

CITY OF GENESEO, ILLINOIS
POLICE PENSION FUND

HOUSE BILL 5088 – MUNICIPAL COMPLIANCE REPORT

FOR THE YEAR ENDED

JUNE 30, 2011

December 1, 2011

Members of the Pension Board of Trustees
Geneseo Police Pension Fund
Geneseo, IL

Enclosed please find a copy of your Municipal Compliance Report for the Police Pension Fund for the year ended June 30, 2011. We have prepared the report with the most recent information available at our office. Should you have more current information, or notice any inaccuracies, we are prepared to make any necessary revisions and return them to you.

The President and Secretary of the Pension Fund are required to sign the report on page 3. If not already included with the enclosed report, please also include a copy of the Pension Fund's most recent investment policy.

The signed House Bill 5088 - Municipal Compliance Report must be provided to the Municipality before the tax levy is filed on the last Tuesday in December. We are sending the report via email to promote an environmentally-friendly work atmosphere.

If you have any questions regarding this report please contact Melissa Grandaw at 630.393.1483 or mgrandaw@lauterbachamen.com.

Respectfully submitted,



LAUTERBACH & AMEN, LLP

**CITY OF GENESEO, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending June 30, 2011**

The Pension Board certifies to the Board of Trustees of the City of Geneseo, Illinois 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>\$ 4,199,342</u>	<u>\$ 3,757,925</u>
Market Value	<u>\$ 4,199,342</u>	<u>\$ 3,757,925</u>

- 2) The estimated receipts during the next succeeding fiscal year from deductions from the salaries of police officers and from other sources:

Estimated Receipts - Employee Contributions	<u>\$ 63,900</u>
Estimated Receipts - All Other Sources	
Investment Earnings	<u>\$ 315,000</u>
Municipal Contributions	<u>\$ 165,057</u>

- 3) The estimated amount required during the next succeeding fiscal year to (a) pay all pensions and other obligations provided in Article 3 of the Illinois Pension Code, and (b) to meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:

(a) Pay all Pensions and Other Obligations	<u>\$ 364,600</u>
(b) Annual Requirement of the Fund as Determined by:	
Illinois Department of Insurance	<u>\$ N/A</u>
Private Actuary- Timothy W. Sharpe	
Recommended Municipal Contribution	<u>\$ 165,057</u>
Statutory Municipal Contribution	<u>\$ 141,914</u>

**CITY OF GENESEO, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending June 30, 2011**

- 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	\$ 457,769	\$ 286,639
Assumed Investment Return		
Illinois Department of Insurance	N/A	7.00%
Private Actuary	7.50%	7.50%
Actual Investment Return	11.51%	7.79%

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

Number of Active Members	11
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- 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:

	<u>Number of</u>	<u>Total Amount Disbursed</u>
(i) Regular Retirement Pension	7	\$ 259,230
(ii) Disability Pension	0	\$ 0
(iii) Survivors and Child Benefits	1	\$ 24,148
Totals	8	\$ 283,378

**CITY OF GENESEO, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending June 30, 2011**

7) The funded ratio of the fund:

	<u>Current Fiscal Year</u>	<u>Preceding Fiscal Year</u>
Illinois Department of Insurance	<u>N/A</u>	<u>57.70%</u>
Private Actuary	<u>66.70%</u>	<u>77.10%</u>

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

Unfunded Liability:

Illinois Department of Insurance	<u>\$ N/A</u>
Private Actuary- Timothy W. Sharpe	<u>\$ 2,062,911</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.

9) 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 POLICE
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 §3-143 of the Illinois Pension Code 40 ILCS 5/3-143, that the preceding report is true and accurate.

Adopted this _____ day of _____, 2011

President _____ Date _____

Secretary _____ Date _____

**CITY OF GENESEO, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending June 30, 2011**

INDEX OF ASSUMPTIONS

- 1) Total Assets - as Reported in the Audited Financial Statements for the Years Ended June 30, 2011 and 2010.

Market Value - Same as Above.

- 2) Estimated Receipts - Employee Contributions as Reported in the Audited Financial Statements for the Year Ended June 30, 2011 plus 5.5% 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 June 30, 2011, times 7.5% (Actuarial Investment Return Assumption) Rounded to the Nearest \$100.

Municipal Contributions - Tax Levy Requirement as Reported by Timothy W. Sharpe Actuarial Valuation for the Year Ended June 30, 2011.

- 3) (a) Pay all Pensions and Other Obligations - Total Deductions as Reported in the Audited Financial Statements for the Year Ended June 30, 2011, plus a 25% Increase, Rounded to the Nearest \$100.

(b) Annual Requirement of the Fund as Determined by:

Illinois Department of Insurance - No June 30, 2011 Actuarial Valuation available at the time of this report.

Private Actuary

Recommended Amount of Tax Levy as Reported by Timothy W. Sharpe in the June 30, 2011 Actuarial Valuation.

Statutorily Required Amount of Tax Levy as Reported by Timothy W. Sharpe in the June 30, 2011 Actuarial Valuation.

**CITY OF GENESEO, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending June 30, 2011**

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 June 30, 2011 and 2010.

Assumed Investment Return

Illinois Department of Insurance - Preceding Fiscal Year Interest Rate Assumption as Reported in the June 30, 2009 Actuarial Valuation. No June 30, 2011 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Interest Rate Assumption as Reported in the Timothy W. Sharpe, June 30, 2011 and 2009 Actuarial Valuations.

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 Fiscal Years Ended June 30, 2011, 2010 and 2009.

- 5) Number of Active Members - Illinois Department of Insurance Annual Statement for June 30, 2011 - Schedule P.
- 6) (i) Regular Retirement Pension - Illinois Department of Insurance Annual Statement for June 30, 2011 - 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.

**CITY OF GENESEO, ILLINOIS
POLICE PENSION FUND**

**House Bill 5088 (Public Act 95-950) - Municipal Compliance Report
For the Fiscal Year Ending June 30, 2011**

INDEX OF ASSUMPTIONS - Continued

7) The funded ratio of the fund:

Illinois Department of Insurance - Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the June 30, 2009 Actuarial Valuation. No June 30, 2011 Actuarial Valuation available at the time of this report.

Private Actuary - Current and Preceding Fiscal Year Net Present Assets as a percentage of Total Assets as Reported in the Timothy W. Sharpe, June 30, 2011 and 2009 Actuarial Valuations.

8) Unfunded Liability:

Illinois Department of Insurance - Deferred Asset (Unfunded Accrued Liability) - No June 30, 2011 Actuarial Valuation available at the time of this report.

Private Actuary - Deferred Asset (Unfunded Accrued Liability) as Reported by Timothy W. Sharpe in the June 30, 2011 Actuarial Valuation.