TSW
Actuary

VILLAGE OF CLARENDON HILLS

CLARENDON HILLS 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

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INTRODUCTION

Police-sworn personnel of the Village of Clarendon Hills 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

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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.

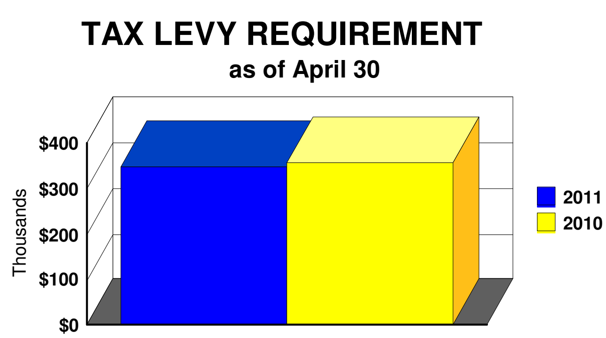
There were no unexpected changes with respect to the participants included in this actuarial valuation (0 new members, 0 terminations, 0 retirements, 0 incidents of disability, annual payroll increase 5.2%, average salary increase 5.2%).

There were no unexpected changes with respect to the Fund's investments from the prior year (annual investment return 17.71%).

The Village's Tax Levy Requirement has decreased from $356,653 last year to $348,289 this year (2.3%). The decrease in the Tax Levy is due to the investment return was much greater than assumed. The Percent Funded has increased from 56.6% last year to 62.2% this year.

SUMMARY OF RESULTS (Continued)

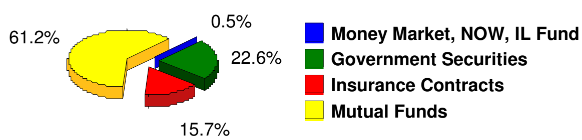
	For Year Ending April 30	
	2011	2010
Tax Levy Requirement	$ 348,289	$ 356,653
	as of May 1	
	2010	2009
Village Normal Cost	105,087	102,310
Anticipated Employee Contributions	111,321	105,868
Accrued Liability	10,419,427	9,802,871
Actuarial Value of Assets	6,485,325	5,545,473
Unfunded Accrued Liability/(Surplus)	3,934,102	4,257,398
Amortization of Unfunded Accrued Liability/(Surplus)	218,903	229,460
Percent Funded	62.2%	56.6%
Annual Payroll	$ 1,123,319	$ 1,068,293



ACTUARIAL VALUATION OF ASSETS

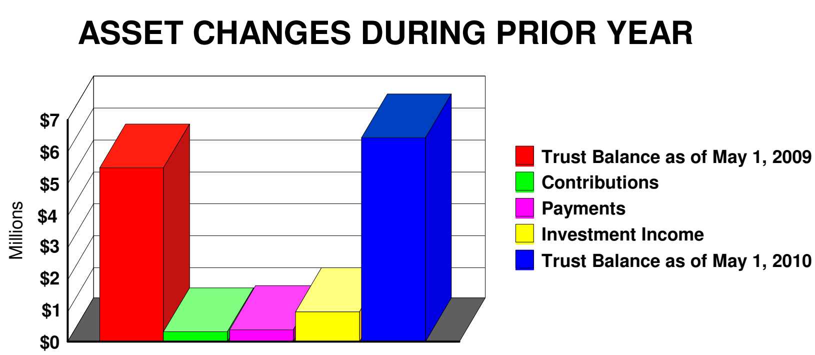
		as of May 1		
		2010		2009
Money Market, NOW, IL Fund	$	30,883	$	1,405,165
Government Securities		1,465,370		557,310
Insurance Contracts		1,016,349		1,860,793
Mutual Funds		3,970,850		1,719,588
Interest Receivable		1,874		2,617
Actuarial Value of Assets	$	6,485,325	$	5,545,473

SUMMARY OF ASSETS
As Of May 1, 2010



ASSET CHANGES DURING PRIOR YEAR

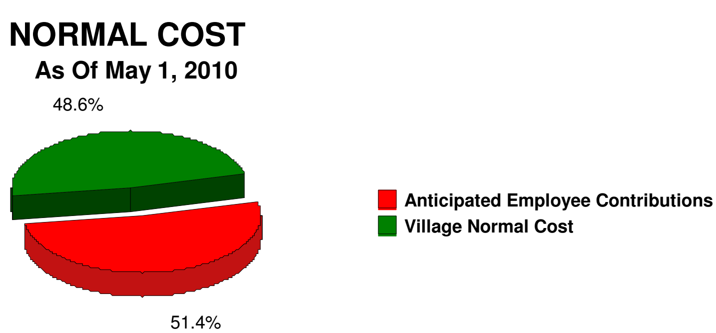
Trust Balance as of May 1, 2009		$	5,545,473
Contributions			
Village	255,986		
Employee	114,568		
Total			370,554
Payments			
Benefit Payments	402,790		
Expenses	6,552		
Total			409,342
Investment Income			978,640
Trust Balance as of May 1, 2010		$	6,485,325
Approximate Annual Rate of Return			17.71%



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.

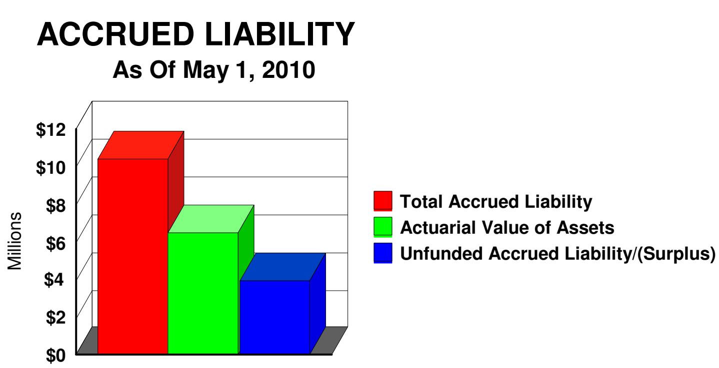
	as of May 1 2010		2009
Total Normal Cost	$ 216,408		$ 208,178
Anticipated Employee Contributions	111,321		105,868
Village Normal Cost	105,087		102,310
Normal Cost Payroll	$ 1,123,319		$ 1,068,293
Village Normal Cost Rate	9.36%		9.58%
Total Normal Cost Rate	19.27%		19.49%



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		2010		2009
Active Employees	$	5,636,304	$	5,023,139
Children Annuities		0		0
Disability Annuities		367,113		357,446
Retirement Annuities		4,346,193		4,349,522
Surviving Spouse Annuities		69,817		72,764
Terminated Vested Annuities		0		0
Total Annuities		4,783,123		4,779,732
Total Accrued Liability		10,419,427		9,802,871
Actuarial Value of Assets		6,485,325		5,545,473
Unfunded Accrued Liability/(Surplus)	$	3,934,102	$	4,257,398
Percent Funded		62.2%		56.6%



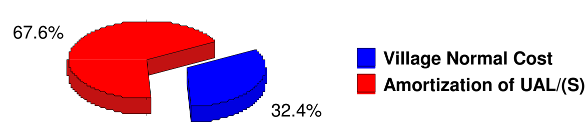
TAX LEVY REQUIREMENT

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, plus an adjustment for interest.

	For Year Ending April 30			
		2011		2010
Village Normal Cost as of Beginning of Year	$	105,087	$	102,310
Amortization of Unfunded Accrued Liability/(Surplus)		218,903		229,460
Interest for One Year		24,299		24,883
Tax Levy Requirement as of End of Year	$	348,289	$	356,653

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	2010	2010	2009	2009
Current Employees				
Vested	11		10	
Nonvested	3		4	
Total	14		14	
Inactive Participants		Annual Benefits		Annual Benefits
Children	0	$ 0	0	$ 0
Disabled Employees	1	18,019	1	18,019
Retired Employees	9	373,460	9	362,583
Surviving Spouses	1	18,562	1	18,562
Terminated Vesteds	0	0	0	0
Total	11	410,041	11	399,164
Annual Payroll		$ 1,123,319		$ 1,068,293

SUMMARY OF PLAN PARTICIPANTS (Continued)

Age and Service Distribution

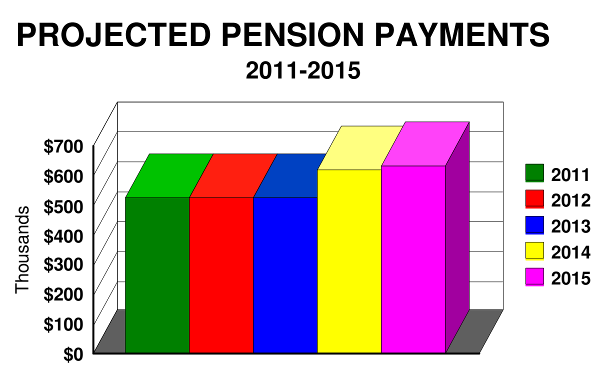
Service Age	0-4	5-9	10-14	15-19	20-24	25-29	30+	Total	Salary
20-24									
25-29									
30-34		3						3	75,264
35-39	1	2	1					4	72,641
40-44			1	1				2	83,851
45-49				1	2			3	81,977
50-54						1		1	101,961
55-59						1		1	91,370
60+									
Total	1	5	2	2	2	2	0	14	80,237
Salary	64,769	75,251	75,831	84,201	84,451	96,666			

Average Age: 40.6 Average Service: 13.9

DURATION (years) Active Members: 16.9 Retired Members: 8.7 All Members: 13.1

PROJECTED PENSION PAYMENTS

2011	2012	2013	2014	2015
$529,695	$528,082	$525,916	$625,141	$636,141



SUMMARY OF PLAN PROVISIONS

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

The Village of Clarendon Hills 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	7.50%
Salary Scale	5.00%
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	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:

	April 30, 2010	April 30, 2009
Retirees and beneficiaries receiving benefits	11	11
Terminated plan members entitled to but not yet receiving benefits	0	0
Active vested plan members	11	10
Active nonvested plan members	3	4
Total	25	25
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	6,469,291	9,139,455	2,670,164	70.8%	998,720	267.4%
04/30/09	5,545,473	9,802,871	4,257,398	56.6%	1,068,293	398.5%
04/30/10	6,485,325	10,419,427	3,934,102	62.2%	1,123,319	350.2%

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

ANNUAL PENSION COST AND NET PENSION OBLIGATION

	April 30, 2010	April 30, 2009
Annual required contribution	255,960	220,730
Interest on net pension obligation	12,516	13,137
Adjustment to annual required contribution	(9,209)	(9,378)
Annual pension cost	259,267	224,489
Contributions made	255,986	232,762
Increase (decrease) in net pension obligation	3,281	(8,273)
Net pension obligation beginning of year	166,886	175,159
Net pension obligation end of year	170,167	166,886

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/08	229,050	84.7%	175,159
04/30/09	224,489	103.7%	166,886
04/30/10	259,267	98.7%	170,167

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

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:		
Village	22.79%	21.79%
Plan members	9.91%	Same
Annual pension cost	259,267	224,489
Contributions made	255,986	232,762
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*	7.50%	Same
Projected salary increases*	5.00%	Same
*Includes inflation at	3.00%	Same
Cost-of-living adjustments	3.00% per year	Same