



**VILLAGE OF CARPENTERSVILLE**  
**CARPENTERSVILLE POLICE PENSION FUND**

Actuarial Valuation Report

For the Year

Beginning May 1, 2004

And Ending April 30, 2005

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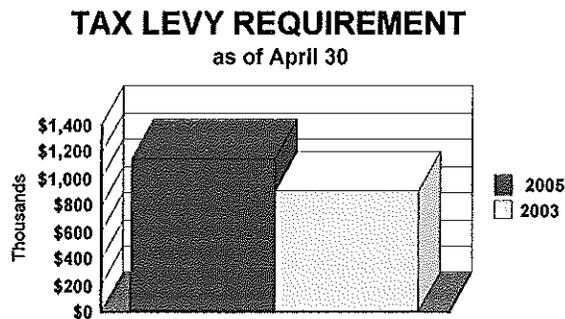
*Timothy W. Sharpe, Actuary, Geneva, IL (630) 262-0600*

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SUMMARY OF RESULTS (Continued)

	For Year Ending April 30	
	<u>2005</u>	<u>2003</u>
Tax Levy Requirement	\$ 1,151,770	\$ 920,576
		as of May 1
	<u>2004</u>	<u>2002</u>
Village Normal Cost	528,826	468,090
Anticipated Employee Contributions	351,828	316,739
Accrued Liability	26,431,075	22,724,473
Actuarial Value of Assets	13,307,742	12,806,480
Unfunded Accrued Liability/(Surplus)	13,123,333	9,917,993
Amortization of Unfunded Accrued Liability/(Surplus)	547,595	392,261
Percent Funded	50.3%	56.4%
Annual Payroll	\$ 3,550,228	\$ 3,196,152

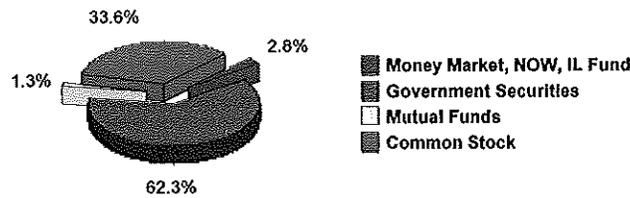


## ACTUARIAL VALUATION OF ASSETS

		as of May 1	
	<u>2004</u>		<u>2002</u>
Money Market, NOW, IL Fund	\$ 374,098	\$	1,192,474
Government Securities	8,240,412		6,533,935
Mutual Funds	172,283		1,141,081
Common Stock	4,446,210		3,258,852
Interest Receivable	98,008		124,814
Miscellaneous Receivable/(Payable)	<u>(23,268)</u>		<u>555,323</u>
Actuarial Value of Assets	\$ <u>13,307,742</u>	\$	<u>12,806,480</u>

### SUMMARY OF ASSETS

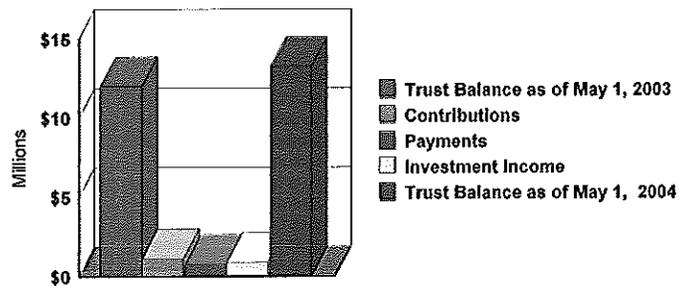
As Of May 1, 2004



## ASSET CHANGES DURING PRIOR YEAR

Trust Balance as of May 1, 2003		\$	12,090,058
<b>Contributions</b>			
Village	811,902		
Employee	<u>370,128</u>		
Total			1,182,030
<b>Payments</b>			
Benefit Payments	782,539		
Expenses	<u>84,637</u>		
Total			867,177
Investment Income			<u>902,831</u>
Trust Balance as of May 1, 2004		\$	<u>13,307,742</u>
Approximate Annual Rate of Return			7.37%

## ASSET CHANGES DURING PRIOR YEAR



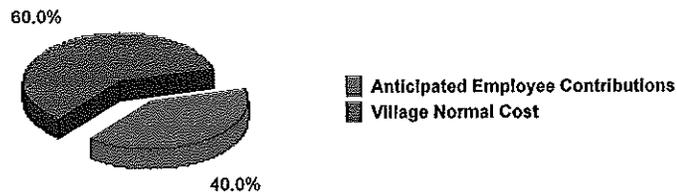
## NORMAL COST

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>2004</u>	<u>2002</u>
Total Normal Cost	\$ 880,654	\$ 784,829
Anticipated Employee Contributions	<u>351,828</u>	<u>316,739</u>
Village Normal Cost	<u>528,826</u>	<u>468,090</u>
Normal Cost Payroll	\$ 3,550,228	\$ 3,196,152
Village Normal Cost Rate	14.90%	14.65%
Total Normal Cost Rate	24.81%	24.56%

### NORMAL COST

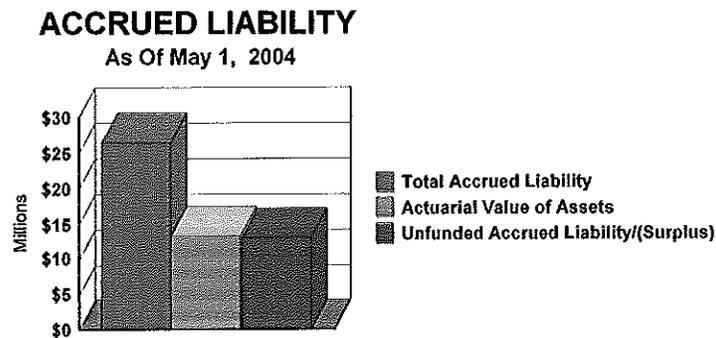
As Of May 1, 2004



## 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>2004</u>	<u>2002</u>
Active Employees	\$ 13,986,771	\$ 12,605,479
Children Annuities	0	0
Disability Annuities	2,888,351	885,871
Retirement Annuities	8,836,009	9,103,441
Surviving Spouse Annuities	123,269	129,682
Terminated Vested Annuities	<u>596,675</u>	<u>0</u>
Total Annuities	12,444,304	10,118,994
Total Accrued Liability	26,431,075	22,724,473
Actuarial Value of Assets	<u>13,307,742</u>	<u>12,806,480</u>
Unfunded Accrued Liability/(Surplus)	\$ <u>13,123,333</u>	\$ <u>9,917,993</u>
Percent Funded	50.3%	56.4%

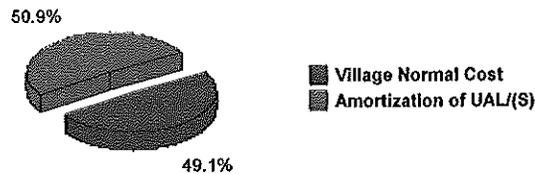


## TAX LEVY REQUIREMENT

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	
	<u>2005</u>	<u>2003</u>
Village Normal Cost as of Beginning of Year	\$ 528,826	\$ 468,090
Amortization of Unfunded Accrued Liability/(Surplus)	547,595	392,261
Interest for One Year	<u>75,349</u>	<u>60,225</u>
Tax Levy Requirement as of End of Year	\$ <u>1,151,770</u>	\$ <u>920,576</u>

### TAX LEVY REQUIREMENT For Fiscal Year Ending April 30, 2005



## 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>2004</u>	<u>2004</u>	<u>2002</u>	<u>2002</u>
Current Employees				
Vested	30		31	
Nonvested	<u>30</u>		<u>26</u>	
Total	<u>60</u>		<u>57</u>	
Inactive Participants		<u>Annual Benefits</u>		<u>Annual Benefits</u>
Children	0 \$	0	0 \$	0
Disabled Employees	7	164,544	3	65,428
Retired Employees	18	658,889	19	605,706
Surviving Spouses	1	13,831	1	13,831
Terminated Vesteds	<u>2</u>	<u>44,592</u>	<u>0</u>	<u>0</u>
Total	<u>28</u>	<u>881,856</u>	<u>23</u>	<u>684,965</u>
Annual Payroll	\$	3,550,228	\$	3,196,152

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	44,028
25-29	7	1						8	53,279
30-34	9	5	2					16	54,790
35-39	3	4	9					16	59,035
40-44		3	1	4				8	64,041
45-49			1	3	3	1		8	67,491
50-54						1	1	2	67,456
55-59					1			1	71,614
<b>Total</b>	<u>20</u>	<u>13</u>	<u>13</u>	<u>7</u>	<u>4</u>	<u>2</u>	<u>1</u>	<u>60</u>	<u>59,170</u>
<b>Salary</b>	51,542	58,385	60,939	69,616	69,535	62,116	78,487		

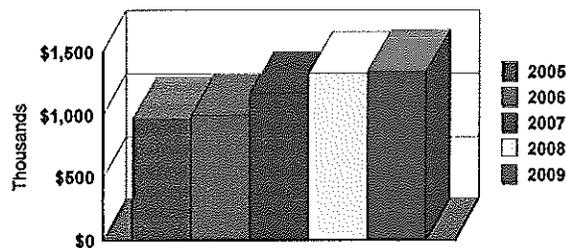
Average Age: 36.9      Average Service: 9.7

DURATION (years)    Active Members: 16.5    Retired Members: 10.0    All Members: 13.4

PROJECTED PENSION PAYMENTS

<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
\$973,983	\$1,002,103	\$1,172,646	\$1,341,029	\$1,349,086

**PROJECTED PENSION PAYMENTS**  
2005-2009



**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, 2004</u>	<u>April 30, 2003</u>
Retirees and beneficiaries receiving benefits	26	23
Terminated plan members entitled to but not yet receiving benefits	2	0
Active vested plan members	30	31
Active nonvested plan members	<u>30</u>	<u>26</u>
Total	<u>88</u>	<u>80</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)
04/30/02	12,806,480	22,724,473	9,917,993	56.4%	3,196,152	310.3%
04/30/03	12,588,770	24,946,625	12,357,855	50.5%	3,370,768	366.6%
04/30/04	13,307,742	26,431,075	13,123,333	50.3%	3,550,228	369.6%

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

FUNDING POLICY AND ANNUAL PENSION COST

Contribution rates:

Village	22.87%	0.00%
Plan members	9.91%	Same

Annual pension cost	845,328	822,289
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Contributions made	811,902	412,700
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Actuarial valuation date	04/30/2004	04/30/2003
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Actuarial cost method	Entry age	same
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Amortization period	Level percentage of pay, closed	same
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Remaining amortization period	29 years	30 years
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Asset valuation method	Market	same
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Actuarial assumptions:

Investment rate of return*	7.00%	same
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Projected salary increases*	5.50%	same
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*Includes inflation at	3.00%	same
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Cost-of-living adjustments	3.00% per year	same
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