u>Annual Benefits</u>
Children	0 \$	0	0 \$	0
Disabled Employees	4	150,358	3	100,411
Retired Employees	2	68,628	1	29,119
Surviving Spouses	0	0	0	0
Terminated Vesteds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>6</u>	<u>218,986</u>	<u>4</u>	<u>129,530</u>
Annual Payroll	\$	1,344,302	\$	1,194,718

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	1							1	58,098
25-29	1							1	58,098
30-34	4	1						5	67,393
35-39		2	1					3	81,323
40-44			1	1				2	85,751
45-49					2	1		3	88,516
50-54					1			1	94,860
55-59						1		1	115,260
60+									
Total	<u>6</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>3</u>	<u>2</u>	<u>0</u>	<u>17</u>	<u>79,077</u>
Salary	61,971	81,323	80,367	92,106	89,434	103,683			

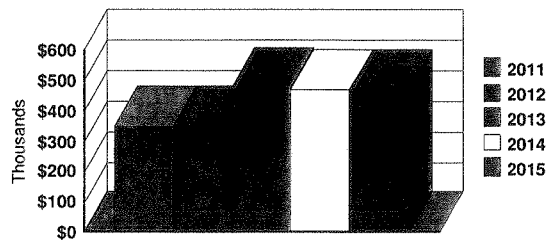
Average Age: 38.6 Average Service: 10.8

DURATION (years) Active Members: 16.3 Retired Members: 9.3 All Members: 14.3

PROJECTED PENSION PAYMENTS

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$350,822	\$347,506	\$477,258	\$473,525	\$469,595

**PROJECTED PENSION PAYMENTS
2011-2015**



SUMMARY OF PLAN PROVISIONS

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

The Village of South Barrington Police Pension Fund was created and is administered as prescribed by "Article 3. Police 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 (2.5%) of final salary for each year of service up to (30) years, to a maximum of (75%) of such salary.

Employees with at least (8) years but less than (20) years of credited service may retire at or after age (60) and receive a reduced benefit of (2.5%) of final salary for each year of service.

Surviving spouses receive (100%) of final salary for fatalities resulting from an act of duty, or otherwise the greater of (50%) of final salary or the employee's retirement benefit.

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 originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as (3%) of the amount of the pension payable at the time of the increase.

Employees are required to contribute (9.91%) of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than (20) years of service, accumulated employee contributions may be refunded without accumulated interest.

ACTUARIAL METHODS

The Actuarial Methods used for determining the Tax Levy and GASB Statements No. 25 & 27 financial disclosure have not been changed from the prior year. The Actuarial Method employed for this valuation is as follows:

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 sum of the Normal Costs for 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	May 1, 2010
Asset Valuation Method	Market Value
Investment Return	7.00%
Salary Scale	5.50%
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

<u>Sample Annual Rates Per 100 Participants</u>				
<u>Age</u>	<u>Mortality</u>	<u>Withdrawal</u>	<u>Disability</u>	<u>Retirement</u>
20	0.05	6.00	0.07	
30	0.08	5.10	0.10	
40	0.16	2.85	0.20	
50	0.53		0.52	20.00
60	1.31		0.60	83.33
62	1.59			100.00

GASB 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:

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Retirees and beneficiaries receiving benefits	6	4
Terminated plan members entitled to but not yet receiving benefits	0	0
Active vested plan members	9	11
Active nonvested plan members	<u>8</u>	<u>4</u>
Total	<u>23</u>	<u>19</u>
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)
04/30/08	3,529,491	7,154,786	3,625,295	49.3%	1,146,590	316.2%
04/30/09	3,342,313	7,733,133	4,390,820	43.2%	1,194,718	367.5%
04/30/10	4,361,373	9,079,869	4,718,496	48.0%	1,344,302	351.0%

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

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	<u>April 30, 2010</u>	<u>April 30, 2009</u>
Annual required contribution	351,878	271,270
Interest on net pension obligation	(9,049)	(8,260)
Adjustment to annual required contribution	<u>6,395</u>	<u>5,642</u>
Annual pension cost	349,224	268,652
Contributions made	<u>412,992</u>	<u>279,922</u>
Increase (decrease) in net pension obligation	(63,768)	(11,270)
Net pension obligation beginning of year	<u>(129,275)</u>	<u>(118,005)</u>
Net pension obligation end of year	<u>(193,043)</u>	<u>(129,275)</u>

THREE-YEAR TREND INFORMATION

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
04/30/08	251,132	149.2%	(118,005)
04/30/09	268,652	104.2%	(129,275)
04/30/10	349,224	118.3%	(193,043)

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

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:

Village	30.72%	23.43%
Plan members	9.91%	Same

Annual pension cost 349,224 268,652

Contributions made 412,992 279,922

Actuarial valuation date 04/30/2010 04/30/2009

Actuarial cost method Entry age Same

Amortization period Level percentage of pay, closed Same

Remaining amortization period 23 years 24 years

Asset valuation method Market Same

Actuarial assumptions:

Investment rate of return* 7.00% Same

Projected salary increases* 5.50% Same

*Includes inflation at 3.00% Same

Cost-of-living adjustments 3.00% per year Same