

ARLINGTON HEIGHTS FIREFIGHTERS' PENSION FUND ANNUAL REPORT TO THE VILLAGE BOARD FOR THE 2013 LEVY (FY2015 BUDGET)

Source: Actuarial Valuation as of May 1, 2013, Goldstein & Associates

Actuarial value of assets	77,098,807
Total actuarial liability	(\$121,153,064)
Unfunded actuarial liability*	(44,054,257)
Funded ratio	63.64%
Annual actuarial requirement for FY2015	<u>\$4,902,000</u>
Village contribution as percent of Firefighter participant payroll	48.81%
Projected employee contributions	\$924,183
Employee contribution rate per State Statute	9.455%
Actuarial assumed investment return	7.00%
Actuarial actual investment return	7.90%
Assumed investment return for FY2013	\$4,989,975
Actual Investment return for FY2013	6,984,918
Actuarial investment gain/(loss) smoothed over three years:	
One-third of investment gain/(loss) for fiscal year 2013	\$ 664,981
One-third of investment gain/(loss) for fiscal year 2012	\$ (712,284)
One-third of investment gain/(loss) for fiscal year 2011	\$ 707,096
Total smoothed actuarial gain/(loss)	\$652,793
Number of active members contributing to the Firefighter Pension Fund	108
Number of inactive members	0
Number of members receiving benefits	94
60 retirement pensions	\$3,696,328
10 survivor pensions	370,069
24 disability pensions	1,183,059

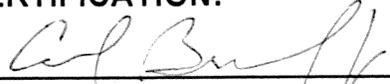
*The unfunded actuarial liability represents the difference between the actuarial value of pension fund assets less the actuarial liability. To avoid unnecessary market fluctuations, actuarial assets are determined by applying an assumed rate of investment return and smoothing the gains/(losses) of the last three years. The actuarial liability represents the present value of lifetime benefits earned to date of all plan participants, including current Firefighters. The unfunded actuarial liability is amortized over the years remaining through 2040.

To determine the annual required contribution or pension property tax amount for the Village, the normal cost of the Firefighters' pension plan is added to the amortized value of the fund's unfunded liability. Since the unfunded actuarial liability represents future benefits earned to date paid through 2040, the projected liability is not shown in the Firefighters' Pension Fund balance sheet, but is shown as required supplementary information in the Village's Comprehensive Annual Financial Report.

Firefighters' Pension Fund Report (page 2)

The investment policy of the Firefighters' Pension Fund is established in accordance with Illinois State Statutes, 40 ILCS 5/1-113.2-4, and is available upon request. The attached pie chart depicts the fund's assets at market value as of April 30, 2013, the most recent audited fiscal year-end.

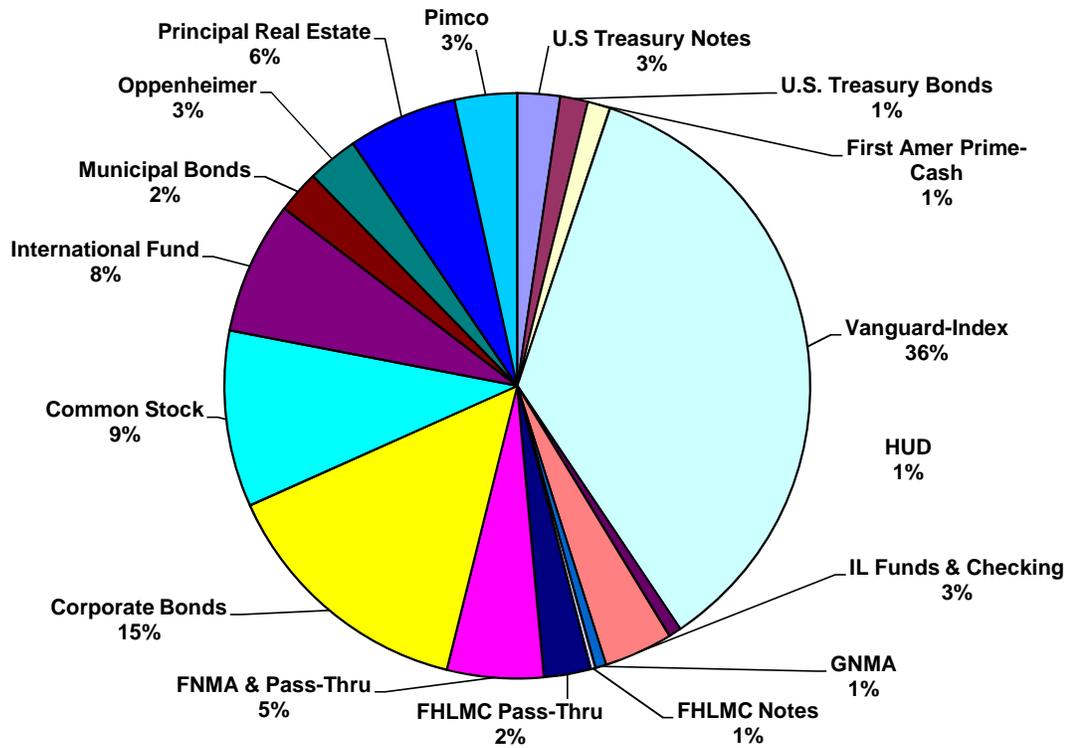
CERTIFICATION:

I, , President of the Firefighters' Pension Board, Village of Arlington Heights, Illinois, do hereby certify that this document is a true and correct copy of: "Required Reporting to Municipality By Pension Board" as outlined in 40 ILCS 5/4-134.

Witness my hand this 24 day of October, 2013.

, President
Arlington Heights Firefighters' Pension Board

**Fire Pension Fund
Open Investments (Market Value)
Period Ending April 30, 2013**



U.S. Treasury Notes	1,920,651.15
U.S. Treasury Bonds	922,111.93
First Amer Prime-Cash	1,534,947.15
Vanguard Stk Mkt Index	27,920,745.40
HUD	550,872.00
IL Funds & Checking	2,948,077.11
GNMA & FFCB	464,499.11
FHLMC Notes	202,560.53
FHLMC Pass-Thru	1,747,745.65
FNMA & Pass-Thru	3,815,369.30
Corporate Bonds	11,486,915.69
Common Stock	7,413,462.43
International Fund	5,885,078.02
Municipal Bonds	1,817,538.95
Oppenheimer	2,211,716.73
Principal Real Estate	4,680,421.33
Pimco	2,725,603.56
Total	78,248,316.04