

A G E N D A

REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK TO BE HELD ON WEDNESDAY, OCTOBER 17, 2018, AT 3:00 P.M. AT THE WILLOWBROOK POLICE DEPARTMENT, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS.

1. CALL TO ORDER
2. ROLL CALL
3. VISITOR BUSINESS (Public comment is limited to three minutes per person on agenda items only)
4. **APPROVAL** - MINUTES OF REGULAR MEETING - 07/18/18
5. **APPROVAL** - APPLICATION OF NEW OFFICER JOAQUIN SILVA - TIER 2
6. **APPROVAL** - QUARTERLY EXPENSE REPORT - JULY THROUGH SEPT. 2018
7. REPORT - POLICE PENSION FUND BALANCES - FISCAL YEAR TO DATE THROUGH SEPTEMBER 30, 2018
8. REPORT - AUDITED FINANCIAL STATEMENTS - APRIL 30, 2018
9. **APPROVAL** - ACTUARIAL VALUATION REPORT - AS OF APRIL 30, 2018
10. **APPROVAL** - REQUEST FOR ANNUAL VILLAGE CONTRIBUTION FOR FISCAL YEAR ENDING APRIL 30, 2020 AND REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD
11. REPORT - ANNUAL DEPT. OF INSURANCE REPORT - APRIL 30, 2018
12. **APPROVAL** - TRANSFER \$195,000 TO VILLAGE'S GENERAL FUND FOR REIMBURSEMENT OF POLICE PENSION EXPENSES
13. **APPROVAL** - QUARTERLY INVESTMENT REPORT JULY THROUGH SEPTEMBER 2018 - SAWYER & FALDUTO
14. NEW BUSINESS
 - A. RECORD RETENTION
15. OLD BUSINESS
16. COMMUNICATIONS
17. ADJOURNMENT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JULY 18, 2018, AT 3:00 PM, AT THE WILLOWBROOK POLICE DEPARTMENT, 7760 S QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 3:02 p.m. by President Davi.

2. ROLL CALL

Those present at roll call were President Umberto Davi, Trustee Timothy Kobler, Trustee Joseph Pec, and Trustee Carrie Dittman. Also present: John Falduto and David Harrington of Sawyer & Falduto, Recording Secretary Nancy Turville. Absent: Trustee Eisenbeis.

3. VISITOR BUSINESS

None presented.

4. APPROVAL - MINUTES OF THE REGULAR MEETING - April 18, 2018

The Board reviewed the minutes from the April 18, 2018 meeting.

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to approve the minutes of the regular meeting of the Willowbrook Police Pension Fund Board of Trustees held on April 18, 2018.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL - EXPENSES INCURRED APRIL THROUGH JUNE 2018

Trustee Dittman reviewed the quarterly expense report for the period April through June 2018. Expenses include three months of legal fees from Atwell & Atwell of \$4,395.31, quarterly financial advisory fees were \$6,765.00, IPPFA conference fees from October 2017 were \$1,727.07 and the conference hotel cost deposit for October 2-5th 2018 was \$685.72. Dept. of Insurance filing fee was \$4,096.96. The pension benefits for April, May, and June totaled \$310,846.53; widow's benefit was \$6,418.74 (April and May); and disability benefits totaled \$17,406.21, as detailed out by pensioner in the attached schedule. A separation refund to Joel Rudnick of \$5,081.01 was also paid.

After Trustee Dittman reviewed the expenses, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the quarterly expense report for April through June 2018.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. REPORT - POLICE PENSION BALANCES THROUGH April 30, 2018 (UNAUDITED)

Trustee Dittman advised total assets were \$21,580,877.53 as of April 30, 2018 vs \$20,396,498.83 at April 30, 2017. At April 30, 2018 there is \$5,722.38 in Accounts Payable.

Revenues for the fiscal year 2018 are Village contribution of \$871,362.96, which equals the budget based on the actuary's recommended contribution, and Police contributions of \$199,070.84. Total revenues are \$2,480,587.39 vs budget of \$1,580,318.00.

Total expenditures as of April 30, 2018 were \$1,301,931.07 and the budgeted expenditure amount was \$1,136,105.00. The main line item that affected this was Police Pension Retirement Benefits which were higher than budgeted due to additional officer retirements during the year that were not contemplated when the budget was adopted.

The Board accepted the report as presented by Trustee Dittman.

7. REPORT - POLICE PENSION BALANCES THROUGH JUNE 30, 2018

Trustee Dittman reviewed the police pension fund trial balance as of June 30, 2018.

Village contribution of \$134,012.92, police contributions of \$32,008.72, interest income of \$31,076.91, unrealized gain on investments of \$340,419.51, and loss on investment of (\$3,216.85) are included in the total revenues of \$534,301.21.

Total expenditures as of June 30, 2018 were \$226,827.21 vs. June 30, 2017 of \$186,506.23. The main cause of this increase is the additional officer retirements.

Trustee Pec asked if the reimbursement to the Village's General Fund was up to date. Trustee Dittman advised the reimbursements are current as of June 30 and another will be needed in August or September and will be ratified at the October meeting.

The Board accepted the report as presented by Trustee Dittman.

8. APPROVAL - ELECTION OF POLICE PENSION BOARD OFFICERS

After a discussion was held clarifying that the current officer positions are: President Davi, Vice President Kobler, Secretary Eisenbeis, Treasurer Dittman, and Assistant Secretary Pec, the board made the following motion:

MOTION: Motion to keep officer positions the same, was made by Trustee Pec, seconded by Trustee Dittman.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. APPROVAL - APPLICATION OF NEW OFFICER TERESA ESQUEDA

New Tier 2 Officer Teresa Esqueda started as a patrol officer with the Village of Willowbrook on May 14, 2018. President Davi requested the application be updated to include application date, tier level, clarify the applicant's signature line, and application completely filled in, as the spaces for spouse and children were left blank. These should be completed or marked "N/A."

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to approve the application for membership for Officer Teresa Esqueda after corrections have been made.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. APPROVAL - REFUND OF CONTRIBUTIONS TO OFC EULALIO MESTRE- \$4,243.02

Trustee Dittman noted that former Officer Eulalio Mestre separated from employment with the Village on April 2, 2018, and Officer Mestre requested a refund of accumulated pension contributions payable directly to him, which was received June 12, 2018. Gross contributions are \$4,243.02 before taxes and there is no interest component to that. The refund can be issued on next Village payroll after approval by the board. Taxes will be withheld through payroll.

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to approve a refund of pension contributions to Officer Eulalio Mestre in the amount of \$4,243.02.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

11. APPROVAL-MILITARY SERVICE TIME BUYBACK REQUEST-OFFICER ALEX ERDMANN-\$46,525.58

Trustee Dittman advised that a request was received on July 9, 2018 from Officer Erdmann to buyback the maximum allowable military service credit, which is 24 months. Actuary Art Tepfer and Trustee Dittman both calculated the cost and determined the amount would be \$46,525.58 as of August 1, 2018. The Board could allow Officer Erdmann to make payments up to 5 years as long as the payment was made in full before termination of employment. Officer Erdmann withdrew his request after consideration of

the cost associated with it. This information will be added to his pension file and no approval is now needed.

12. APPROVAL- DEATH OF SURVIVING SPOUSE BENEFICIARY MARTHA KLEVIN,
TERMINATION OF PENSION BENEFITS AND RETURN OF PENSION OVERPAYMENTS

On June 6, 2018, Trustee Dittman received notice from Martha's son-in-law, Tom Novotny, that Mrs. Klevin passed away May 30, 2018 at the age of 84. Obituary notices are included in the packet and the death certificate has now been received. According to Mr. Novotny, there are no surviving minor or disabled dependent children, which was confirmed via a review of Richard Klevin's pension file. The May benefit payment was made to Martha on May 25, 2018 and according to the Pension Board attorney, Charlie Atwell, the board could request repayment for the portion of the month that the beneficiary was deceased. This would be for only one day, May 31, 2018, and would total \$103.53. The board has the ability to waive the collection of the overpayment.

MOTION: Made by Trustee Kobler and seconded by Trustee Pec to waive the collection of the overpayment of one day of pension benefits with the proviso that this will not set a precedent for future action.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

MOTION: Made by Trustee Pec and seconded by President Davi to acknowledge beneficiary Martha Klevin passed away on May 30, 2018 and pension benefits have been ceased as of June 1, 2018.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

President Davi requested a moment of silence to honor Chief Richard Klevin and his wife Martha Ruth Klevin.

13. APPROVAL - INVESTMENT POLICY

Trustee Dittman discussed changes that have been made to the investment policy after discussion was held with the Pension Fund's auditors. The two items of discussion were collateralization of deposits, denoted as item "23" on the existing policy in the packet, and the table of expected long term rates of return on investments. Trustee Dittman and the auditors provided revised language to say "Collateralization

It is the policy of the Pension Fund to require that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit and other cash deposits) be secured by collateral in order to protect deposits in the event of the bank's default. Eligible collateral instruments are U.S. Government Securities, Obligations of Federal Agencies, Obligations of the State of Illinois and/or local and municipal bonds rated "A" or better by Moody's. Collateral must be evidenced by a written agreement and held in safekeeping by a third party."

Trustee Dittman worked with John Falduto to incorporate this language in the policy. The auditors also stated that the Long-Term Expected Rates of Return (as required by GASB 67) is good to have in the policy for transparency purposes. As discussed at the last meeting, it will be included as an addendum at the end of policy and updates can be approved separately each year as rates change.

MOTION: Made by Trustee Dittman and seconded by Trustee Pec to accept the revised Investment Policy as prepared by Sawyer Falduto and reviewed by the Board.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

14. APPROVAL-BOARD SELECTED PHYSICIANS FOR SERGEANT CHRISTOPHER DRAKE

Trustee Dittman advised that Police Pension Board Attorney Charlie Atwell was not available for the meeting, but updated her that he received all the required documents that were subpoenaed for Sgt. Drake's disability application and forwarded them to INSPE. INSPE suggested three doctors, Dr. Scott Sagerman and Dr. William Vitello, that specialize in Orthopaedics, and Dr. Daniel Samo that is an ER specialist. The curriculum vitae are included in the packet. The board discussed their qualifications and whether to ask INSPE to substitute another doctor that has more expertise specifically in shoulder injuries, which is the injury alleged to have been sustained by Sgt. Drake. Ultimately, the board decided that the three doctors currently being suggested by INSPE have sufficient experience to be used in evaluating Sgt. Drake. Upon approval by the pension board, Attorney Atwell will send all three doctors the subpoenaed documents and they will each examine Sgt. Drake independently to perform their analysis.

MOTION: Made by Trustee Dittman and seconded by Trustee Kobler to approve the three INSPE selected doctors to evaluate Sergeant Christopher Drake.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

15. APPROVAL - QUARTERLY INVESTMENT REPORT BY SAWYER & FALDUTO: APRIL THROUGH JUNE 2018-

Mr. Falduto reviewed the Investment Guidelines under tab 1. The proposed legislation affecting pension funds was not passed and policy does not need to be changed.

Tab 2 - Cash Flow and Performance Review: Investment return for the 2nd quarter of 2018 were \$418,239 over the 3-month period and the year-to-date Investment return was \$294,717. Total account return in the 2nd quarter was 1.94% gross and 1.91% net. Year to date those returns are at 1.36%

and 1.31% respectively. The benchmark is 1.57%. 2nd quarter equity return was at 3.20% and YTD was 3.06% which can be compared to the blended benchmark of 3.86% (Quarter 2) and 3.16%(year to date). Fixed income return was up 2 basis points in the 2nd quarter and Year to Date it is at -1.20%.

Tab 3 - Tax Reform - Mr. Harrington explained that the tariff issues are the biggest influence on market volatility. Federal Reserve raised short-term interest rate (for the 7th time) and forecasted two additional increases this year. Year to date, S&P 500 Index is at +2.65%, Russell 2000 Index is at +7.66%, and the MSCI-EAFE Index is at -2.37%.

Tab 4 - Portfolio Statement - Mr. Falduto advised the portfolio allocations as of June 30, 2018 are on target with Equities at 61.0%, Fixed Income at 38.5%, and Cash Equivalent at 0.5%.

Tab 5 - Mr. Falduto highlighted the two new mutual funds that have been added to the equity portfolio. Goldman Sachs Small Cap Eq Insights Instl ranked in the 4% for quarter 1, 8% in 2nd and 3rd quarter and 20% in the 4th quarter. Victory Sycamore Established Value I, a mid-cap fund, ranked in the 24% for quarter 1, 7% for quarter 2, 2% in 3rd quarter and 13% in the 4th quarter.

Tab 6 - Fixed Income Portfolio - Mr. Falduto noted that the fixed income portfolio yield-to-maturity is at 2.85% and will be getting to 3% soon.

Tab 7 - Mr. Falduto pointed out the buy and sell transactions that occurred on June 13th and June 25th. The importance of the purchases and sales occurring on the same days was explained.

MOTION: Made by Trustee Pec, seconded by Trustee Dittman to approve Sawyer & Falduto's Quarterly report.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

16. NEW BUSINESS

None presented.

17. OLD BUSINESS

None presented.

19. COMMUNICATIONS

None presented.

20. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to adjourn the Board of Trustees meeting of the Police Pension Fund at the hour of 4:06 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

Date

President

Minutes transcribed by Nancy Turville.

APPLICATION FOR MEMBERSHIP

WILLOWBROOK POLICE PENSION FUND

I hereby make application to come under the terms and conditions of the Police Pension fund of the Municipality of Willowbrook, Illinois.

Name: Joaquin Silva Maiden Name (if applicable) _____

Date of Birth: _____ Place of Birth: Chicago, IL

Social Security Number: _____

Spouse Name (Or indicate N/A) N/A Spouse's Maiden Name (if applicable) _____

Spouse Date of Birth: _____ Place of Birth: _____

Married on: _____

LIST ALL MINOR CHILDREN WITH THEIR DATES OF BIRTH (or indicate N/A)

N/A Born: _____

Born: _____

Born: _____

Please include copy of marriage license or copy of dissolution of previous marriage and copies of birth certificates of each child

Please include applicant's legal parent's full names and indicate if living or deceased:

Father Joaquin C Silva ☒ Living ☐ Deceased

Mother Dorothy Ann Shilney ☒ Living ☐ Deceased

Have you had any previous Article 3 employment? ☐ Yes ☒ No

If Yes, Dates of Employment _____ Department _____

I was first appointed as a full-time police officer on _____ and have continued to serve since that date. If service has been broken, list all dates in which you were not in receipt of regular salary and the date of re-entry on the attached Form (i.e. suspension, leave of absence, military service, disability, etc. Certified copies of birth and marriage certificates are attached with this application per the request of the pension board.

Joaquin Silva
Applicant Name (please print)

Joaquin Silva
Signature

9-10-18
Date

Approved for membership into the Willowbrook Police Pension Fund as Tier 2 and duly recorded in the Minute

Book on _____, 20____.

President/Board of Trustees
Police Pension Fund

Secretary/Board of Trustees
Police Pension Fund

GL ACTIVITY REPORT FOR WILLOWBROOK
TRANSACTIONS FROM 07/01/2018 TO 09/30/2018

Page:

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Date	JNL	Type	Description	Reference #	Debits	Credits	Balance
Fund 07 POLICE PENSION FUND							
07/01/2018			07-62-401-242 LEGAL FEES		BEG. BALANCE		0.00
07/02/2018	AP	INV	ATWELL & ATWELL	MAY 2018	1,700.00		1,700.00
07/18/2018	AP	INV	ATWELL & ATWELL	JUNE 2018	1,484.77		3,184.77
08/20/2018	AP	INV	ATWELL & ATWELL	JULY 2018	1,700.00		4,884.77
09/17/2018	AP	INV	ATWELL & ATWELL	AUGUST 2018	200.00		5,084.77
09/30/2018			07-62-401-242	END BALANCE	5,084.77	0.00	5,084.77
07/01/2018			07-62-401-252 ACTUARY SERVICES		BEG. BALANCE		0.00
09/18/2018	AP	INV	TEPPER CONSULTING GROUP LTD.	17087	4,400.00		4,400.00
09/30/2018			07-62-401-252	END BALANCE	4,400.00	0.00	4,400.00
07/01/2018			07-62-401-253 FINANCIAL ADVISORY FEES		BEG. BALANCE		0.00
08/31/2018	GJ	JE	REC POLICE PENSION MONTHLY INVE	1616	6,862.00		6,862.00
09/30/2018			07-62-401-253	END BALANCE	6,862.00	0.00	6,862.00
07/01/2018			07-62-401-304 SCHOOLS CONFERENCE TRAVEL		BEG. BALANCE		685.72
08/20/2018	AP	INV	I.P.P.F.A.	2018 CONF	1,500.00		2,185.72
09/17/2018	AP	INV	NORTHERN ILL UNIVERSITY	2018 IPPFA TRNG	250.00		2,435.72
09/30/2018			07-62-401-304	END BALANCE	1,750.00	0.00	2,435.72
07/01/2018			07-62-401-307 FEES DUES SUBSCRIPTIONS		BEG. BALANCE		0.00
09/18/2018	AP	INV	I.P.P.F.A.	2114	795.00		795.00
09/30/2018			07-62-401-307	END BALANCE	795.00	0.00	795.00
07/01/2018			07-62-401-581 PENSION BENEFITS		BEG. BALANCE		207,231.02
07/20/2018	PR	CHK	SUMMARY PR 07/20/2018		103,615.51		310,846.53
08/17/2018	PR	CHK	SUMMARY PR 08/17/2018		103,789.07		414,635.60
09/28/2018	PR	CHK	SUMMARY PR 09/28/2018		103,789.07		518,424.67
09/30/2018			07-62-401-581	END BALANCE	311,193.65	0.00	518,424.67
07/01/2018			07-62-401-583 DISABILITY BENEFITS		BEG. BALANCE		11,604.14
07/20/2018	PR	CHK	SUMMARY PR 07/20/2018		5,802.07		17,406.21
08/17/2018	PR	CHK	SUMMARY PR 08/17/2018		5,802.07		23,208.28
09/28/2018	PR	CHK	SUMMARY PR 09/28/2018		5,802.07		29,010.35
09/30/2018			07-62-401-583	END BALANCE	17,406.21	0.00	29,010.35
07/01/2018			07-62-401-586 SEPARATION REFUNDS		BEG. BALANCE		0.00
07/20/2018	PR	CHK	SUMMARY PR 07/20/2018		4,243.02		4,243.02
09/30/2018			07-62-401-586	END BALANCE	4,243.02	0.00	4,243.02

* See attached detail

WILLOWBROOK POLICE PENSION FUND
Monthly Police Pension Beneficiary Payments
FY 2018-19

	Retirement Date	Future Increases	2018				
			May	June	July	August	Sept
<u>Retirement:</u>							
Altobella, Mark	5/2/2016		(7,590.64)	(7,590.64)	(7,590.64)	(7,590.64)	(7,590.64)
Barnacle, John	4/1/2012		(6,750.23)	(6,750.23)	(6,750.23)	(6,750.23)	(6,750.23)
Bozek, William D.	8/1/2011		(5,624.09)	(5,624.09)	(5,624.09)	(5,624.09)	(5,624.09)
Finlon, Steven J.	8/1/2011		(6,141.07)	(6,141.07)	(6,141.07)	(6,141.07)	(6,141.07)
Foley, Francis (Pat)	6/1/2010		(7,991.70)	(7,991.70)	(7,991.70)	(7,991.70)	(7,991.70)
Kolodziej, Theodore	7/3/2017	1st inc 8/1/18	(5,785.29)	(5,785.29)	(5,785.29)	(5,958.85)	(5,958.85)
Konstanty, Ed	3/1/2010		(9,331.62)	(9,331.62)	(9,331.62)	(9,331.62)	(9,331.62)
Kurinec, Michael J.	8/1/2011		(7,024.09)	(7,024.09)	(7,024.09)	(7,024.09)	(7,024.09)
Long, Mark	10/8/2015		(6,224.59)	(6,224.59)	(6,224.59)	(6,224.59)	(6,224.59)
Oggerino, Paul M.	1/4/2013		(7,442.93)	(7,442.93)	(7,442.93)	(7,442.93)	(7,442.93)
Pec, Joe	11/29/2008		(8,064.76)	(8,064.76)	(8,064.76)	(8,064.76)	(8,064.76)
Pelliccioni, Andy	2/8/2015		(6,057.97)	(6,057.97)	(6,057.97)	(6,057.97)	(6,057.97)
Shelton, Mark	7/14/2017	1st inc 6/1/20	(8,266.63)	(8,266.63)	(8,266.63)	(8,266.63)	(8,266.63)
Skiba, John	8/13/2015 *	1st inc 3/1/21	(4,557.11)	(4,557.11)	(4,557.11)	(4,557.11)	(4,557.11)
Svehla, Art	1/2/2018	1st inc 2/1/19	(6,762.79)	(6,762.79)	(6,762.79)	(6,762.79)	(6,762.79)
			(103,615.51)	(103,615.51)	(103,615.51)	(103,789.07)	(103,789.07)
<u>Disability:</u>							
Dusek, Joe			(2,965.90)	(2,965.90)	(2,965.90)	(2,965.90)	(2,965.90)
McCarthy, James			(2,836.17)	(2,836.17)	(2,836.17)	(2,836.17)	(2,836.17)
			(5,802.07)	(5,802.07)	(5,802.07)	(5,802.07)	(5,802.07)
<u>Surviving Spouse:</u>							
Klevin, Martha		fixed - life	(3,209.37)	-	-	-	-

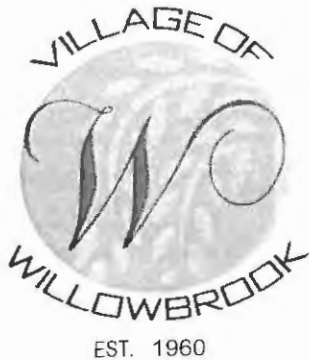
Monthly pension requirement beg May 2018

\$ (112,626.95) \$ (109,417.58) \$ (109,417.58) \$ (109,591.14) \$ (109,591.14)

*pension began Feb 1, 2016 at age 50

PERIOD ENDING 09/30/2018

GL NUMBER	DESCRIPTION	BALANCE 09/30/2017	END BALANCE 09/30/2018	2018-19 AMENDED BUDGET
Fund 07 - POLICE PENSION FUND				
Assets				
07-00-110-202	COMMUNITY BANK OF WB PP - 4155	62,580.97	44,040.70	
07-00-110-336	SCHWAB - PP MONEY MARKET	561,534.86	38,894.65	
07-00-120-250	US TREASURIES	61,606.41	518,886.61	
07-00-120-260	US AGENCIES	3,986,313.00	5,199,433.99	
07-00-120-270	MUNICIPAL BONDS	656,822.24	740,510.95	
07-00-120-288	CORPORATE BONDS	3,313,365.29	2,186,682.07	
07-00-120-289	EQUITIES	3,869,276.98	0.00	
07-00-120-290	MUTUAL FUNDS	6,447,387.41	12,938,317.93	
07-00-120-292	BROKERED CDS	100,000.00	100,000.00	
07-00-120-900	MARKET VALUE CONTRA	1,930,081.89	867,551.86	
07-00-130-401	ACCRUED INTEREST RECEIVABLE	105,374.67	88,831.14	
07-00-140-101	DUE TO/FROM GENERAL FUND	(103,189.31)	(126,747.24)	
TOTAL ASSETS		20,991,154.41	22,596,402.66	
Fund Equity				
07-00-300-101	FUND BALANCE	20,396,498.83	20,396,498.83	
TOTAL FUND EQUITY		20,396,498.83	20,396,498.83	
Revenues				
07-00-310-607	VILLAGE CONTRIBUTION	368,653.56	368,535.53	871,084.00
07-00-310-906	POLICE CONTRIBUTIONS	87,275.68	86,237.64	198,690.00
07-00-320-108	INTEREST INCOME	215,758.31	133,746.57	500,000.00
07-00-320-110	UNREALIZED GAIN (LOSS) ON INVESTMENTS	460,841.67	1,002,228.51	0.00
07-00-320-111	GAIN (LOSS) ON INVESTMENTS	(34,847.69)	9,061.12	0.00
TOTAL REVENUES		1,097,681.53	1,599,809.37	1,569,774.00
Expenditures				
07-62-401-242	LEGAL FEES	700.00	5,084.77	6,500.00
07-62-401-243	COURT STENOGRAPHER	0.00	0.00	500.00
07-62-401-251	AUDIT FEES	0.00	0.00	3,282.00
07-62-401-252	ACTUARY SERVICES	4,400.00	4,400.00	4,400.00
07-62-401-253	FINANCIAL ADVISORY FEES	8,939.98	6,862.00	27,883.00
07-62-401-254	FIDUCIARY INSURANCE	0.00	0.00	3,175.00
07-62-401-304	SCHOOLS CONFERENCE TRAVEL	92.00	2,435.72	3,510.00
07-62-401-307	FEES DUES SUBSCRIPTIONS	1,500.00	795.00	819.00
07-62-401-531	DEPT OF INSURANCE FILING FEE	3,824.45	4,096.96	4,461.00
07-62-401-543	EXAMS - PHYSICAL	0.00	0.00	7,500.00
07-62-401-581	PENSION BENEFITS	438,989.57	518,424.67	1,255,661.00
07-62-401-582	WIDOW'S PENSION	16,046.85	3,209.37	38,512.00
07-62-401-583	DISABILITY BENEFITS	28,533.10	29,010.35	70,007.00
07-62-401-586	SEPARATION REFUNDS	0.00	4,243.02	0.00
TOTAL EXPENDITURES		503,025.95	578,561.86	1,426,210.00
Total Fund 07 - POLICE PENSION FUND				
TOTAL ASSETS		20,991,154.41	22,596,402.66	
BEG. FUND BALANCE - 2017-18		20,396,498.83	20,396,498.83	
+ NET OF REVENUES/EXPENDITURES - 2017-18			1,178,656.32	
+ NET OF REVENUES & EXPENDITURES		594,655.58	1,021,247.51	143,564.00
= ENDING FUND BALANCE		20,991,154.41	22,596,402.66	
+ LIABILITIES		0.00	0.00	
= TOTAL LIABILITIES AND FUND BALANCE		20,991,154.41	22,596,402.66	



Willowbrook

835 Midway Drive
Willowbrook, IL 60527-5549

Phone: (630) 323-8215 Fax: (630) 323-0787 www.willowbrookil.org

October 9, 2018

Mayor

Frank A. Trilla

Village Clerk

Leroy R. Hansen

Village Trustees

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Gayle Neal

Paul Oggerino

**Village
Administrator**

Tim Halik

Chief of Police

Robert Schaller

**Director of
Finance**

Carrie Dittman

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: Audited Financial Statements - 4/30/2018

Attached are the Police Pension Fund financial statements excerpted from the April 30, 2018 audit, which were approved at the October 8, 2018 Village board meeting. The Village (including the Police Pension Fund) received an unmodified, or "clean" opinion, as a result of the audit.

The Village's independent auditors had no adjustments or management letter comments that related to the Police Pension Fund.

Please let me know if you have any questions.



Proud Member of the
Illinois Route 66 Scenic Byway

Village of Willowbrook, Illinois

Police Pension Fund

Statement of Fiduciary Net Position

April 30, 2018

Assets

Cash and cash equivalents	\$ 39,881
Investments, at fair value	
Money market account	149,706
Certificates of deposits	99,873
Mutual funds	13,065,816
State and local obligations	536,705
U.S. treasury obligations	538,932
U.S. agency obligations	4,785,485
Mortgage backed securities	6,705
Corporate bonds	2,268,943
Receivables	
Accrued interest	<u>88,831</u>
Total assets	21,580,877

Liabilities

Accounts payable	<u>5,722</u>
------------------	--------------

Net Position

Restricted for pensions	<u><u>\$ 21,575,155</u></u>
-------------------------	-----------------------------

Village of Willowbrook, Illinois
Police Pension Fund
Statement of Changes in Fiduciary Net Position -
Budget and Actual
Year Ended April 30, 2018

	Original and Final Appropriations	Original and Final Operating Budget	Actual
Additions			
Contributions			
Village contributions	\$ -	\$ 871,363	\$ 871,363
Police contributions	-	208,955	199,121
Total contributions	-	1,080,318	1,070,484
Investment income			
Interest income	-	500,000	1,112,775
Net appreciation in fair value of investments	-	-	297,329
Total investment income	-	500,000	1,410,104
Less investment expense	(68,870)	(34,435)	(27,994)
Net investment income	(68,870)	465,565	1,382,110
Total additions	(68,870)	1,545,883	2,452,594
Deductions			
Administration	41,444	20,722	24,828
Benefits and refunds	2,161,896	1,080,948	1,249,109
Total deductions	2,203,340	1,101,670	1,273,937
Change in Net Position	\$ (2,272,210)	\$ 444,213	1,178,657
Net Position Restricted for Pensions			
May 1			20,396,498
April 30			\$ 21,575,155

Village of Willowbrook, Illinois
Police Pension Fund
Statement of Deductions - Budget and Actual
Year Ended April 30, 2018

	Original and Final Appropriations	Original and Final Operating Budget	Actual
Administration			
Contractual services			
Legal fees	\$ 4,000	\$ 2,000	\$ 5,245
Audit	6,252	3,126	3,126
Actuary services	8,800	4,400	4,400
Fiduciary insurance	6,234	3,117	3,083
Supplies and materials			
Meetings, travel and conferences	6,920	3,460	4,355
Fees, dues and subscriptions	1,630	815	795
Other			
Filing fees	7,608	3,804	3,824
	<u>41,444</u>	<u>20,722</u>	<u>24,828</u>
Total administration			
	<u>41,444</u>	<u>20,722</u>	<u>24,828</u>
Benefits and refunds			
Personal services			
Pension benefits	1,947,150	973,575	1,136,654
Widow pension benefits	77,024	38,512	38,512
Disability benefits	137,722	68,861	68,861
Separation refunds	-	-	5,082
	<u>-</u>	<u>-</u>	<u>5,082</u>
Total benefits and refunds	<u>2,161,896</u>	<u>1,080,948</u>	<u>1,249,109</u>
Total deductions	<u>\$ 2,203,340</u>	<u>\$ 1,101,670</u>	<u>\$ 1,273,937</u>



Willowbrook

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Phone: (630) 323-8215 Fax: (630) 323-0787 www.willowbrookil.org

October 3, 2018

Mayor

Frank A. Trilla

Village Clerk

Leroy R. Hansen

Village Trustees

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Gayle Neal

Paul Oggerino

**Village
Administrator**

Tim Halik

Chief of Police

Robert Schaller

**Director of
Finance**

Carrie Dittman

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: Actuarial Valuation Report

Attached for the Board's information is the Actuarial Valuation Report prepared by Tepfer Consulting Group, Ltd. This reports on the value of the Fund as of April 30, 2018 and includes funding recommendations which will be used for the fiscal year ending April 30, 2020. The actuary's calculated contribution amounts for the employer (Village) are as follows:

- 1) **\$986,858** or **50.57%** of current payroll. This assumes 100% funding by 2040 under the entry age normal actuarial cost method.
- 2) **\$677,066** or **34.70%** of current payroll. This assumes 90% funding by 2040 under the projected unit credit actuarial cost method (statutory minimum).

The amount from the last valuation that is being contributed by the Village this year (May 1, 2017 - April 30, 2018) is **\$871,084**, which was based on 100% funding by 2040. As in the prior valuation, this valuation assumes an investment return of 7.25%. The actual investment rate of return for the fiscal year ending 4/30/2018 was 6.68%.

Over the past year pension payments have increased over 21% to \$1.25 million and the funded ratio has dropped 3% to 73.5%. The summary of actuarial assumptions used in the valuation is located on pages 20-21. No changes were made to the assumptions for this valuation. The ratio of inactive (18) to active (21) participants is now 85.71% which is high compared to other funds of this size. This is an increase of 30% from last year due to the 3 new retirees.

The contribution request for the next year needs to be approved by the Police Pension Board and will be proposed to the Village board in the FY 19/20 budget planning process.



VILLAGE OF WILLOWBROOK
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF MAY 1, 2018 FOR THE
FISCAL YEAR ENDING APRIL 30, 2019

August 5, 2018



Tepfer
Consulting
Group, Ltd.

One Overlook Point • Suite 130
Lincolnshire, IL 60069
847.509.7740
fax: 847.509.7745

Actuaries and Administrators

August 5, 2018

Ms. Carrie Dittman
Village Treasurer
Village of Willowbrook
7760 Quincy Street
Willowbrook, IL 60527-5594

RE: Willowbrook Police Pension Fund

Dear Carrie:

Enclosed is our **FUNDING ACTUARIAL VALUATION REPORT** for the **Willowbrook Police Pension Fund** for the fiscal year May 1, 2018 through April 30, 2019.

The results of our valuation indicate that the recommended minimum contribution from the Village ("Sponsor") for the next tax year is **\$986,858 or 50.57%** of current payroll. This contribution coupled with the anticipated \$ 185,942 or 9.91% of current payroll to be collected from participating police officers will be sufficient to meet the State statutory requirements described in 40 ILCS 5/3. Further information is provided within our report.

Please note that, as a result of the implementation of GASB 67, the recommended contribution is calculated to provide a 100% funding target rather than the statutorily required 90%. This contribution is also the Actuarially Determined Employer Contribution (ADEC) in accordance with the adopted funding policy.

The change in recommended contribution resulting from actual plan experience is \$ (144,318) as shown in Exhibit 3-B.

Alternatively, under the current statute, our valuation results indicate the statutory minimum contribution from the Village for the next tax year to be \$ 677,066 or 34.70% of current payroll. This remains at a 90% target.

GASB 67 and 68 information, if requested, is provided in a separate report.

Factors Influencing the Choice of Actuarial Assumptions

As part of the consulting process, it is our policy to talk with selected members of the Board of Trustees and the Sponsor's representatives for the **Village of Willowbrook Police Pension Fund** in order to obtain information which will enable the Actuary to properly choose the actuarial assumptions which are most appropriate for the current cost determination for the pension fund.

As part of this process, statistics are compiled concerning historical investment returns, salary increases, retirement incidence and other factors which are influential in the actuarial assumption setting process. Based upon an analysis of the specifics as they relate to the **Village of Willowbrook Police Pension Fund** and a general understanding of the inter-relationships of the actuarial assumptions, the Board, the Sponsor and the Actuary hopefully reach an agreement as to the assumptions which will be used in the current actuarial valuation. The ultimate decision, nonetheless, remains with the actuary who must abide by his professional standards and judgment.

Published statistics regarding experience for police and firefighters are available from the State of Illinois Department of Insurance. These statistics form the basis of the actuarial assumptions selected by the State Actuary in the valuation of pension funds covered under the Downstate Pension System. We have found in our consulting, that whenever appropriate, the actuarial assumptions used by the State Actuary are relied upon as a starting point. However, to make the calculations more "**Willowbrook-sensitive**", the analysis of the actual historical performance is carefully examined.

Experience Analysis

Actuarial assumptions are not sacrosanct. In fact, it is not uncommon for actuarial assumptions to be changed to better reflect a plan's experience and prognosis. Each year the actuarial process examines the experience of the fund. General parameters indicate that a variance of less than 3% of the actuarial accrued liability is acceptable to

assure that the assumptions used remain suitable. The measurement compares the actual unfunded liability to the expected unfunded liability. The total gain and loss developed is then analyzed by individual assumption, where available, to assure appropriateness. Based upon the results of this year's analysis, both in aggregate and individually, we have determined that many of the chosen assumptions remain suitable for continued use. A single year deviation is not an automatic trigger for a change in assumptions. Instead, multiple years are monitored and changes in assumptions generally occur only after trends are discovered.

There is a sharp deviation from the expected experience which is traced entirely to the 3 retirees this year. (see page 6 of the report for a further discussion of this).

Approach to Setting Actuarial Assumptions including valuation date and source of actuarial data (please see the section in the report beginning on Page 3)

The complete actuarial assumptions used in this valuation are contained in Appendix 1. Although specific assumptions must be used in the mathematical exercise, actuarial assumptions are better viewed as a range. Actuarial Professional Standards indicate that in the selection of economic assumptions, a "best-estimate" range should be developed. Based upon our analysis of Downstate Police and Fire Pension funds we have developed the following best estimate ranges for economic assumptions:

Investment Return	6.50% - 7.50%
Inflation:	1.50% - 2.50%
Compensation Scale	Rates ranging from 4.86% to 1.12% varying by age, plus an inflation factor
Payroll Growth	3.50% - 4.50%

Actuarial Professional Standards indicate that in the selection of non-economic assumptions, a reliance upon published tables and/or individual experience studies pertinent to the group are acceptable procedures. Based upon our analysis of experience for approximately 70 Downstate Police and Fire Pension funds we have developed the following general rates for non-economic assumptions:

Mortality Rates (active and disabled) - Published tables projected to 2015 loaded for public safety employee experience
Termination rates – aged based rates ranging from 7% to 1%
Disability rates - aged based rates ranging from 0.13% to 0.16%
Retirement rates – aged based rates ranging from 36% to 100%

At this point in time, these rates are applied to all participants without regard to tier. It is anticipated that once experience is developed, the retirement rates for tier 2 employees may be modified

Demographic considerations

For this valuation, it was noted that the force continues to remain stable as to its size and demographic composition. In the current valuation, it was observed that the ratio of the number of inactive participants (18, exclusive of terminated employees who are due a refund of their contributions) to the active participants (21) in the Fund is **85.71 which is high in comparison to similar funds of this size. This is an increase of 30% from last year and can be traced to the 3 new retired participants.** The average age and service of the active participating group also is 2 years lower than last year, yet is not unreasonable for a fund of this size.

There are currently 10 police officers who are either eligible to retire who will become eligible in the next 5 years. This represents almost 50% of the current active group. The pension fund is undergoing a demographic shift and contributions will be naturally increasing to accommodate the increase in potential benefit payments. During the past year pension payments have increased over 21% and the funded ratio has dropped 3% to 73.5%.

Overall, the fund remains in a reasonably strong financial condition. However, as a percentage of the total pension liabilities, the liabilities for inactive participants now represent over 70% of the total liabilities.

Financial considerations

As would be expected in this situation, and as indicated in prior years, a large portion of the assets available for investment has been committed to provide benefits for existing pensioners and beneficiaries. **However, with the new retirements, the percentage has grown to 98% from 81% last year. Additionally, pension disbursements on an annual basis now total over \$1.2 million.**

In these uncertain times, the fund continues to experience very limited short-term investment growth; yet, continues to maintain adequate funded ratios. The fund has earned marginal rates of return over the short term. As shown in Exhibit 5-C of our report, the **composite rate of return for the fund since 2009 is 5.59%**, but about 1/2% higher since 1999. The investment smoothing method adopted initially by the fund and now mandated by statute serves to level the contribution and shield against annual investment volatility but the investment losses during the past 5 years are still depressing the funding assets. **While it is still noted that annual pension payments were less than the investment income during 2017/2018; we are reminded that an annual investment return of 5.80% is currently needed to cover the outgoing benefit expenses. The Trustees and investment advisors are clearly performing well in the current marketplace.**

Nevertheless, municipal contributions prospectively should remain at these levels if the fund can annually maintain its investment return. It becomes extremely important that the municipality continue to make the recommended contributions.

Ongoing Valuation Issues

We have chosen to maintain the 7.25% investment return assumption for the current fiscal year. However, please be advised that the investment return assumption **is not an assumption of future investment performance**, it is, in truth, a discount rate of future liabilities. It clearly is linked to the investment return of the fund but is not determined by the performance. We will revisit a discount rate lowering in the next valuation.

Had we switched to the 7% investment return assumption this year, the recommended contribution would have been \$1,082,150 or 55.46% of payroll and the funded percentage would drop below the 70% level.

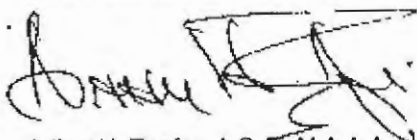
The ongoing commitment of the City toward making recommended contributions has served the fund well and the positive investment return this past year by the Plan's fiduciaries have provided a strong platform for continued stability and growth. However, the 2-year lag in contributions has had a negative effect on the asset growth. The City's contribution is continuing to increase and will not stabilize until the investment loss from 2016 is fully recognized. **Our experience analysis indicates a small contribution loss again this year. This loss is expected annually as the comparison is made to last year's contribution and the actual contribution is delayed until the levy is collected, or the contribution made.** We understand the difficulties faced by City's during this period, however, we also recognize the need for aggressive funding of these municipal pension systems.

We ask that you review the section entitled "Actuarial Experience since the last actuarial valuation" beginning on page 6 for a further explanation of what has occurred since the last actuarial valuation.

Please do not hesitate to contact us if you have any questions concerning our report.

Sincerely,

TCG PUBLIC CONSULTING, LTD.



Arthur H. Tepfer, A.S.A., M.A.A.A.
Consulting Actuary

AHT/lf Encl

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ACTUARIAL STATEMENT

TCG Public Consulting, Ltd. was retained by the Village of Willowbrook Police Pension Fund to perform an independent actuarial valuation for the Police Pension Fund. This valuation is permitted under 40 ILCS 5/22, Section 503.2.

The actuarial valuation was performed for the year ended April 30, 2019 and indicates a **statutorily required contribution in accordance with 40 ILCS 5/3, Section 125 of \$677,066 or 34.70% of member payroll, a recommended minimum contribution of \$986,858 or 50.57% of payroll.** These contributions are net of contributions made by active member police officers during the fiscal year. The recommended minimum contribution also serves as the Actuarially Determined Employer Contribution (ADEC) for purposes of GASB 67 and 68.

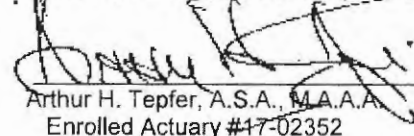
The results shown in this report have been calculated under the supervision of a qualified Actuary as defined in appropriate State statutes. All results are based upon demographic data submitted by the Police Pension Fund, financial data submitted by the Police Pension Fund, applications of actuarial assumptions, and generally accepted actuarial methods.

In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the applicable State statute, Actuarial Standards Board, or Statements of Governmental Accounting Standards, as applicable.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and future expectations, and represent a reasonable and adequate approach to the financing of the retirement program. The costs, actuarial liabilities and other information presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

TCG PUBLIC CONSULTING, LTD.



Arthur H. Tepfer, A.S.A., M.A.A.A.
Enrolled Actuary #17-02352

August 5, 2018

***Statement No. 25* of the Governmental Accounting Standards Board has been replaced by Statement No. 67. Information pertaining to Statement 67 is not included in this valuation report.**

VALUATION OBJECTIVES

The Village of Willowbrook Police Pension Fund provides benefits to members when they retire, die, become disabled or terminate employment. For plans providing these types of benefits, an appropriate budgeting pattern must be established to enable appropriate funds to be accumulated to meet all payments when due. The actual cost of the plan can best be expressed in the following simplistic manner:

ACTUAL COST EQUALS

Benefits Paid

Plus

Expenses Paid

Less

Investment Income Earned

If the actual cost is incurred on a "pay as you go" basis, then the future generations of members will be paying for the benefits of current plan participants. Proper financial planning calls for budgeting the actual cost of the plan over the working lifetime of current plan membership to establish an equitable allocation. An actuarial valuation is the procedure used to determine an appropriate amount to be contributed to the pension plan each year to attain this equity.

An actuarial valuation is an estimate at a point in time of the assumed incidence of the future benefit costs. Since the total actual cost of the plan is essentially unknown, pre-funding (budgeting for future benefit costs) requires certain assumptions about future events. Assumptions are made for such things as salary increases, terminations of participants, disablement of participants, death of participants and anticipated investment earnings. These assumptions, although not affecting the actual costs of the plan, will affect the incidence of calculated future costs. For proper funding, it is required that the Actuary select assumptions which are appropriate considering the economic, demographic, and legislative environment as they relate to the pension program. Additionally, the actuary is bound by Actuarial Standards of Practice ("ASOP's") as published by the Actuarial Standards Board. The assumptions we have made concerning these future events are described more fully in Appendix 2 of this report. Based on these assumptions, a projection of future benefits was made and a current contribution level sufficient to provide the anticipated benefit payments was determined using an actuarial cost method.

Selection of the Actuarial Cost Method

An actuarial cost method, sometimes called a "funding method", therefore, is essentially an approach to budgeting for the calculated future costs. There are many actuarial cost methods which are available to the actuary and each method operates differently. However, all funding methods accomplish the same objective—to assign to each fiscal year of the Sponsor the portion of the expected actuarial value of benefits assumed to have accrued in that year. The portion of the actuarial value of benefits assigned to a particular year in respect of an individual participant or the fund as a whole is called the **normal cost**. All funding methods are described by how the normal cost is calculated.

The actuarial cost method prescribed by the State statutes to determine the **statutorily minimum required contribution** for periods on or after January 1, 2011 is the **Projected Unit Credit Cost Method**. Under this actuarial cost method, the ongoing cost expressed as a percentage of total payroll will increase. In this method, the normal cost is determined by first calculating the projected dollar amount of each participant's accumulated benefit under the plan as of both the first day of the fiscal year and as of the last day of the fiscal year and then determining the difference between these two amounts. The second step in deriving the normal cost for a given participant is to multiply the dollar amount of this difference by the actuarial present value of \$1 of benefit.

The actuarial cost method selected by our firm to determine the **recommended plan contribution** is the **Entry Age Normal Cost Method**. Under this actuarial cost method, ideally, the ongoing cost expressed as a percentage of total payroll should remain stable. In this method, the normal cost is determined by assuming each participant covered by the plan entered the plan under the same conditions that will apply to future entrants. The annual normal cost assigned to each year of an employee's career is calculated as a level percentage of the employees assumed earnings each year. These normal costs accumulate to the present value of the employee's benefit at retirement age.

**VALUATION OBJECTIVES
(Continued)**

Under both the Entry Age Normal Cost Method and the Projected Unit Credit Cost Method, the total funding of projected benefit costs is allocated between an unfunded liability, representing past benefit history, and future normal costs. This allocation assumes that the Sponsor will pay the normal cost for each plan year on a regular basis. It should be noted that although the term "unfunded liability" is applied to both funding methods, the resulting amount is different because of the method of calculation. Another feature of these methods is that only the unfunded liability (not the Normal Cost) is affected by the experience of the plan, and, therefore, any adjustments are made only in the future amortization payments.

In addition to the methodology changes described above, P.A. 96-1495 also addressed the valuation of pension fund assets—the second component in the determination of the unfunded liability. The statute now provides that the actuarial value of a pension fund's assets be set equal to the market value of the assets on March 30, 2011 and that, in determining the actuarial value of assets after that date, any actuarial gains or losses from investment returns incurred in a fiscal year be recognized in equal amounts over the 5-year period following that fiscal year.

The actuarial valuation process is usually repeated each year and is to a certain extent self-correcting. As part of these actuarial cost methods, any deviation of actual experience from the chosen actuarial assumptions will be reflected in future contributions. A complete description of these actuarial cost methods is explained in Appendix 4 of this report.

Despite the statutory language which requires an application of the Projected Unit Credit method, we feel that funding under this method as a *level percentage of payroll* severely undermines the benefit security of the retirement system and transfers the payment for currently earned pensions to future generations of taxpayers. For these reasons, our valuation report also presents a **recommended minimum contribution** that will operate to maintain the fundamental fiscal soundness of the retirement program, although a statutorily required contribution has also been calculated. The calculation of the **recommended minimum contribution** is based upon an **amortization payment of 100% of any unfunded accrued liabilities as a level dollar amount** over 30 years from January 1, 2011, the effective date of P.A. 96-1495. The calculation of the statutorily required contribution is based upon an **amortization payment of 90% of any unfunded accrued liabilities as a "level percentage of payroll"** over 30 years from January 1, 2011, the effective date of P.A. 96-1495.

Although, we do not agree with the statutorily required level percentage of payroll methodology of determining the amortization of the unfunded accrued liability, we would be remiss if we did not advise our clients as to a "statutorily" acceptable calculation under the State law.

Approach to Setting Actuarial Assumptions

In February 2014, the Society of Actuaries released a "Report of the Blue-Ribbon Panel on Public Pension Plan Funding" which focuses on the development of recommendation for strengthening public plan funding. Some of the recommendations are as follows:

Adequacy: Funding entities and plan trustees should strive to fund 100% of the obligation for benefits using assumptions that are estimated to be realizable 50% of the time.

Intergenerational Equity: Fully funding pension benefits over the average future service period of employee reasonably aligns the cost of the benefits of the public services with the taxpayers who benefit from those services.

Cost Stability and Predictability: Level costs over an intermediate period is often at odds with the goals of adequacy and intergenerational equity. Funding by allocating a significant portion to higher- risk, more volatile assets will tend to undermine the goal of cost stability. Adequacy and intergenerational equity should take precedence over the goal of cost stability and predictability.

**VALUATION OBJECTIVES
(Continued)**

The Interest Rate Assumption

Regarding the choice of interest rate, the following is helpful:

According to the report, public retirement systems should use a forward-looking rate to discount pension liabilities rather than actual plan returns.

The new rate would replace the actual long-term rate of return on plan assets generally used now to discount liabilities and set contribution levels

The panel rejected use of a risk-free rate — or rates on the Treasury yield curve — to discount liabilities despite the basis in economic theory to balance generational risks, instead

"Plans should be using rates of return that they believe can be achieved over the next 20- to 30-year period with a 50% probability," the report said.

"The panel does not believe the rate should be aggressively conservative, as doing so may lead to a surplus." When making assumptions, "it is important to consider the extent to which future economic and market conditions may differ from those of today or of the past," ... noting that "the long-term secular decline in interest rates ... strongly suggests that the robust fixed-income performance of the past is not likely to be repeated in the future."

It is our opinion that other specific factors in the Downstate System must also be considered in the choice of a "funding interest rate" assumption. The Police and Fire Pension funds in the Downstate System are limited in their investment opportunities by State Statutes. Depending upon the current amount of assets in the fund, various investments are not permitted. Unfortunately, in our opinion, these limitations have a negative impact on fund growth.

We believe that these statutory limitations are counter-productive to fund growth. Additionally, the newly applicable GASB disclosure rules require Financial Reporting under lower interest rate assumptions than historically used for funding calculations.

It is anticipated that many Pension Boards will reassess the overall investment portfolio to balance the competing funding requirements and the financial disclosure rules. We hope that the Legislature also will respond to the increasing need of more investment latitude to the Pension Fund Trustees.

What is the appropriate practice for measuring public pension plan liabilities: is it "level cost" or "market pricing?"¹

Actuaries and economists have been debating this ongoing controversy for ten years. Which of the competing methods is "correct," and can both camps coexist?

The Methods

The level cost model is based on long-term methods and assumptions:

- discount rate is the long-term expected return on assets in the plan's investment portfolio.
- cost method is a level cost based on projected benefits (generally Entry Age).
- such calculations are based on established funding practices.

Whereas the market pricing model uses current methods and assumptions:

- discount rate is based on market yields on low risk bonds (with a default risk comparable to the public pension promise).
- cost method is an increasing cost based on accrued benefits (Unit Credit).
- such calculations are based on "financial economics."

¹ Excerpted from The Journal of the Conference of Consulting Actuaries, The Consulting Actuary, Volume XXIX Number 1

VALUATION OBJECTIVES

(Continued)

What is "financial economics?" The key tenet of financial economics is that there can be no arbitrage (no free lunch) where an investment yields an immediate risk-free profit. Two cash flows identical in amount, risk, etc. must have identical market prices (the Law of One Price), otherwise an arbitrage opportunity will exist. For pension plans, financial economics measures a liability by using the discount rate embedded in an asset portfolio with matching cash flows (namely bonds, in the view of market pricing proponents).

Liabilities should be valued without regard to funding strategy and expected excess returns should be recognized after they materialize. Focus is on current values. Most discussion has been on whether public pension plans should disclose a market pricing type measure.

In fact, the three possible applications are (1) to disclose a market value Accrued Benefit Obligation (**ABO**), (2) to fund based on a risk-free rate-based ABO, or (3) to invest only in bonds. The rationales for each are as follows:

1. The economic liability is an ABO valued at current market (default) risk-free rates;
2. Funding based on a risk-free discount rate (even if invested in equities) avoids kicking the "risk" can down the road to future generations of taxpayers; and
3. Investing only in bonds avoids increasing taxpayers' equity risk exposure.

Should public plans disclose a market pricing type measure using a (default) risk-free discount rate?

The Governmental Accounting Standards Board (GASB) first added the issue to their agenda in 2008. Following an "Invitation to comment," GASB issued a preliminary views document and two exposure drafts, before releasing final Statements 67 and 68 in August 2012. In those statements, GASB unequivocally endorsed the level cost model for accounting and financial reporting with the discount rate to be based on expected return (if the plan has assets) and the cost method to be Entry Age. The Actuarial Standards Board (ASB) began reviewing two key Actuarial Standards of Practice (ASOPs) in 2011. Following numerous discussion drafts, exposure drafts and working drafts, ASOP 4 (Measuring Pension Obligations) and ASOP 27 (Selecting Economic Assumptions) were revised in December 2012 and September 2013 respectively. Incorporating requests from the American Academy of Actuaries' (AAA) Public Interest Committee (PIC) and Board, the discussion draft of ASOP 4 defined a "market-consistent" present value (MCPV). However, resulting comments argued that the MCPV is a type of measure, not a single measure. When issued, the final ASOPs 4 and 27 instead stressed the "purpose of the measurement." ASOP 4 stated: "When measuring pension obligations and determining periodic costs or contributions, the actuary should reflect the purpose of the measurement." ASOP 27 stated: "The actuary should consider the purpose of the measurement as a primary factor in selecting a discount rate." Interestingly, both standards included the market-pricing model not only as a type of measurement but also as an example of a purpose of the measurement!

However, it should be noted that it is our opinion that, under current conditions, a market pricing valuation would cause confusion and, therefore, at this juncture we are not including a market-pricing model in this valuation report.

Specific thoughts on the Mortality Assumption

The mortality assumption can be viewed in one of two ways:

1. How long will a participant and or beneficiary continue to participate in the plan? – probability of surviving.
2. When will benefit accruals or payments cease? – probability of not surviving.

Mortality studies are generally performed based upon the experience of large populations and are published by the Society of Actuaries. In our opinion, **there are no credible published tables for the Downstate Police and Fire Pension System, despite the recent experience study completed by the Department of Insurance.** With the publication of the RP-2014 Mortality Table, we found it necessary to examine our existing mortality assumption (based upon the RP-2000 table issued in the early portion of this century).

**VALUATION OBJECTIVES
(Continued)**

The Downstate System contains many small funds which are not suitable for a mortality study (despite the DOI promulgation). We reject the use of the unloaded RP-2000 Blue Collar table and instead assume an increased mortality risk for public safety personnel. The RP-2014 table is unsuitable because it excluded any experience from public plans. The RP-2000 mortality table, in our opinion, is a more appropriate table to use as a base. The RP-2000 table, although a static table, comes with a generational approximation technique using a mortality projection scale. Two scales are provided by the study scale AA and Scale BB. Scale AA has been proven to be non-predictive and is no longer suggested. Scale BB is now the preferred projection scale. With all this in mind, our mortality assumption is the following:

**RP-2000 Combined Healthy Male with Blue Collar adjustment,
projected to 2015 by Scale BB.**

The demographic assumption dilemma

What are the proper demographic assumptions to be used in the valuation? The Department of Insurance has recently published a study by a well-respected actuarial consulting firm. This study indicates that the former actuarial assumptions used by the Department of Insurance in prior valuations should be replaced by a new set of assumptions developed by the retained actuarial firm. Therefore, it is possible that new actuarial assumptions will be used in the development of the minimum recommended contribution calculated by the Department of Insurance.

Without hesitation, we would suggest that it is well past the time for a change in demographic assumptions used by the State. However, we feel that the current demographic assumptions used by our firm are appropriate for our clients as they were developed based upon information contained in our practice. Since we generally provide actuarial services for small and medium sized funds in the Illinois system, our assumptions are not skewed by the larger funds, which we believe, have different demographic experience than our client base. For this reason, we are not changing our demographic assumptions to the newly developed State provided assumptions.

The Choice of the Actuarial Valuation Date and the Source of the Actuarial Data

Actuarial valuations can be performed as of any date. Ideally the data used (census and financial) should be representative of the fund on the actuarial valuation date. Actuarial Standards of Practice require the actuary to disclose the sources of the data and indicate whether the actuary has reviewed the data. The actuary additionally must disclose the extent of the actuary's reliance on the data and other relevant information to use of data supplied by others; any material adjustments or assumptions the actuary applied to the data, any limitations on the use of the actuarial work product due to uncertainty about the quality of the data and any unresolved concerns the actuary may have about the data that could have a material effect on the actuarial work product.

The actuarial valuation results presented in this report are calculated based upon data provided by each fund and/or sponsoring municipality and are taken from the Department of Insurance (DOI) Annual Statement Filing as of the end of the fiscal year prior to the valuation date. For example, funds with a fiscal year beginning January 1, 2016 use a valuation date of January 1, 2016 and actuarial data is used from the Annual Statement filing for the period ending December 31, 2015. This data is provided to the actuary by the fund, the fund's auditors, the sponsoring entity and/or the sponsoring entity's auditor. The data is used for both the actuarial valuation to determine funding for the fiscal year beginning on the valuation date; and is also used to calculate the Actuarially Determined Employer Contribution (ADEC) as required under GASB standards for the year ending on fiscal year prior to the valuation date.

The assumption is made that there is no material difference in data between these two dates and that this data is acceptable, without additional actuarial review or adjustment, for the valuation being presented.

**VALUATION OBJECTIVES
(Continued)**

Actuarial experience since the last actuarial valuation

As part of the actuarial valuation process, it is helpful to examine the actual experience of the fund as compared to the experience that is expected by the actuarial assumptions. The measurement of any deviations of actual to expected experience is commonly referred to as a "Gain and Loss Analysis". In performing this analysis, the actuary analyzes each actuarial assumption used in the valuation process. It is highly unlikely that actual experience will follow expected experience on a year-by-year basis. It is hoped that over the long term, if the actuarial assumptions are "reasonable", the total gains and losses will offset each other.

A "gain and loss analysis" is a useful tool to examine whether the actuarial assumptions used to determine the municipal tax levy are suitable. Care must be taken in placing too much credibility in a short-term analysis as the assumptions are more appropriately measured over the long term. Nonetheless, an annual evaluation of the actuarial assumptions will assist in identifying trends that, if unnoticed, can lead to inappropriate conclusions. When these trends are recognized, it is the actuary's responsibility to modify one or more of the assumptions to better anticipate future experience.

Some assumptions are easier to measure than others. In small plans, credible analysis can generally be made regarding the economic (financial) assumptions. These primarily include investment and salary increase assumptions. Unfortunately, it is often impossible to establish credible long-term analysis of demographic assumptions (rates of termination, disability, retirement and mortality). Therefore, in choosing demographic assumptions, the actuary generally relies upon standardized tabular assumptions modified only by fund-specific characteristics.

The actuarial gain and loss analysis for the current year is presented in Exhibit 3-C and 3-D of the report. Exhibit 3-C shows the impact of the actuarial gains or losses on the recommended minimum contribution through a reconciliation of this contribution from the end of the prior valuation year to the end of the current valuation year. Exhibit 3-D derives the actuarial gain or loss in total as well as separating the individual financial and demographic components.

It is our opinion that the aggregate experience gain (loss) in a valuation plan year should be within a corridor of 3% of the accrued liability at the beginning of the plan year. This assures that the overall assumptions are appropriate in aggregate. The overall experience gain (loss) for the year was \$ (1,582,951) or **5.24%** of the accrued liability at the beginning of the plan year. The dollar amount for the plan's current recommended minimum contribution is 113.29% of the prior year's contribution. When measured as a percentage of payroll, the contribution level has changed from 41.31% to 50.57%.

Thirty-year Projection of Liabilities

The final section of our report illustrates projected payments from the Trust Fund for a 30-year period commencing with the valuation date. These projections are based upon the actuarial assumptions selected concerning death, disability and retirement occurring. Care should be taken in interpreting or relying on these results-- particularly for Funds with fewer than 200 participants. The credibility of this type of projection is rarely realized beyond 10 years. Exhibit 5D presents this projection. Exhibit 5D presents this projection.

RESULTS OF VALUATION

The following exhibits present the results of our actuarial valuation of the Village of Willowbrook Police Pension Fund for the fiscal year May 1, 2018 through April 30, 2019.

Exhibit 1 indicates that the recommended minimum contribution, calculated using the Entry Age Normal Cost method (EANC), from the Village is \$986,858 or 50.57% of total participating payroll. Under the Entry Age Normal actuarial cost method selected, this percentage of payroll should remain reasonably level over the lifetime of the plan.

Exhibit 1 also indicates that the statutory minimum contribution, calculated using the Projected Unit Credit method (PUC), from the Village is \$677,066 or 34.70% of total participating payroll. Under the Projected Unit Credit actuarial cost method selected, this percentage of payroll should increase over the lifetime of the plan.

Exhibits 2 and 3 provide specific information used to develop the recommended minimum and statutorily required the Village contribution.

Contribution amounts presented in this report have not been adjusted for interest to the date of payment. All values were determined based on the actuarial assumptions and methods as more fully described in Appendix 1 of this report.

Exhibit 4 presents a brief description of the demographic characteristics of the current member group.

Exhibit 5 shows information relating to the pension assets.

GENERAL VALUATION RESULTS FOR FISCAL YEAR
MAY 1, 2018 THROUGH APRIL 30, 2019

Recommended Minimum Contribution

1.	Entry Age Normal Cost:	\$ 406,349
2.	Unfunded Actuarial Accrued Liability (or Surplus):	7,985,970
3.	Actuarial Value of Assets:	22,240,648
4.	Annual Salaries of Active Police Officers:	1,876,308
5.	Recommended Minimum Contribution from the Village:	986,858
	Contribution Percentage:	50.57%*

Statutory Minimum Contribution

1.	Projected Unit Credit Normal Cost:	\$ 557,986
2.	Unfunded Actuarial Accrued Liability (or Surplus):	6,920,169
3.	Actuarial Value of Assets:	22,240,648
4.	Annual Salaries of Active Police Officers:	1,876,308
5.	Statutory Minimum Contribution from the Village:	677,066
	Contribution Percentage:	34.70%*

* Projected for the fiscal year ending April 30, 2019.

SUMMARY OF SPECIFIC VALUATION RESULTS

	<u>Number</u>	<u>Actuarial Present Value of Projected Benefits</u>	<u>Entry Age Normal Cost</u>	<u>Projected Unit Credit Normal Cost</u>
1. Active Police Officers:	21			
Retirement Pension:		\$10,753,182	\$285,822	\$462,604
Survivors Pension:		203,622	11,530	10,308
Disability Pension:		1,212,917	80,838	67,700
Withdrawal Pension:		262,820	28,159	17,374
		<hr/>	<hr/>	<hr/>
TOTAL	21	\$12,432,541	\$406,349	\$557,986
2. Inactive Police Officers and Survivors:				
Normal Retirees:	15	\$20,296,940		
Widows (Survivors):	1	190,714		
Children (Survivors):	0	0		
Disabled Retirees:	2	721,671		
Deferred Vested:	0	0		
Terminated/Separated:	1	4,243		
		<hr/>		
TOTAL	19	\$21,213,568		

SUMMARY OF SPECIFIC VALUATION RESULTS
(Continued)

	<u>Entry Age Normal (EAN)</u>	<u>Projected Unit Credit (PUC)</u>
3. Total Actuarial Present Value of Projected Benefits:	\$33,646,109	N/A
4. Actuarial Present Value of Future Normal Costs:	3,419,491	N/A
5. Actuarial Accrued Liability: [(3) - (4)]	30,226,618	29,160,817
6. Actuarial Value of Assets:	22,240,648	22,240,648
7. Unfunded Actuarial Accrued Liability (or Surplus) [(5) - (6)]	7,985,970	6,920,169
8. Funded Ratio Percentage: [(6) ÷ (5)] x 100	73.58%	76.27%

HISTORY OF FUNDED PERCENTAGES

<u>For the Year beginning May 1</u>	<u>Valuation Assets</u>	<u>EAN Accrued Liabilities</u>	<u>EAN Funded Percentage</u>	<u>PUC Accrued Liabilities</u>	<u>PUC Funded Percentage</u>
2018	\$22,240,648	\$30,226,618	73.58%	\$29,160,817	76.27%
2017	21,333,170	27,888,301	76.50%	26,889,249	79.34%
2016	20,293,619	26,535,655	76.48%	25,469,272	79.68%
2015	19,338,999	25,119,749	76.99%	23,862,708	81.04%
2014	18,109,643	22,784,660	79.48%	21,476,845	84.32%
2013	16,732,747	21,190,138	78.96%	19,868,443	84.22%
2012	15,529,357	19,543,545	79.46%	18,104,732	85.78%
2011	14,814,863	17,920,397	82.67%	16,275,873	91.02%
2010	13,403,601	16,588,318	80.80%	N/A	N/A
2009	12,054,324	15,068,464	80.00%	N/A	N/A
2008	11,658,708	13,556,150	86.00%	N/A	N/A
2007	10,400,186	11,624,444	89.47%	N/A	N/A
2006	9,182,027	10,784,158	85.14%	N/A	N/A
2005	8,155,777	9,796,059	83.26%	N/A	N/A
2004	7,202,513	8,810,555	81.75%	N/A	N/A
2003	6,373,705	8,038,993	79.28%	N/A	N/A

DEVELOPMENT OF RECOMMENDED MINIMUM VILLAGE CONTRIBUTION

	Fiscal Year May 1, 2018 through April 30, 2019
1. Entry Age Normal Cost:	\$406,349
2. Recommended Minimum Payment to Amortize 100 % of the Entry Age Normal Unfunded Accrued Liability <u>as a level dollar amount</u> over 22.00137 Years from May 1, 2018:	687,171
3. Interest on (1) and (2):	79,280
4. Credit for Surplus:	0
5. Total Recommended Minimum Contribution for Fiscal Year 2019: [(1) + (2) + (3) + (4)], but not less than Statutorily Required	1,172,800
6. Active Member Contributions (9.91% of Salaries):	185,942
7. Net Recommended Minimum Village Contribution: [(5) - (6)]	986,858

**DEVELOPMENT OF STATUTORILY REQUIRED VILLAGE CONTRIBUTION
(NOTE THAT THIS CONTRIBUTION CALCULATION IS NOT RECOMMENDED)**

	Fiscal Year May 1, 2018 through April 30, 2019
1. Projected Unit Credit Normal Cost:	\$557,986
2. Minimum Payment to Amortize 90% of the Projected Unit Credit Unfunded Accrued Liability <u>as a level percentage of payroll</u> over 22.00137 Years from May 1, 2018:	246,683
3. Interest on (1) and (2):	58,339
4. Credit for Surplus:	0
5. Total Statutorily Required Contribution for Fiscal Year 2019: [(1) + (2) + (3) + (4)]	863,008
6. Active Member Contributions (9.91% of Salaries):	185,942
7. Net Statutorily Required Village Contribution: [(5) - (6)]	677,066

**RECONCILIATION OF THE CHANGE
IN THE RECOMMENDED MINIMUM VILLAGE CONTRIBUTION**

1.	Recommended Minimum Contribution for Year ending 4/30/2018:	\$871,084
2.	Increase in Normal Cost and Amortization Payment due to anticipated pay changes:	32,123
3.	Increase/ (Decrease) in Normal Cost resulting from actual pay changes:	(28,747)
4.	Effect of Asset Smoothing:	23,334
5.	Increase/ (Decrease) resulting from changes in assumptions:	0
6.	Increase/ (Decrease) resulting from other demographic and financial sources (retirements, deaths, new entrants, salary changes, etc.):	89,064
7.	Recommended Minimum Contribution for Year ending April 30, 2019:	\$ 986,858

**DERIVATION OF EXPERIENCE GAIN (LOSS) AND COST METHOD CHANGE
AS OF MAY 1, 2018**

1.	EANC Unfunded Actuarial Accrued Liability at May 1, 2017:	\$6,555,131
2.	Entry Age Normal Cost due at May 1, 2017:	446,289
3.	Interest on (1) and (2) to May 1, 2018 (at 7.25% per year):	507,603
4.	Contributions made for the prior year with interest to May 1, 2018:	1,106,004
5.	Expected EANC Unfunded Actuarial Accrued Liability at May 1, 2018 Before Assumption Changes [(1) + (2) + (3) - (4)]:	6,403,019
6.	Change in EANC Unfunded Actuarial Accrued Liability due to Assumptions Change at May 1, 2018:	0
7.	Expected EANC Unfunded Actuarial Accrued Liability at May 1, 2018 [(5) + (6)]:	6,403,019
8.	Actual EANC Unfunded Actuarial Accrued Liability at May 1, 2018:	7,985,970
9.	Gain (Loss) for the prior Plan Year [(7) - (8)]:	<u>\$ (1,582,951)</u>

The experience gain (loss) reported above is the net result of the following:

1.	<u>FINANCIAL SOURCES</u>	
a)	Investment experience (based upon market value of assets):	\$ 61,289
b)	Contribution experience:	(9,958)
c)	Benefit Payments experience:	(60,623)
d)	Salary increases (greater)/lower than expected:	<u>232,548</u>
	Total from Financial Sources:	223,256
2.	<u>DEMOGRAPHIC SOURCES</u>	
	Mortality, retirement, disability, termination, etc.:	(1,535,028)
3.	<u>ACTUARIAL ADJUSTMENTS</u>	
	Market value adjustment for asset smoothing, including expenses	(271,179)
4.	<u>GAIN (LOSS) ALL SOURCES</u>	
	Total Gain (Loss) for the prior Plan Year [(1) + (2) + (3)]:	<u>\$ (1,582,951)</u>

SUMMARY OF DEMOGRAPHIC INFORMATION AS OF MAY 1, 2018

	<u>Number</u>	<u>Projected Annual Salaries (Fiscal Year 2019)</u>
Active Police Officers:	21	\$1,876,308

	<u>Number</u>	<u>Total Monthly Benefits</u>
Normal Retirees:	15	\$103,615
Survivors (Widows):	1	3,209
Survivors (Children):	0	0
Disabled Retirees:	2	5,802
Deferred Vested:	0	0
Terminated/Separated:	1	4,243 *

* Return of Contributions

AVERAGE AGE OF ACTIVE EMPLOYEES

40.33

AVERAGE SERVICE OF ACTIVE EMPLOYEES

12.57

AVERAGE ANNUAL COMPENSATION

\$89,348

The actuarial valuation was performed as of May 1, 2018 to determine contribution requirements for fiscal year ending April 30, 2019

ASSET INFORMATION

According to the information provided by the Annual Filing with the Department of Insurance the following is provided:

Net Present Assets at Market Value	\$21,575,155
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The development of the Actuarial Value of Assets is shown in Exhibit 5-B

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

1.	Market Value of Assets, May 1, 2017				\$ 20,396,498
2.	Actual Income and Disbursements in prior year weighted for timing				
	Item	Amount	Timing	Weight for Amount	Weighted
	Contributions Received During 2017-2018	1,070,434		50.00%	535,217
	Miscellaneous Revenue	50		50.00%	25
	Benefit Payments and Expenses Made During 2017-2018	1,300,930		(50.00)%	(650,465)
	Total				(115,223)
3.	Market Value of assets adjusted for actual income disbursements [(1) + 2(d)]				20,281,275
4.	Assumed rate of return on plan assets for the year				7.25%
5.	Expected return on assets [(3) x (4)]				1,470,392
6.	Market Value of Assets, May 1, 2017*				20,396,498
7.	Income (less investment income) for prior year				1,070,434
8.	Disbursements paid in prior year				1,300,930
9.	Market Value of Assets, May 1, 2018				\$21,575,155
10.	Actual Return [(9) + (8) - (7) - (6)]				1,409,103
11.	Investment Gain/(Loss) for Prior Year [(10) - (5)]				(61,289)

DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS
(Continued)

12. Market Value of Assets, May 1, 2018: \$21,575,155

13. Deferred investment gains and (losses) for last 4 years:

	Plan Year Beginning	Gain/(Loss)	Percent Deferred	Deferred Amount
a)	2018	\$ (61,289)	80%	\$ (49,032)
b)	2017	\$ 81,581	60%	\$ 48,949
c)	2016	\$ (1,609,168)	40%	\$ (643,667)
d)	2015	\$ (108,715)	20%	\$ (21,743)
e)	Total	\$ (1,697,591)		\$ (665,493)

14. Actuarial value of plan assets for funding, May 1, 2018: Item (12) less item 13(e): \$ 22,240,648

Notes: The calculated value is determined by adjusting the market value of assets to reflect investment gains and losses (the difference between the actual investment return and the expected investment return) during each of the last five years at the rate of 20% per year.

ANALYSIS OF INVESTMENT RETURN

<u>Fiscal Year</u> <u>Ending April 30</u>	<u>Annual Rate</u> <u>of Return</u>
2018	6.68%
2017	7.39
2016	(1.37)
2015	6.39
2014	8.55
2013	9.41
2012	4.25
2011	11.20
2010	18.59
2009	-12.22
<u>Composite</u>	
2009-2018	5.59%
1999-2018	5.64%

THIRTY - YEAR PROJECTION OF PAYMENTS

Year	<u>Payouts from Active Group Upon</u>					<u>Payouts from</u>		<u>Total</u>
	<u>Termination</u>		<u>Death</u>	<u>Retirement</u>	<u>Disability</u>	<u>Retired Group</u>	<u>Deferred Pensioners</u>	
	<u>Lump Sum</u>	<u>Deferred Pension</u>						
2018	5,659	0	3,873	38,395	8,700	1,353,879	4,243	1,414,749
2019	6,714	0	5,529	94,002	16,046	1,371,474	0	1,493,765
2020	5,128	0	5,485	132,893	23,722	1,394,320	0	1,561,548
2021	3,638	0	7,042	218,485	31,177	1,420,236	0	1,680,578
2022	2,779	0	9,083	321,093	38,894	1,440,358	0	1,812,207
2023	861	0	10,160	415,947	46,349	1,459,637	0	1,932,954
2024	0	0	11,952	486,473	53,099	1,477,985	0	2,029,509
2025	0	0	12,200	544,324	59,844	1,495,237	0	2,111,605
2026	0	0	13,400	602,166	65,890	1,511,256	0	2,192,712
2027	0	0	14,409	656,630	71,279	1,525,759	0	2,268,077
2028	0	0	15,650	704,535	76,481	1,538,654	0	2,335,320
2029	0	0	16,634	743,167	83,319	1,549,600	0	2,392,720
2030	0	0	17,820	789,464	89,465	1,558,168	0	2,454,917
2031	0	0	18,713	835,509	97,701	1,563,954	0	2,515,877
2032	0	0	19,700	910,112	106,862	1,566,518	0	2,603,192
2033	0	0	20,446	958,626	115,115	1,565,376	0	2,659,563
2034	0	0	21,301	1,014,622	121,866	1,560,177	0	2,717,966
2035	0	0	21,969	1,083,447	128,098	1,550,524	0	2,784,038
2036	0	0	22,649	1,130,225	133,882	1,535,849	0	2,822,605
2037	0	0	23,104	1,192,340	138,839	1,515,822	0	2,870,105
2038	0	0	23,660	1,249,959	143,514	1,490,011	0	2,907,144
2039	0	0	23,947	1,341,397	147,516	1,458,208	0	2,971,068
2040	0	0	24,310	1,401,044	152,494	1,420,306	0	2,998,154
2041	0	0	24,452	1,446,017	156,837	1,376,257	0	3,003,563
2042	0	0	24,701	1,487,496	164,512	1,325,982	0	3,002,691
2043	0	0	24,689	1,523,942	166,089	1,269,736	0	2,984,456
2044	0	0	24,722	1,560,605	169,565	1,207,681	0	2,962,573
2045	0	0	24,531	1,585,237	173,478	1,140,325	0	2,923,571
2046	0	0	24,423	1,603,464	173,654	1,068,528	0	2,870,069
2047	0	0	24,048	1,614,919	176,727	992,757	0	2,808,451

ACTUARIAL ASSUMPTIONS

(Economic)

Investment Return

7.25% per annum, compounded annually (net of expenses).

Salary Increases

Representative values of assumed salary increases are as follows:

<u>Age</u>	<u>Increase %</u>
25	4.8611
30	2.9848
35	2.0341
40	1.5239
45	1.3083
50	1.1846
55	1.1220

An additional inflation allowance of 2.00% per year is added to the above.

Payroll Growth

It was assumed that payroll will grow 4.00% per year.

Cost of Living Adjustments

It was assumed that the Consumer Price Index – Urban (CPI-U) would increase 2.00% per year

Actuarial Asset Basis

The actuarial value of assets recognizes future gains and losses based on a 5-year smoothed market method as prescribed by Statute

In a 5-year smoothed market method, the current market value of assets is reduced (increased) for the current year and each of three succeeding years, by a portion of the gain/(loss) in market value during the prior year. Such gain/(loss) is determined as the excess/(deficit) of the current market value of assets over the market value of assets as of the prior year, increased to reflect interest at the actuarial rate and adjusted to reflect contributions and benefit payments during the prior year. The portion of such gain/(loss) by which the current market value of assets is reduced (increased) shall be 80% in the current year, 60% in the first succeeding year, 40% in the second succeeding year and 20% in the third succeeding year.

Additionally, in accordance with government accounting standards, the actuarial value of assets is adjusted to remove any contributions receivable on the reporting date.

Expenses

None assumed.

(Demographic)

Mortality

Active Lives

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB to 2015. Five percent (5%) of deaths amongst active police officers are assumed to be in the performance of their duty.

Non-Active Lives

RP-2000 Combined Healthy Mortality Table (male) with blue collar adjustment projected by Scale BB and with a 150% load for participants under age 50.

Termination

Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

<u>Age</u>	<u>Rate of Withdrawal</u>
25	.0734
30	.0416
35	.0223
40	.0119
45	.0102

It is assumed that terminated police officers will not be rehired.

Disability Rates

Incidence of disability amongst police officers eligible for disability benefits:

<u>Age</u>	<u>Rate</u>
25	.0013
30	.0026
35	.0044
40	.0071
45	.0108
50	.0159

15% of disabilities amongst active police officers are assumed to be in the performance of their duty.

Retirement Rates

Retirements are assumed to occur between the ages of 50 and 69 in accordance with the following table:

<u>Age</u>	<u>Rate of Retirement</u>	<u>Age</u>	<u>Rate of Retirement</u>
50	.36	60	.22
51	.22	61	.30
52	.18	62	.39
53	.19	63	.48
54	.19	64	.57
55	.20	65	.65
56	.20	66	.74
57	.20	67	.83
58	.21	68	.91
59	.21	69	1.00

(Additional)

Marital Status

85% of police officers are assumed to be married.

Spouse's Age

Wives are assumed to be 3 years younger than their husbands.

Actuarial Cost Method:

Projected Unit Credit for statutory minimum

Entry Age Normal for recommended and GASB reporting

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Definitions

Tier 1 – For Police Officers first entering Article 3 prior to January 1, 2011

Tier 2 – For Police Officers first entering Article 3 after December 31, 2010

Police Officer (3-106): Any person appointed to the police force and sworn and commissioned to perform police duties.

Persons excluded from Fund (3-109): Part-time officers, special police officer, night watchmen, traffic guards, clerks and civilian employees of the department. Also, police officers who fail to pay the required fund contributions or who elect the Self-Managed Plan option.

Creditable Service (3-110): Time served by a police officer, excluding furloughs in excess of 30 days, but including leaves of absences for illness or accident and periods of disability where no disability pension payments have been received and also including up to 3 years during which disability payments have been received provided contributions are made.

Pension (3-111)

Normal Pension Age

Tier 1 - Age 50 with 20 or more years of creditable service.

Tier 2 - Age 55 with 10 or more years of creditable service.

Normal Pension Amount

Tier 1 - 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service, plus 2½% of such annual salary for service from 20 to 30 year (maximum 25%).

Tier 2 - 2½% of Final Average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service

Early Retirement at age 50 with 10 or more years of service but with a penalty of ½% for each month prior to age 55.

Annual Salary capped at \$106,800 increased yearly by the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%. Salary for valuations beginning in 2018 is \$113,644.91.

Minimum Monthly Benefit: \$1,159.27

Maximum Benefit Percentage: 75% of salary

Termination Retirement Pension Date

Separation of service after completion of between 8 and 20 years of creditable service.

Termination Pension Amount

Commencing at age 60, 2½% of annual salary held in the year preceding termination times years of creditable service or refund of contributions, or for persons terminating on or after July 1, 1987, 2½% of annual salary held on the last day of service times years of credible service, whichever is greater.

Pension Increase

Non-Disabled

Tier 1 - 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the original pension amount on each January 1 thereafter. Effective July 1, 1993, 3% of the amount of pension payable at the time of the increase including increases previously granted, rather than 3% of the originally granted pension amount.

**SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)**

Tier 2 - The lesser of $\frac{1}{2}$ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

Disabled

3% increase of the original pension amount after attainment of age 60 for each year he or she received pension payments, followed by an additional 3% of the original pension amount in each January 1 thereafter.

Pension to Survivors (3-112)

Death of Retired Member

Tier 1 - 100% of pension amount to surviving spouse (or dependent children).

Tier 2 - 66 $\frac{2}{3}$ % of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of $\frac{1}{2}$ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

Death While in Service (Not in line of duty)

With 20 years of creditable service, the pension amount earned as of the date of death.

With between 10 and 20 years of creditable service, 50% of the salary attached to the rank for the year prior to the date of death.

Death in Line of Duty

100% of the salary attached to the rank for the last day of service year prior to date of death.

Minimum Survivor Pension

\$1,000 per month to all surviving spouses.

Disability Pension - Line of Duty (3-114.1)

Eligibility

Suspension or retirement from police service due to sickness, accident or injury while on duty.

Pension

Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available. Minimum \$1,000 per month.

Disability Pension - Not on Duty (3-114.2)

Eligibility

Suspension or retirement from police service for any cause other than while on duty.

Pension

50% of salary attached to rank at date of suspension or retirement. Minimum \$1,000 per month.

Other Provisions

Marriage After Retirement (3-120)

No surviving spouse benefit available.

Refund (3-124)

At death prior to completion of 10 years of service, contributions are returned without interest to widow.

At termination with less than 20 years of service, contributions are refunded upon request.

Contributions by Police Officers (3-125.1)

Beginning January 1, 2001, 9.91% of salary including longevity, but excluding overtime pay, holiday pay, bonus pay, merit pay or other cash benefit.

GLOSSARY

Actuarial Accrued Liability

See *Entry Age Normal Cost Method* and *Projected Unit Credit Cost Method*.

Actuarial Assumptions

The economic and demographic predictions used to estimate the present value of the plan's future obligations. They include estimates of investment earnings, salary increases, mortality, withdrawal and other related items. The *Actuarial Assumptions* are used in connection with the *Actuarial Cost Method* to allocate plan costs over the working lifetimes of plan participants.

Actuarial Cost Method

The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants. Also referred to as an *Actuarial Funding Method*.

Actuarial Funding Method

See *Actuarial Cost Method*

Actuarial Gain (Loss)

The excess of the actual *Unfunded Actuarial Accrued Liability* over the expected *Unfunded Actuarial Accrued Liability* represents an *Actuarial Loss*. If the expected *Unfunded Actuarial Accrued Liability* is greater, an *Actuarial Gain* has occurred.

Actuarial Present Value

The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of *Actuarial Assumptions*.

Actuarial Value of Assets

The asset value derived by using the plan's *Asset Valuation Method*.

Asset Valuation Method

A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of employer contributions.

Employee Retirement Income Security Act of 1974 (ERISA)

The primary federal legislative act establishing funding, participation, vesting, benefit accrual, reporting, and disclosure standards for pension and welfare plans.

Entry Age Normal Cost Method

One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The portion of this *Actuarial Present Value* not provided for at a valuation date by the *Actuarial Present Value* of future *Normal Costs* is called the *Actuarial Accrued Liability*.

Normal Cost

The portion of the *Present Value of Projected Plan Benefits* that is allocated to a particular plan year by the *Actuarial Cost Method*. See *Entry Age Normal Cost Method* for a description of the *Normal Cost* under the *Entry Age Normal Cost Method*. See *Projected Unit Credit Cost Method* for a description of the *Normal Cost* under the *Projected Unit Credit Cost Method*.

Present Value of Future Normal Costs

The present value of future normal costs determined based on the *Actuarial Cost Method* for the plan. Under the *Entry Age Normal Cost Method*, this amount is equal to the excess of the *Present Value of Projected Plan Benefits* over the sum of the *Actuarial Value of Assets* and *Unfunded Actuarial Accrued Liability*.

Present Value of Projected Plan Benefits

The present value of future plan benefits reflecting projected credited service and salaries. The present value is determined based on the plan's actuarial assumptions.

**GLOSSARY
(Continued)**

Projected Unit Credit Cost Method

One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated by a consistent formula to valuation years. The *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The *Actuarial Present Value* of benefits allocated to all periods prior to a valuation year is called the *Actuarial Accrued Liability*.

Unfunded Actuarial Accrued Liability

The excess of the *Actuarial Accrued Liability* over the *Actuarial Value of Assets*.

NOTES



Willowbrook

835 Midway Drive
Willowbrook, IL 60527-5549

Phone: (630) 323-8215 Fax: (630) 323-0787 www.willowbrookil.org

October 4, 2018

Mayor

Frank A. Trilla

Village Clerk

Leroy R. Hansen

Village Trustees

Sue Berglund

Umberto Davi

Terrence Kelly

Michael Mistele

Gayle Neal

Paul Oggerino

**Village
Administrator**

Tim Halik

Chief of Police

Robert Schaller

**Director of
Finance**

Carrie Dittman

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: 4/30/18 Annual Report to the Village

Attached is the required annual reporting to the Village by the Pension Board for the fiscal year ended 4/30/18, as prepared by the Pension Board's actuary, Art Tepfer.

In accordance with state statute, the report contains contribution and payment amounts calculated using the Projected Unit Credit actuarial method, which is not what the Police Pension Board historically has requested. The Police Pension Board has used the recommended contribution amount calculated under the Entry Age Normal actuarial cost method, which amounts to **\$968,858. This is the amount that is historically requested of the Village.**

The report should be signed by the Pension Board President and submitted to the Village Board with the attachments.

Please let me know if you have any questions.



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Required Reporting to the Municipality

To comply with 40 ILCS 5/3-143, each Downstate Police Pension Fund is required to prepare a report indicating various statistics of the pension fund. Various items in the report are "actuarial in nature" and, therefore, to avoid errors by the fund, we include a "draft required report" as part of the actuarial valuation package.

Items contained in this report are taken directly from the source data used to prepare the actuarial valuation and from the current and prior actuarial valuation reports prepared by our firm.

Some Pension Boards use this report as the formal request for the tax levy. PLEASE BE ADVISED THAT THIS REPORT IS NOT INTENDED TO REPLACE THE FORMAL REQUEST BY THE FUND. Particular attention should be paid to the "Employer contributions and all other sources" in item 2 and the "estimated amount required to meet the annual requirements of the fund" in item 3(b), both of which are completed based upon the calculated statutory minimum contribution as required by the statute. **These items are not based upon the recommended minimum contribution calculated by our firm and presented in the accompanying actuarial valuation report.**

We strongly suggest that a separate formal request for tax levy be submitted by the Pension Board to the municipality. Your Board attorneys should be consulted for the preparation of this formal request.

REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD

As of 4/30/2018 fiscal year end

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

Sec. 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 (see attachment 1 for complete listing)

Total Assets (market value):	\$21,575,155
Actuarial Value of Assets (see item 8 for explanation):	\$22,240,648

2.

Estimated receipts during the next succeeding fiscal year from:

Participant Contributions deducted from payroll:	\$185,942
Employer Contributions and all other sources:	\$677,066

3.

Estimated amount required during the next succeeding fiscal year to:

(a) pay all pensions and other obligations provided in this Article:	\$1,410,506
(b) meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:	\$863,008

4.

Total Net Income received from investment of net assets:	\$1,410,153
--	-------------

Assumed Investment Return:	7.25%
Actual Investment Return:	6.68%

Total Net Income received from investment of net assets (FYE April 30, 2017):	\$1,457,634
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Assumed Investment Return (FYE April 30, 2017):	7.25%
Actual Investment Return (FYE April 30, 2017):	7.39%

5.

Total number of Active Employees that are financially contributing to the fund:	21
---	----

6.

Disbursements to:

(i) Annuitants in receipt of a regular retirement pension:

Total number of annuitants:	15
Total amount that was disbursed in benefits:	\$1,136,654

(ii) Recipients being paid a disability pension:

Total number of annuitants:	2
Total amount that was disbursed in benefits:	\$ 68,861

(iii) Survivors and children in receipt of benefits:

Total number of annuitants:	1
Total amount that was disbursed in benefits:	\$ 38,512

7.
Funded ratio of the fund: 73.58%
8.
Unfunded Actuarial Accrued Liability: \$7,985,970

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

The Actuarial Value of Assets is the asset value derived by using the plan's asset valuation method which is a method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of municipal contributions.

9.
Investment Policy of the pension board under the statutory investment restrictions imposed on the fund.
(See attachment 2)

Certification

I, Umberto Davi, President of the Willowbrook Police Pension Board, Village of Willowbrook, DuPage 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 40 ILCS 5/3-143.

Witness my hand this _____ day of _____, 2018.

Umberto Davi
President of Willowbrook Police Pension Board

Source: P.A. 95-950, eff. 8-29-08



Willowbrook

835 Midway Drive
Willowbrook, IL 60527-5549

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Chief of Police

Robert Schaller

**Director of
Finance**

Carrie Dittman

October 5, 2018

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Director of Finance *C.D.*

SUBJECT: 4/30/18 Dept. of Insurance annual report

Attached is the annual filing of the police pension fund for the fiscal year ended 4/30/18, that I have prepared and submitted to the Dept of Insurance (DOI) on 10/5/2018.

New this year, DOI has greatly expanded the interrogatories (questions) that must be answered by the fund as well as requiring additional documentation to be uploaded to the DOI website (such as board minutes and trustee training certifications). Also, the annual required certification form that previously had to be signed and notarized has now been made electronic, and I have submitted as the authorized signatory on behalf of the police pension fund.

Please let me know if you have any questions on the filing.



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ILLINOIS DEPARTMENT OF INSURANCE

Current User: cdittman@willowbrook.il.us Logout[Main](#) [Filings](#) [Schedules](#) [Financials](#) [Interrogatories](#) [Reports](#)

The annual statement was accepted.

CERTIFICATION FORM

WILLOWBROOK POLICE PENSION FUND

Fiscal Year Ending: **2018****Filing Information**Date Of Internet Filing: **10/5/2018****10:28:41 AM**Pension Fund Number: **3315**

State of Illinois

Batch Identification (BID): **20180401**County of: **DuPage****Submitter\Preparer**Submitter: **Carrie Dittman**Preparer: **Carrie Dittman****Authorized Signatory**

* indicates required field

*First Name:

Carrie

Middle Initial:

*Last Name:

Dittman

*Company Name:

Village of Willowbrook

*Phone Number:

(630) 920-2235

*E-mail:

cdittman@willowbrook.il.us

Note: Update the President, Secretary and/or Treasurer as necessary below from what we have currently in the system before clicking 'Accept'. Once accepted this information cannot be changed and the text boxes are disabled

President

* indicates required field

*First Name:

Umberto

Middle Initial:

*Last Name:

Davi

Treasurer

* indicates required field

*First Name:

Carrie

Middle Initial:

*Last Name:

Dittman

Secretary

* indicates required field

*First Name:

Scott

Middle Initial:

R

*Last Name:

Eisenbeis

of the

WILLOWBROOK POLICE PENSION FUND

✓ By checking this box, the pension fund's officer(s) and/or authorized signatory certifies that the electronically filed annual statement for the fiscal year ended is true, complete, and accurate in accordance with the Pension Code [40 ILCS 5/1A-109]. I am aware that false, fictitious, or fraudulent information, or the omission of any material fact may be in contravention with Sections 1-101.2, 1-109, and 1A-109 of the Code.

Note: Click accept link after checking the above box to complete the certification form. Once certified, this link is disabled.

[Accept](#)

**ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND**

Fiscal Year 5/1/2017 Through 4/30/2018

State of Illinois, City of Willowbrook, County of DuPage

Established 6/30/1983

Pension Fund Number - 3315 Federal Employer Identification Number (FEIN) - 36-6097046

Organized under the Laws of the State of Illinois,
made to the Department of Insurance of the State of Illinois Pursuant to the Laws Thereof.

Fund Subtype: Village or Township

Fund Mailing Address

Street Address 1: 835 Midway Drive
Street Address 2:
City, State, Zip: Willowbrook, IL 60527-5594
Fax Number: (630)323-0787
Email Address: N/A

Location of Member

Name (Last, First MI): Eisenbeis, Scott
Job Title: Police Pension Board Secretary
Street Address 1: 7760 Quincy Street
Street Address 2:
City, State, Zip: Willowbrook, IL 60527-5594
Phone Number: (630)325-2808

Annual Statement Contact Person

Name (Last, First MI): Dittman, Carrie
Job Title: Director of Finance
Phone Number: (630)920-2235
Fax Number: (630)323-0787
Email Address: cdittman@willowbrook.il.us

Location of Financial Records

Name (Last, First MI): Dittman, Carrie
Job Title: Director of Finance
Street Address 1: 835 Midway Drive
Street Address 2:
City, State, Zip: Willowbrook, IL 60527-5594
Phone Number: (630)920-2235

Current Board Members

Pension Board Role: Assistant Secretary

Name:	Pec, Joseph	Occupation:	Retired
Reason On Board:	Elected Retired	Phone Number:	
Term Expires:	04/30/2020	Email:	

Pension Board Role: President

Name:	Davi, Umberto	Occupation:	Attorney
Reason On Board:	Appointed by Officials	Phone Number:	
Term Expires:	04/30/2019	Email:	

Pension Board Role: Secretary

Name:	Eisenbeis, Scott R	Occupation:	Police Officer
Reason On Board:	Elected Active	Phone Number:	
Term Expires:	04/30/2020	Email:	

Pension Board Role: Treasurer

Name:	Dittman, Carrie	Occupation:	Director of Finance
Reason On Board:	Appointed by Officials	Phone Number:	
Term Expires:	04/30/2020	Email:	

Pension Board Role: Vice President

Name:	Kobler, Timothy	Occupation:	Police Sergeant
Reason On Board:	Elected Active	Phone Number:	
Term Expires:	04/30/2020	Email:	

Fiscal Year End Board Members

Pension Board Role: Assistant Secretary

Name:	Pec, Joseph	Occupation:	Retired
Reason On Board:	Elected Retired	Phone Number:	
Term Expires:	04/30/2020	Email:	

Pension Board Role: President

Name:	Davi, Umberto	Occupation:	Attorney
Reason On Board:	Appointed by Officials	Phone Number:	
Term Expires:	04/30/2019	Email:	

Pension Board Role: Secretary

Name:	Eisenbeis, Scott R	Occupation:	Police Officer
Reason On Board:	Elected Active	Phone Number:	
Term Expires:	04/30/2020	Email:	

Pension Board Role: Treasurer

Name:	Dittman, Carrie	Occupation:	Director of Finance
Reason On Board:	Appointed by Officials	Phone Number:	
Term Expires:	04/30/2020	Email:	

Pension Board Role: Vice President

Name:	Kobler, Timothy	Occupation:	Police Sergeant
Reason On Board:	Elected Active	Phone Number:	
Term Expires:	04/30/2020	Email:	

Revenues Statement

1.1	Amount of Ledger Assets at End of Previous Year's Statement:	\$20,396,498.00
1.2	Amount of Ledger Assets at End of Previous Year – Should Coincide with Line 1.1:	\$20,396,498.00
1.3	Adjustment – If Line 1.1 is Different from Line 1.2 (Absolute Value of the Difference of Lines 1.1 and 1.2):	\$0.00

From Municipalities

2.1	Current Tax Levy:	\$0.00
2.2	All Previous Year's Taxes:	\$0.00
2.3	Illinois Personal Property Replacement Tax:	\$0.00
2.4	Contributions from Municipality (in lieu of tax levy):	\$871,363.00
2.5	Other Revenue Received From Municipality (from detail):	\$0.00
3.0	Total Received from Municipality (Sum of Lines 2.1 through 2.5):	\$871,363.00

From Members

4.1	Salary Deductions – Current Year's Service:	\$199,071.00
4.2	Contributions – Prior Year's Service:	\$0.00
4.3	Repayment of Refund(s):	\$0.00
4.4	Interest Received from Members:	\$0.00
4.5	Other Revenue Received from Members (from detail):	\$0.00
5.0	Total Received from Members (Sum of Lines 4.1 through 4.5):	\$199,071.00

From Investments

6.1	Interest on Deposits in Checking, Money Market, IL Fund, Repurchase Agreements and Other Cash Investments (Total Interest Received and Accrued from Schedule A):	\$1,914.00
6.2	Interest on Certificates of Deposits (Total Interest Received and Accrued from Schedule B):	\$1,700.00
6.3	Income from State, Local and Corporate Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule C2, Total Interest Received and Accrued from Schedule C3, and Total Accrual of Discount from Schedule C3) and Total Amortization of Premium from Schedule C3)	\$140,349.00
6.4	Income from U.S. Government and Agency Obligations (Difference of (Sum of Total Interest Received and Accrued from Schedule D2, Total Interest Received and Accrued from Schedule D3, and Total Accrual of Discount from Schedule D3) and Amortization of Premium from Schedule D3):	\$187,825.00

From Investments

6.5	Income from Insurance Company Contracts – General Accounts (Difference of Total Earnings Credited to Account from Schedule E and Surrender Charges Paid from Schedule E):	\$0.00	
6.6	Income from Insurance Company Contracts – Separate Accounts (Difference of Total Earnings Credited to Account from Schedule F and Surrender Charges Paid from Schedule F):	\$0.00	
6.7	Income from Investment Pools (Total Earnings Credited to Account from Schedule G):	\$0.00	
6.8	Gain/Loss from Sales of Securities (Sum of Total Profit or Loss on Sale from Schedule C2, Total Profit or Loss on Sale from Schedule D2, Total Profit or Loss on Sale from Schedule J2, and Total Profit or Loss on Sale From Schedule K2):	\$1,914,964.00	
6.9	Income from Other Investment Assets (from detail):	(\$16,544.00)	
	<u>Detail Text:</u>	<u>Detail Amount:</u>	
6.9.1	Change in accrued interest	(\$16,544.00)	
6.10	Unrealized Gains/Losses:	(\$1,617,635.00)	
6.11	Income/Dividends from Mutual Funds (Sum of Total Income/Dividends from Schedule K2 and Total Income/Dividends from Schedule K3):	\$716,311.00	
6.12	Income/Dividends from Common and Preferred Stocks (Sum of Total Income/Dividends from Schedule J2 and Total Income/Dividends from Schedule J3):	\$81,219.00	
7.0	Total Income from Investments (Sum of Lines 6.1 through 6.12):		\$1,410,103.00

From Other Sources

8.0	Donations:	\$50.00	
9.0	Other Income (from detail):	\$0.00	
10.0	Total Income (Sum of Lines 3.0, 5.0, 7.0, 8.0, and 9.0):		\$2,480,587.00
11.0	Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):		\$22,877,085.00

Expenses Statement

11.0	Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):	\$22,877,085.00
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Pensions and Benefits

12.1	Service Pensions:	\$1,136,654.00	
12.2	Non-Duty Disability Pensions:	\$68,861.00	
12.3	Duty Disability Pensions:	\$0.00	
12.4	Occupational Disease Disability Pensions:	\$0.00	
12.5	Surviving Spouse Pensions:	\$38,512.00	
12.6	Children's Pensions:	\$0.00	
12.7	Parents' Pensions:	\$0.00	
12.8	Handicapped Annuitant Pensions:	\$0.00	
12.9	Refund of Contributions:	\$5,081.00	
12.10	Transfers to other Illinois Public Employee Funds or Systems:	\$0.00	
13.0	Total Pensions and Benefits Paid (Sum of Lines 12.1 through 12.10):		\$1,249,108.00

Personal Services

14.1	Salaries and Wages:	\$0.00	
14.2	Group Insurance:	\$0.00	
14.3	Social Security Contributions:	\$0.00	
14.4	Retirement Contributions:	\$0.00	
14.5	Unemployment Insurance:	\$0.00	
14.6	Worker's Compensation:	\$0.00	
15.0	Total Personal Services (Sum of Lines 14.1 through 14.6):		\$0.00

Insurance

16.1	Fiduciary Insurance:	\$3,083.00
16.2	Surety Bonds:	\$0.00
16.3	Fidelity Bonds:	\$0.00

Insurance

16.4	Liability:	\$0.00	
16.5	Property:	\$0.00	
17.0	Total Insurance Expense (Sum of Lines 16.1 through 16.5):		\$3,083.00

Professional Services

18.1	Actuarial:	\$4,400.00	
18.2	Auditing:	\$3,126.00	
18.3	Accounting and Bookkeeping:	\$0.00	
18.4	Medical:	\$0.00	
18.5	Legal Expense:	\$5,245.00	
18.6	Public Stenographer/Court Reporter:	\$0.00	
19.0	Total Professional Services (Sum of Lines 18.1 through 18.6):		\$12,771.00

Investment Expense

20.1	Investment Manager/Adviser Fee:	\$27,994.00	
20.2	Custodial:	\$0.00	
20.3	Investment Research:	\$0.00	
20.4	Safe Deposit and Bank Charges:	\$0.00	
20.5	Broker Commissions:	\$0.00	
20.6	Investment Expense (from detail):	\$0.00	
20.7	Indirect Expenses (from detail):	\$0.00	
21.0	Total Investment Expense (Sum of Lines 20.1 through 20.7):		\$27,994.00

Electronic Data Processing (EDP)

22.1	Equipment Purchases:	\$0.00	
22.2	Supplies:	\$0.00	
22.3	Professional Services:	\$0.00	
22.4	Repairs and Maintenance:	\$0.00	
22.5	Depreciation:	\$0.00	

Electronic Data Processing (EDP)

23.0	Total Electronic Data Processing (Sum of Lines 22.1 through 22.5):		\$0.00
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Equipment

24.1	Equipment Purchases:	\$0.00	
24.2	Equipment Repairs, Rental and Maintenance:	\$0.00	
24.3	Depreciation:	\$0.00	
25.0	Total Equipment Expense (Sum of Lines 24.1 through 24.3):		\$0.00

Other

26.1	Conference/Seminar Fees:	\$4,355.00	
26.2	Association Dues:	\$795.00	
26.3	Travel:	\$0.00	
26.4	Postage:	\$0.00	
26.5	Printing:	\$0.00	
26.6	Supplies:	\$0.00	
26.7	Telecommunications:	\$0.00	
26.8	Election Expense:	\$0.00	
26.9	Education Expense:	\$0.00	
26.10	State of Illinois Compliance Fee – Department of Insurance:	\$3,824.00	
26.11	Other Expense (from detail):	\$0.00	
27.0	Total Other Expenses (Sum of Lines 26.1 through 26.11):		\$8,974.00
28.0	Total Administrative Expenses (Sum of Lines 15.0, 17.0, 19.0, 21.0, 23.0, 25.0, and 27.0):		\$52,822.00
29.0	Total Expenses (Sum of Lines 13.0 and 28.0):		\$1,301,930.00
30.0	Fund Balance (Difference of Lines 11.0 and 29.0):		\$21,575,155.00

Assets Statement

31.1	Cash on Hand:	\$0.00
31.2	Deposits in Money Market, Checking, N.O.W., IL Fund, Repurchase Agreements, etc. (Total Balance End of Year from Schedule A):	\$189,587.00

Investments

		<u>Actuarial Funding Value:</u>	<u>Market Value:</u>
32.1	Certificates of Deposit (Total Balance End of Year from Schedule B):	\$99,873.00	\$99,873.00
32.2	State, Local and Corporate Obligations (Total Value from Schedule C3):	\$2,889,614.00	\$2,805,648.00
32.3	U.S. Government and Agency Obligations (Total Value from Schedule D3):	\$5,525,430.00	\$5,331,122.00
32.4	Insurance Company Contracts – General Accounts (Total Balance End of Year from Schedule E):	\$0.00	\$0.00
32.5	Insurance Company Contracts – Separate Accounts (Total Balance End of Year from Schedule F):	\$0.00	\$0.00
32.6	Pooled Investment Accounts (Total Balance End of Year from Schedule G):	\$0.00	\$0.00
32.7	Common and Preferred Stocks (Total Balance End of Year from Schedule J3):	\$0.00	\$0.00
32.8	Mutual Funds (Total Balance End of Year from Schedule K3):	\$13,065,816.00	\$13,065,816.00
33.0	Total Investments (Sum of Lines 32.1 through 32.8):	\$21,580,733.00	\$21,302,459.00

Receivables

34.1	Taxes Receivable:	\$0.00	
34.2	Accrued Past Due Interest:	\$88,831.00	
34.3	Salary Deductions:	\$0.00	
34.4	Taxes Received – Not Distributed:	\$0.00	
34.5	Due from Members for Prior Services:	\$0.00	
34.6	Other Receivables (from detail):	\$0.00	
35.0	Total Receivables (Sum of Lines 34.1 through 34.6):		\$88,831.00
36.0	Equipment:	\$0.00	
37.0	Other Assets (from detail):	\$0.00	
		<u>Actuarial Funding Value:</u>	<u>Market Value:</u>
38.0	Total Assets (Sum of Lines 31.1, 31.2, 33.0, 35.0, 36.0, and 37.0):	\$21,859,151.00	\$21,580,877.00

Liabilities

39.1	Pensions and Benefits Due and Unpaid:	\$0.00	
39.2	Expenses Due and Unpaid	\$5,722.00	
39.3	All Other Liabilities (from detail):	\$0.00	
40.0	Total Liabilities (Sum of Lines 39.1 through 39.3):		\$5,722.00
		<u>Actuarial Funding Value:</u>	<u>Market Value:</u>
41.0	Net Present Assets, as per Balance (Difference of Lines 38.0 and 40.0):	\$21,853,429.00	\$21,575,155.00

Schedule A

Deposits in Checking, Savings, Money Market, N.O.W., IL Fund, etc. Accounts

Name of Institution	Account Number	Date Acquired	Var. Rate	Rate	Beginning Balance	Balance End of Year	Interest Received and Accrued
10103 Savings							
Community Bank of Willowbrook		4/1/2000	Y	0.000 %	85,853.00	39,881.00	79.00
Totals:					\$85,853.00	\$39,881.00	\$79.00
10104 Bank Money Market Accounts							
Charles Schwab sweep account		8/2/2017	Y	0.000 %	0.00	149,706.00	207.00
MB Financial Bank Fidelity Gov't Cash Po		6/30/1998	Y	0.000 %	259,853.00	0.00	1,628.00
Totals:					\$259,853.00	\$149,706.00	\$1,835.00
					Beginning Balance	Balance End of Year	Interest Received and Accrued
Totals:					\$345,706.00	\$189,587.00	\$1,914.00

Schedule B

Investments in Certificates of Deposit

Name of Institution	Account Number	Date Acquired	Maturity Date	Var. Rate	Rate	Beginning Balance	Balance End of Year	Interest Received and Accrued
10152 Brokered CDs								
Goldman Sachs Bank		11/25/2015	11/26/2018	N	1.700 %	100,428.00	99,873.00	1,700.00
Totals:						\$100,428.00	\$99,873.00	\$1,700.00
						Beginning Balance	Balance End of Year	Interest Received and Accrued
Totals:						\$100,428.00	\$99,873.00	\$1,700.00

Schedule C - Part 1

Investments in State, Local and Corporate Obligations - Acquired

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
10203 Municipal Bonds									
FOX VALLEY PK DIST	351592GN4	10/30/2017	12/15/2026	N	5.625 %	45,000.00	49,691.00	0.00	956.00
Totals:						\$45,000.00	\$49,691.00	\$0.00	\$956.00
10500 Corporate Bonds									
JOHNSON & JOHNSON	478160CK8	11/8/2017	1/15/2028	N	2.900 %	150,000.00	149,822.00	0.00	0.00
Totals:						\$150,000.00	\$149,822.00	\$0.00	\$0.00
						Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
Totals:						\$195,000.00	\$199,513.00	\$0.00	\$956.00

Schedule C - Part 2

Investments in State, Local and Corporate Obligations - Sold

Security Description	CUSIP Number	Date Acquired	Maturity Date	Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued	Date Sold	Receipts from Sale - Interest Excl.	Profit or Loss on Sale
10203 Municipal Bonds										
Barrington, IL Build Amer	068524EP8	5/29/2013	12/15/2017	121,517.00	50,825.00	50,768.00	2,185.00	12/15/2017	50,000.00	-825.00
Lake & McHenry Cty, IL Cm	507408KD3	2/6/2014	1/1/2018	100,000.00	101,751.00	101,740.00	5,250.00	1/1/2018	100,000.00	-1,751.00
Totals:				\$221,517.00	\$152,576.00	\$152,508.00	\$7,435.00		\$150,000.00	(\$2,576.00)
10249 Other State and Local Government Securities										
Cook County SD #162	215291JF3	11/23/2007	12/1/2017	10,000.00	9,985.00	10,214.00	525.00	12/1/2017	10,000.00	15.00
Totals:				\$10,000.00	\$9,985.00	\$10,214.00	\$525.00		\$10,000.00	\$15.00
10500 Corporate Bonds										
Chubb Corp Sr Unsecured	171232AR2	11/1/2011	5/15/2018	100,000.00	104,687.00	104,303.00	2,875.00	10/27/2017	104,686.00	0.00
Dow Chemical Co	260543CF8	5/27/2015	11/15/2021	100,000.00	104,939.00	106,227.00	2,063.00	10/23/2017	107,702.00	2,763.00
General Electric	36962G3H5	12/28/2011	9/15/2017	75,000.00	76,271.00	76,212.00	2,109.00	9/15/2017	75,000.00	-1,271.00
Gilead Sciences	375558AU7	5/27/2015	12/1/2021	125,000.00	134,698.00	134,833.00	2,750.00	11/8/2017	136,822.00	-305.00
Kellogg Co Sr Unsecured	487836BC1	7/28/2015	11/15/2019	75,000.00	77,898.00	78,946.00	3,112.00	11/28/2017	77,773.00	-125.00
McDonald's Corp	58013MEG5	11/1/2011	2/1/2019	125,000.00	134,079.00	131,631.00	3,125.00	10/26/2017	131,364.00	-2,715.00
Occidental Petroleum	674599CC7	2/7/2012	2/15/2022	160,000.00	162,776.00	163,761.00	2,500.00	10/26/2017	165,467.00	2,691.00
Oracle	68389XAG0	12/31/2013	7/8/2019	150,000.00	157,986.00	160,662.00	3,750.00	10/30/2017	158,052.00	66.00
Valero Energy Corp.	91913YAS9	6/27/2016	3/15/2025	75,000.00	75,776.00	75,184.00	1,369.00	11/9/2017	77,469.00	1,693.00
Verizon Communications	92343VBY9	9/26/2016	3/15/2024	75,000.00	82,679.00	78,706.00	3,112.00	4/25/2018	76,264.00	-6,415.00
Totals:				\$1,060,000.00	\$1,111,789.00	\$1,110,465.00	\$26,765.00		\$1,110,599.00	(\$3,618.00)
				Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued		Receipts from Sale - Interest Excl.	Profit or Loss on Sale
Totals:				\$1,291,517.00	\$1,274,350.00	\$1,273,187.00	\$34,725.00		\$1,270,599.00	(\$6,179.00)

Schedule C - Part 3

Investments in State, Local and Corporate Obligations Held at End of Year

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Rating Agency	Rating	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value
10203 Municipal Bonds														
Crystal Lake Bld Am	229255FQ2	9/29/2009	1/1/2020	N	4.650 %	25,000.00	25,000.00	Moody's	Aa2	25,253.00	1,162.00	0.00	0.00	25,000.00
FOX VALLEY PK DIST	351592GN 4	10/30/2017	12/15/2026	N	5.625 %	45,000.00	48,735.00	Standard & Poor's	AA+	47,457.00	1,266.00	0.00	0.00	48,735.00
McHenry County	580815FX1	4/19/2012	12/15/2020	N	4.850 %	50,000.00	57,552.00	Moody's	Aaa	50,598.00	2,425.00	0.00	0.00	51,465.00
Will Cty FPD	968661GL6	10/22/2010	12/1/2033	N	5.150 %	100,000.00	106,684.00	Standard & Poor's	AA+	110,027.00	5,500.00	0.00	0.00	105,258.00
Totals:						\$220,000.00	\$237,971.00			\$233,335.00	\$10,353.00	\$0.00	\$0.00	\$230,458.00
10249 Other State and Local Government Securities														
Cook County Cmty SD	213633GH 7	2/1/2016	12/1/2027	N	5.841 %	85,000.00	94,493.00	Standard & Poor's	AA+	88,525.00	4,965.00	0.00	0.00	93,655.00
Cook Cty IL TWP	215777JL8	6/24/2010	12/1/2025	N	5.700 %	50,000.00	50,000.00	Moody's	Aaa	52,312.00	2,850.00	0.00	0.00	50,000.00
Palatine Pk Dist	696123GX0	3/16/2015	12/1/2019	N	1.900 %	60,000.00	60,000.00	Moody's	Aa1	59,137.00	1,140.00	0.00	0.00	60,000.00
Will County Bld America	968657FN1	6/20/2014	11/15/2020	N	4.575 %	50,000.00	56,134.00	Standard & Poor's	AA+	51,928.00	2,287.00	0.00	0.00	53,458.00
Will Cty Cons Sch Dist	968717QR 2	6/20/2014	10/1/2020	N	4.250 %	50,000.00	54,750.00	Moody's	Aa2	51,470.00	2,125.00	0.00	0.00	52,727.00
Totals:						\$295,000.00	\$315,377.00			\$303,372.00	\$13,367.00	\$0.00	\$0.00	\$309,840.00
10500 Corporate Bonds														
Adobe Systems Inc	00724FAC5	10/25/2016	2/1/2025	N	3.250 %	100,000.00	104,824.00	Moody's	A3	98,272.00	3,250.00	0.00	0.00	104,549.00
Allstate Corp	020002AZ4	9/16/2014	6/15/2023	N	3.150 %	100,000.00	99,895.00	Moody's	A3	98,537.00	3,150.00	0.00	0.00	99,925.00
Amgen	031162AX8	3/28/2013	6/1/2018	N	6.150 %	80,000.00	97,832.00	Moody's	Baa1	80,232.00	4,920.00	0.00	0.00	84,372.00
Bank of America	06051GEH 8	3/30/2015	5/13/2021	N	5.600 %	100,000.00	113,101.00	Moody's	A3	104,912.00	5,000.00	0.00	0.00	108,618.00
Bank of America	06051GFS 3	4/24/2017	8/1/2025	N	3.875 %	50,000.00	51,275.00	Moody's	A3	49,517.00	1,938.00	0.00	0.00	51,240.00
Burlington Northern	12189LAD3	12/17/2012	6/1/2021	N	4.100 %	75,000.00	84,420.00	Moody's	A3	76,911.00	3,075.00	0.00	0.00	80,529.00
Citigroup Inc	172967ES6	2/23/2017	5/15/2018	N	6.125 %	75,000.00	78,946.00	Moody's	Baa1	75,102.00	4,594.00	0.00	0.00	78,262.00

Citigroup Inc	172967HT1	9/26/2016	6/16/2024	N	3.750 %	100,000.00	106,681.00	Moody's	Baa1	99,325.00	3,750.00	0.00	0.00	106,275.00														
Ford Motor Credit Co LLC	345397XN8	10/25/2016	10/5/2018	N	2.551 %	200,000.00	201,680.00	Moody's	Baa2	199,976.00	5,102.00	0.00	0.00	201,680.00														
General Elec Capital Corp	36962G6S8	4/29/2013	1/9/2023	N	0.031 %	100,000.00	98,786.00	Moody's	A2	97,758.00	3,100.00	0.00	0.00	99,188.00														
General Mills	370334BT0	2/26/2015	2/15/2024	N	3.650 %	100,000.00	104,636.00	Moody's	Baa2	98,794.00	3,650.00	0.00	0.00	103,414.00														
Gilead Sciences	375558AW3	3/30/2015	4/1/2024	N	3.700 %	100,000.00	107,067.00	Moody's	A3	100,665.00	3,700.00	0.00	0.00	105,546.00														
JOHNSON & JOHNSON	478160CK8	11/8/2017	1/15/2028	N	2.900 %	150,000.00	149,822.00	Moody's	Aaa	141,698.00	0.00	0.00	0.00	149,822.00														
JP Morgan Chase	46625HMN7	4/24/2017	7/15/2025	N	3.900 %	125,000.00	130,340.00	Moody's	A3	124,146.00	4,875.00	0.00	0.00	130,215.00														
Norfolk Southern	655844BP2	12/10/2014	1/15/2024	N	3.850 %	50,000.00	52,450.00	Moody's	Baa1	50,382.00	1,925.00	0.00	0.00	51,818.00														
Omnicom Group	681919AZ9	3/7/2016	5/1/2022	N	3.625 %	200,000.00	204,278.00	Moody's	Baa1	200,082.00	7,250.00	0.00	0.00	203,535.00														
Oracle Corp	68389XAS4	7/29/2014	7/15/2023	N	3.625 %	100,000.00	103,390.00	Moody's	A1	101,424.00	3,625.00	0.00	0.00	102,369.00														
PNC Funding Corp	693476BL6	7/14/2015	8/11/2020	N	4.375 %	165,000.00	178,919.00	Moody's	A3	169,124.00	7,219.00	0.00	0.00	174,381.00														
US Bancorp	91159HHA1	7/29/2014	5/24/2021	N	4.125 %	125,000.00	134,217.00	Moody's	A1	128,101.00	5,156.00	0.00	0.00	131,829.00														
Verizon Communications	92343VBC7	2/23/2017	11/1/2021	N	3.500 %	75,000.00	77,300.00	Moody's	Baa1	75,557.00	2,625.00	0.00	0.00	77,220.00														
Welltower Inc	42217KBF2	6/27/2016	6/1/2025	N	4.000 %	100,000.00	104,776.00	Moody's	Baa1	98,426.00	4,000.00	0.00	0.00	104,529.00														
Totals:						\$2,270,000.00	\$2,384,635.00			\$2,268,941.00	\$81,904.00	\$0.00	\$0.00	\$2,349,316.00														
						<table><tr><th>Par Value of Security</th><th>Cost Excluding Interest and Charges</th><th>Market Value End of Year</th><th>Interest Received and Accrued</th><th>Accrual of Discount</th><th>Amortization of Premium</th><th>Book Value</th></tr><tr><td>\$2,785,000.00</td><td>\$2,937,983.00</td><td>\$2,805,648.00</td><td>\$105,624.00</td><td>\$0.00</td><td>\$0.00</td><td>\$2,889,614.00</td></tr></table>									Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value	\$2,785,000.00	\$2,937,983.00	\$2,805,648.00	\$105,624.00	\$0.00	\$0.00	\$2,889,614.00
Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value																						
\$2,785,000.00	\$2,937,983.00	\$2,805,648.00	\$105,624.00	\$0.00	\$0.00	\$2,889,614.00																						
Totals:						\$2,785,000.00	\$2,937,983.00			\$2,805,648.00	\$105,624.00	\$0.00	\$0.00	\$2,889,614.00														

Schedule D - Part 1

Investments in US Government & Agency Obligations - Acquired

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
10252 Treasury Notes									
US TREASURY NOTE	912828VQ0	10/26/2017	7/31/2018	N	1.375 %	130,000.00	130,428.00	0.00	427.00
US TREASURY NOTE	912828M56	11/8/2017	11/15/2025	N	2.250 %	150,000.00	151,632.00	0.00	1,632.00
US TREASURY NOTE	912828D23	12/11/2017	4/30/2019	N	1.625 %	100,000.00	99,958.00	0.00	189.00
US TREASURY NOTE	912828G38	10/27/2017	11/15/2024	N	2.250 %	100,000.00	100,938.00	0.00	997.00
					Totals:	\$480,000.00	\$482,956.00	\$0.00	\$3,245.00
10259 Other U.S. Government Securities									
FED	3130ACKB9	10/19/2017	9/10/2027	N	2.625 %	300,000.00	300,416.00	0.00	416.00
FED	3130AD2Q4	1/3/2018	12/21/2021	N	2.230 %	50,000.00	49,871.00	0.00	40.00
					Totals:	\$350,000.00	\$350,287.00	\$0.00	\$456.00
10284 Federal Farm Credit Banks									
FFCB	3133EJFB0	3/16/2018	3/7/2028	N	3.170 %	100,000.00	100,342.00	0.00	106.00
FFCB	3133EA7E2	10/23/2017	11/4/2022	N	1.960 %	100,000.00	100,357.00	0.00	909.00
FFCB	3133EHL68	10/23/2017	10/26/2027	N	2.700 %	200,000.00	200,000.00	0.00	0.00
FFCB	3133EHBV4	11/1/2017	3/9/2027	N	3.080 %	150,000.00	152,066.00	0.00	680.00
FFCB	3133EHC84	11/7/2017	3/3/2027	N	2.570 %	250,000.00	250,614.00	0.00	625.00
FFCB	3133EFQU4	11/8/2017	11/25/2026	N	2.800 %	100,000.00	102,938.00	0.00	1,276.00
FFCB	3133EEW89	11/20/2017	6/15/2027	N	3.125 %	100,000.00	105,209.00	0.00	1,354.00
FFCB	3133EA7F9	11/28/2017	11/7/2028	N	2.800 %	50,000.00	50,002.00	0.00	86.00
FFCB	31331J3M3	11/28/2017	11/24/2028	N	4.300 %	50,000.00	56,919.00	0.00	30.00
					Totals:	\$1,100,000.00	\$1,118,447.00	\$0.00	\$5,066.00
10286 Federal Home Loan Banks									
FHLB	3130A2VE3	10/27/2017	9/11/2026	N	3.000 %	100,000.00	103,182.00	0.00	408.00
FHLB	3130A0A26	10/30/2017	4/10/2028	N	4.000 %	200,000.00	222,411.00	0.00	467.00
FHLB	3130AAAG3	10/19/2017	12/11/2026	N	2.625 %	200,000.00	202,501.00	0.00	1,881.00
FHLB	3130A07B0	12/28/2017	9/1/2028	N	4.000 %	100,000.00	112,000.00	0.00	1,311.00
FHLB	3130A6ZQ3	10/26/2017	12/12/2025	N	2.625 %	250,000.00	254,008.00	0.00	2,461.00
					Totals:	\$850,000.00	\$894,102.00	\$0.00	\$6,528.00

	Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
Totals:	\$2,780,000.00	\$2,845,792.00	\$0.00	\$15,295.00

Schedule D - Part 2

Investments in US Government & Agency Obligations - Sold

Security Description	CUSIP Number	Date Acquired	Maturity Date	Par Value of Security	Cost Excluding Interest and Charges	Market Value Beginning of Year	Interest Received and Accrued	Date Sold	Receipts from Sale - Interest Excl.	Profit or Loss on Sale
10261 Government National Mortgage Association (GNMA)										
GNMA #1790	36202B7B5	11/22/1994	7/20/2024	8.00	8.00	8.00	7.00	5/22/2017	8.00	0.00
GNMA #2629	36202C4N0	9/3/1998	8/20/2028	166.00	164.00	166.00	281.00	5/22/2017	166.00	2.00
GNMA #623180	36291BJZ1	2/25/2004	12/15/2018	693.00	715.00	693.00	78.00	5/15/2017	693.00	-22.00
GNMA #628927	36291HVU5	8/4/2004	6/15/2019	1,425.00	1,415.00	1,425.00	130.00	5/15/2017	1,425.00	10.00
Totals:				\$2,292.00	\$2,302.00	\$2,292.00	\$496.00		\$2,292.00	(\$10.00)
10284 Federal Farm Credit Banks										
FFCB	31331SJR5	10/16/2006	12/16/2019	100,000.00	101,824.00	108,735.00	2,475.00	10/26/2017	108,401.00	6,577.00
FFCB	31331XJ94	12/30/2015	7/3/2017	100,000.00	100,000.00	100,913.00	2,813.00	7/3/2017	100,000.00	0.00
FFCB	31331THC8	10/22/2007	10/22/2018	50,000.00	50,486.00	53,052.00	1,335.00	11/28/2017	51,819.00	1,333.00
Totals:				\$250,000.00	\$252,310.00	\$262,700.00	\$6,623.00		\$260,220.00	\$7,910.00
10285 Federal Home Loan Mortgage Corporation (Freddie Mac)										
FHLMC	3137EABA6	6/15/2011	11/17/2017	150,000.00	153,269.00	153,344.00	7,688.00	11/17/2017	150,000.00	-3,269.00
Totals:				\$150,000.00	\$153,269.00	\$153,344.00	\$7,688.00		\$150,000.00	(\$3,269.00)
10286 Federal Home Loan Banks										
FHLB	3133XN4B2	11/21/2013	12/9/2022	110,000.00	122,155.00	128,688.00	5,775.00	3/19/2018	123,537.00	1,382.00
FHLB	3133XRFZ8	7/28/2016	6/8/2018	200,000.00	207,673.00	207,890.00	4,750.00	10/23/2017	207,543.00	-130.00
FHLB	3133XSR59	7/23/2010	12/14/2018	215,000.00	221,335.00	223,211.00	4,031.00	10/24/2017	223,053.00	1,718.00
FHLB	313375K48	9/28/2016	9/14/2018	200,000.00	203,364.00	202,034.00	2,000.00	10/30/2017	201,345.00	-2,019.00
FHLB	3133XPKG8	3/27/2015	3/10/2023	125,000.00	144,010.00	372,392.00	0.00	10/30/2017	142,062.00	-1,948.00
FHLB	3133XVRK9	6/26/2016	12/13/2019	140,000.00	150,970.00	149,254.00	2,888.00	11/7/2017	149,120.00	-1,850.00
Totals:				\$990,000.00	\$1,049,507.00	\$1,283,469.00	\$19,444.00		\$1,046,660.00	(\$2,847.00)
Totals:				\$1,392,292.00	\$1,457,388.00	\$1,701,805.00	\$34,251.00		\$1,459,172.00	\$1,784.00

Schedule D - Part 3

Investments in US Government & Agency Obligations Held at End of Year

Security Description	CUSIP Number	Date Acquired	Maturity Date	Var. Rate	Rate	Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value (Amortized Cost)
10252 Treasury Notes												
US TREASURY NOTE	912828VQ0	10/26/2017	7/31/2018	N	1.375 %	130,000.00	130,001.00	129,838.00	894.00	\$0.00	0.00	130,001.00
US TREASURY NOTE	912828D23	12/11/2017	4/30/2019	N	1.625 %	100,000.00	99,770.00	99,359.00	813.00	\$0.00	0.00	99,770.00
US TREASURY NOTE	912828G38	10/27/2017	11/15/2024	N	2.250 %	100,000.00	99,941.00	96,141.00	1,125.00	\$0.00	0.00	99,941.00
US TREASURY NOTE	912828M56	11/8/2017	11/15/2025	N	2.250 %	150,000.00	149,999.00	143,109.00	1,688.00	\$0.00	0.00	149,999.00
Totals:						\$480,000.00	\$479,711.00	\$468,447.00	\$4,520.00	\$0.00	\$0.00	\$479,711.00
10259 Other U.S. Government Securities												
FED	3130AD2Q4	1/3/2018	12/21/2021	N	2.230 %	50,000.00	49,831.00	48,856.00	0.00	\$0.00	0.00	49,831.00
FED	3130ACKB9	10/19/2017	9/10/2027	N	2.625 %	300,000.00	300,000.00	284,749.00	3,413.00	\$0.00	0.00	300,000.00
U.S. T- Inflation Index	912828JX9	8/5/2009	1/15/2019	N	2.125 %	67,506.00	61,606.00	70,486.00	1,458.00	\$0.00	0.00	61,606.00
Totals:						\$417,506.00	\$411,437.00	\$404,091.00	\$4,871.00	\$0.00	\$0.00	\$411,437.00
10261 Government National Mortgage Association (GNMA)												
GNMA #1790	36202B7B5	11/22/1994	7/20/2024	N	8.000 %	102.00	83.00	92.00	0.00	\$0.00	0.00	83.00
GNMA #2629	36202C4N0	9/3/1998	8/20/2028	N	6.000 %	4,985.00	4,264.00	4,744.00	0.00	\$0.00	0.00	4,264.00
GNMA #623180	36291BJZ1	2/25/2004	12/15/2018	N	5.000 %	2,454.00	641.00	627.00	0.00	\$0.00	0.00	641.00
GNMA #628927	36291HVU5	8/4/2004	6/15/2019	N	4.500 %	4,620.00	1,218.00	1,242.00	0.00	\$0.00	0.00	1,218.00
Totals:						\$12,161.00	\$6,206.00	\$6,705.00	\$0.00	\$0.00	\$0.00	\$6,206.00
10284 Federal Farm Credit Banks												
FFCB	3133EHL68	10/23/2017	10/26/2027	N	2.700 %	200,000.00	200,000.00	190,776.00	2,700.00	\$0.00	0.00	200,000.00
FFCB	3133EJFB0	3/16/2018	3/7/2028	N	3.170 %	100,000.00	100,237.00	98,834.00	0.00	\$0.00	0.00	100,237.00
FFCB	3133EHC84	11/7/2017	3/3/2027	N	2.570 %	250,000.00	249,990.00	237,221.00	2,677.00	\$0.00	0.00	249,990.00
FFCB	3133EHBV4	11/1/2017	3/9/2027	N	3.080 %	150,000.00	151,386.00	145,791.00	2,310.00	\$0.00	0.00	151,386.00
FFCB	3133EEW89	11/20/2017	6/15/2027	N	3.125 %	100,000.00	103,855.00	99,023.00	1,563.00	\$0.00	0.00	103,855.00

FFCB	3133EA7F9	11/28/2017	11/7/2028	N	2.800 %	50,000.00	49,917.00	47,667.00	0.00	\$0.00	0.00	49,917.00
FFCB	31331J3M3	11/28/2017	11/24/2028	N	4.300 %	50,000.00	56,889.00	54,291.00	0.00	\$0.00	0.00	56,889.00
FFCB	3133EA7E2	10/23/2017	11/7/2022	N	1.960 %	100,000.00	99,448.00	96,196.00	980.00	\$0.00	0.00	99,448.00
FFCB	3133EFQU4	11/8/2017	11/25/2026	N	2.800 %	100,000.00	101,662.00	97,100.00	1,400.00	\$0.00	0.00	101,662.00
FFCB	31331S6U2	3/4/2016	7/20/2023	N	4.875 %	200,000.00	233,754.00	218,897.00	9,750.00	\$0.00	0.00	233,754.00
FFCB	31331VWN2	1/27/2016	4/13/2026	N	5.400 %	150,000.00	185,032.00	173,691.00	8,100.00	\$0.00	0.00	185,032.00
FFCB	31331JUW1	10/28/2016	7/6/2020	N	3.450 %	100,000.00	107,433.00	101,775.00	3,450.00	\$0.00	0.00	107,433.00
FFCB	31331VHD1	3/16/2017	8/25/2026	N	5.300 %	100,000.00	118,987.00	115,386.00	5,300.00	\$0.00	0.00	118,987.00
FFCB	31331YLB4	2/28/2017	12/28/2027	N	5.250 %	150,000.00	182,939.00	174,294.00	7,875.00	\$0.00	0.00	182,939.00
FFCB	31331SLJ0	11/23/2007	9/10/2018	N	4.950 %	25,000.00	24,969.00	25,265.00	1,238.00	\$0.00	0.00	24,969.00
FFCB	31331XFK3	4/17/2012	10/5/2021	N	5.030 %	150,000.00	171,594.00	161,043.00	7,545.00	\$0.00	0.00	171,594.00
FFCB	31331YFQ8	11/21/2013	11/28/2022	N	5.125 %	275,000.00	313,531.00	301,480.00	14,094.00	\$0.00	0.00	313,531.00
FFCB	31331YHY9	9/20/2012	12/19/2022	N	5.210 %	25,000.00	29,683.00	27,516.00	1,303.00	\$0.00	0.00	29,683.00

Totals:						\$2,275,000.00	\$2,481,306.00	\$2,366,246.00	\$70,285.00	\$0.00	\$0.00	\$2,481,306.00
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10286 Federal Home Loan Banks

FHLB	3133XTB21	7/15/2009	3/6/2019	N	4.300 %	75,000.00	75,943.00	76,275.00	3,225.00	\$0.00	0.00	75,943.00
FHLB	3133X72S2	2/13/2007	5/15/2019	N	5.375 %	100,000.00	101,790.00	103,106.00	5,375.00	\$0.00	0.00	101,790.00
FHLB	3133XU3G6	3/7/2011	7/1/2019	N	4.375 %	100,000.00	104,900.00	102,249.00	4,375.00	\$0.00	0.00	104,900.00
FHLB	3133XD4P3	4/25/2014	9/11/2020	N	0.046 %	50,000.00	53,988.00	52,261.00	2,312.00	\$0.00	0.00	53,988.00
FHLB	3133XHRJ3	11/28/2006	12/10/2021	N	5.000 %	150,000.00	149,354.00	161,335.00	7,500.00	\$0.00	0.00	149,354.00
FHLB	3133XMFY2	11/21/2013	9/30/2022	N	5.375 %	50,000.00	56,097.00	55,214.00	2,687.00	\$0.00	0.00	56,097.00
FHLB	3133X8EW8	1/16/2014	8/15/2024	N	5.375 %	140,000.00	157,067.00	159,095.00	7,525.00	\$0.00	0.00	157,067.00
FHLB	3133X8L34	12/29/2016	9/9/2024	N	5.365 %	75,000.00	89,354.00	85,192.00	4,024.00	\$0.00	0.00	89,354.00
FHLB	3133XG6E9	6/29/2016	6/12/2026	N	5.750 %	100,000.00	131,906.00	118,411.00	5,750.00	\$0.00	0.00	131,906.00
FHLB	3130AAAG3	10/19/2017	12/11/2026	N	2.625 %	200,000.00	200,620.00	191,410.00	2,625.00	\$0.00	0.00	200,620.00
FHLB	3133XDVS7	7/25/2014	12/11/2020	N	5.250 %	100,000.00	110,333.00	106,479.00	5,250.00	\$0.00	0.00	110,333.00
FHLB	3133XPKG8	3/27/2015	3/10/2023	N	4.750 %	200,000.00	228,463.00	216,555.00	12,469.00	\$0.00	0.00	228,463.00
FHLB	3130A6ZQ3	10/26/2017	12/12/2025	N	2.625 %	250,000.00	251,548.00	241,835.00	3,281.00	\$0.00	0.00	251,548.00
FHLB	3130A2VE3	10/27/2017	9/11/2026	N	3.000 %	100,000.00	102,774.00	98,690.00	1,500.00	\$0.00	0.00	102,774.00
FHLB	3130A0A26	10/30/2017	4/10/2028	N	4.000 %	200,000.00	221,944.00	211,617.00	4,000.00	\$0.00	0.00	221,944.00
FHLB	3130A07B0	12/28/2017	9/1/2028	N	4.000 %	100,000.00	110,689.00	105,909.00	2,000.00	\$0.00	0.00	110,689.00

Totals:						\$1,990,000.00	\$2,146,770.00	\$2,085,633.00	\$73,898.00	\$0.00	\$0.00	\$2,146,770.00
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	Par Value of Security	Cost Excluding Interest and Charges	Market Value End of Year	Interest Received and Accrued	Accrual of Discount	Amortization of Premium	Book Value (Amortized Cost)
Totals:	\$5,174,667.00	\$5,525,430.00	\$5,331,122.00	\$153,574.00	\$0.00	\$0.00	\$5,525,430.00

Schedule E

Investments in Insurance Company Contracts - General Accounts

[illegible]

Schedule F

Investments in Insurance Company Contracts - Separate Accounts

Insurance Company	Title of Annuity	Name of Sep Acct	Contract Number	Date Acquired	Maturity Date	Cost of Separate Account	Market Value Beginning of Year	Earnings Credited to Account	Additions or Withdrawals	Surrender Charges Paid	Market Value End of Year
						Cost of Separate Account	Market Value Beginning of Year	Earnings Credited to Account	Additions or Withdrawals	Surrender Charges Paid	Market Value End of Year
Totals:						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Schedule G

Investments in Pooled Investment Accounts

Insurance Company	Date of Investment	Account Number	Number of Units	Additions or Withdrawals	Market Value End of Year	Cost	Market Value Beginning of Year	Earnings Credited to Account
				Additions or Withdrawals	Market Value End of Year	Cost	Market Value Beginning of Year	Earnings Credited to Account
Totals:				\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Schedule J - Part 1

Investments in Common and Preferred Stock - Acquired

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Purchase	Cost	Settle Date	Commissions / Fees
10451 Domestic Common							
Adobe Systems Inc	00724F101	655.000	6/21/2017	143.79	94,189.00	6/21/2017	0.00
General Dynamics Corp	369550108	227.000	6/21/2017	204.39	46,399.00	6/21/2017	0.00
Grainger WW Inc	384802104	104.000	6/21/2017	172.99	17,992.00	6/21/2017	0.00
Honeywell International	438516106	1285.000	6/21/2017	134.61	172,990.00	6/21/2017	0.00
Totals:					\$331,570.00		\$0.00
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					Cost	Commissions / Fees	
Totals:					\$331,570.00		\$0.00

Schedule J - Part 2

Investments in Common and Preferred Stock - Sold

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Sale	Commissions / Fees	Date Sold	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
10451 Domestic Common										
Adobe Systems Inc	00724F101	655.000	6/21/2017	143.80	0.00	10/23/2017	19,363.00	113,552.00	0.00	0.00
Allstate Corp	020002101	2206.000	1/4/2014	53.24	0.00	10/23/2017	70,551.00	204,782.00	179,326.00	1,632.00
Alphabet	02079K305	275.000	11/27/2015	776.07	0.00	10/23/2017	57,143.00	272,500.00	254,243.00	0.00
Amazon.com	023135106	196.000	2/23/2016	530.41	0.00	10/23/2017	71,898.00	190,421.00	181,298.00	0.00
Apple Computer	037833100	1218.000	2/13/2013	156.28	0.00	10/23/2017	86,747.00	190,342.00	174,966.00	1,535.00
At & T	00206R102	1890.000	2/9/2016	36.51	0.00	10/23/2017	-709.00	50,319.00	74,901.00	2,314.00
Baker Hughes Inc	057224107	2054.000	2/1/2015	64.51	0.00	10/23/2017	-57,870.00	65,575.00	121,946.00	36,643.00
Biogen Idec	09062X103	556.000	2/13/2017	233.95	0.00	10/23/2017	47,061.00	182,977.00	150,793.00	0.00
BlackRock Inc	09247X101	396.000	10/26/2016	371.78	0.00	10/23/2017	46,003.00	189,467.00	152,290.00	1,980.00
Boeing Co	097023105	557.000	2/1/2015	135.41	0.00	6/26/2017	35,239.00	110,660.00	102,950.00	791.00
Cerner Corp	156782104	2155.000	2/13/2017	52.95	0.00	10/23/2017	43,145.00	157,255.00	139,536.00	0.00
Citigroup Inc	172967424	2847.000	10/26/2016	56.49	0.00	10/23/2017	66,696.00	209,864.00	168,315.00	1,367.00
Conocophillips Com	20825C104	3255.000	6/22/2016	44.51	0.00	10/23/2017	19,478.00	164,354.00	155,947.00	2,588.00
Costco	22160K105	408.000	9/18/2015	142.65	0.00	10/23/2017	7,828.00	66,030.00	72,428.00	3,264.00
CVS Corp	126650100	1498.000	6/12/2012	102.86	0.00	10/23/2017	-5,404.00	114,275.00	123,495.00	2,247.00
DELTA	247361702	1194.000	2/17/2015	44.75	0.00	6/26/2017	8,933.00	62,360.00	54,255.00	242.00
DOMINOS	25754A201	373.000	6/24/2014	71.62	0.00	10/23/2017	40,419.00	69,113.00	67,658.00	343.00
F5 Networks	315616102	659.000	12/4/2012	88.34	0.00	12/23/2017	12,912.00	78,672.00	85,097.00	0.00
Franklin Resources	354613101	2020.000	4/23/2014	53.65	0.00	10/23/2017	14,753.00	91,272.00	87,082.00	808.00
General Dynamics Corp	369550108	852.000	9/9/2016	154.45	0.00	10/23/2017	15,424.00	181,751.00	121,119.00	1,956.00
GILEAD	375558103	1724.000	6/24/2014	93.31	0.00	10/23/2017	-31,301.00	129,569.00	118,180.00	1,434.00
Grainger	384802104	226.000	9/18/2015	223.22	0.00	10/23/2017	-2,749.00	47,567.00	43,550.00	0.00
Grainger WW Inc	384802104	104.000	6/21/2017	173.00	0.00	10/23/2017	3,897.00	21,889.00	43,550.00	712.00
Hasbro	418056107	1549.000	11/21/2016	85.22	0.00	10/23/2017	-5,074.00	138,124.00	153,521.00	1,766.00

HOME DEPOT	437076102	831.000	2/17/2015	111.88	0.00	10/23/2017	44,200.00	137,749.00	129,719.00	1,479.00
Honeywell International	438516106	1285.000	6/21/2017	134.61	0.00	10/23/2017	14,341.00	187,331.00	0.00	855.00
Johnson & Johnson	478160104	1614.000	1/24/2014	93.51	0.00	10/23/2017	75,714.00	232,481.00	199,281.00	2,712.00
Kroger	501044101	4899.000	2/9/2016	37.22	0.00	8/17/2017	-66,909.00	115,418.00	145,255.00	1,200.00
McKesson Corp	58155Q103	815.000	6/22/2016	177.86	0.00	10/23/2017	-19,007.00	121,906.00	112,706.00	505.00
Nike Inc Cl B	654106103	2581.000	1/24/2014	50.55	0.00	10/23/2017	26,497.00	138,817.00	143,013.00	929.00
Oracle Corp	68389X105	1705.000	6/13/2012	32.13	0.00	10/23/2017	24,885.00	84,474.00	76,657.00	648.00
Proctor and Gamble	742718109	1561.000	2/17/2015	85.31	0.00	10/23/2017	5,209.00	136,089.00	136,322.00	3,229.00
Prosperity Bancshares	743606105	1790.000	6/8/2015	55.11	0.00	10/23/2017	19,248.00	115,791.00	120,288.00	1,217.00
Starbucks	855244109	3311.000	12/5/2012	30.77	0.00	10/23/2017	55,463.00	180,993.00	198,859.00	1,656.00
Texas Instruments	882508104	1200.000	9/18/2015	48.41	0.00	10/23/2017	54,739.00	115,397.00	95,016.00	1,200.00
Union Pacific Corp	907818108	1073.000	12/5/2012	96.72	0.00	10/23/2017	33,180.00	121,544.00	120,133.00	1,298.00
Universal Health Svcs B	913903100	809.000	2/17/2015	106.78	0.00	6/26/2017	5,322.00	91,705.00	97,695.00	81.00
Verizon	92343V104	1230.000	2/9/2016	50.44	0.00	10/23/2017	-1,423.00	60,591.00	56,469.00	2,146.00
Visa	92826C839	1340.000	2/9/2016	73.59	0.00	10/23/2017	45,588.00	143,773.00	122,235.00	442.00
Totals:					\$0.00		\$881,430.00	\$5,086,749.00	\$4,580,094.00	\$81,219.00

	Commissions / Fees	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
Totals:	\$0.00	\$881,430.00	\$5,086,749.00	\$4,580,094.00	\$81,219.00

Schedule J - Part 3

Investments in Common and Preferred Stock Held at End of Year

Security Description	CUSIP Number	Shares	Trade Date	Market Price End of Year	Cost	Unit Cost at Time of Purchase	Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
					Cost		Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
Totals:					\$0.00		\$0.00	\$0.00	\$0.00

Schedule K - Part 1

Investments in Mutual Funds - Acquired

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Purchase	Cost	Settle Date	Commissions / Fees
10550 Mutual Funds							
BRIDGWAY ULTRA SMALL	108747403	24142.313	10/23/2017	15.74	380,000.00	10/23/2017	0.00
COHEN & STEERS INST REAL	19247U106	7205.584	10/23/2017	44.41	320,000.00	10/23/2017	0.00
FIDELITY ADV MATERIALS	316390277	2618.372	10/23/2017	91.66	240,000.00	10/23/2017	0.00
FIRST EAGLE OVERSEAS	32008F200	7736.944	10/23/2017	25.85	200,000.00	10/23/2017	0.00
GOLDMAN SACHS INTL EQ	38142V803	14880.952	10/23/2017	13.44	200,000.00	10/23/2017	0.00
HENNESSY FOCUS FD I	42588P700	4352.308	10/23/2017	87.31	380,000.00	10/23/2017	0.00
HOMESTEAD SM CO STOCK FD	437769508	20081.227	10/23/2017	44.32	890,000.00	10/23/2017	0.00
LSV VALUE EQ FUND INST	00758M634	47489.824	10/23/2017	29.48	1,400,000.00	10/23/2017	0.00
PIONEER EQUITY INCOME Y	72366V405	38503.850	10/23/2017	36.36	1,400,000.00	10/23/2017	0.00
TROWE PRICE GWTH STK FD I	741479406	40745.052	10/23/2017	68.72	2,800,000.00	10/23/2017	0.00
TROWE PRICE QM US SM CAP	87283A102	26480.214	10/23/2017	33.61	890,000.00	10/23/2017	0.00
VANGUARD 500 INDEX FD ADM	922908710	3797.308	10/23/2017	237.01	900,000.00	10/23/2017	0.00
VANGUARD 500 INDEX FD ADM	922908710	195.572	1/11/2018	255.66	50,000.00	1/11/2018	0.00
Vanguard 500 Index Fd-Adm	922908710	526.016	8/16/2017	228.52	120,205.00	8/16/2017	0.00
VANGUARD ENERGY FD ADM	921908802	829.016	10/23/2017	96.50	80,000.00	10/23/2017	0.00
Totals:					\$10,250,205.00		\$0.00
					Cost	Commissions / Fees	
Totals:					\$10,250,205.00		\$0.00

Schedule K - Part 2

Investments in Mutual Funds - Sold

Security Description	CUSIP Number	Shares	Trade Date	Unit Cost at Time of Sale	Commissions / Fees	Date Sold	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
10550 Mutual Funds										
BRIDGWAY ULTRA SMALL	108747403	336.474	10/23/2017	15.76	0.00	1/11/2018	-296.00	5,000.00	0.00	0.00
Deutsche Global Infr	25156A858	29913.174	9/4/2013	13.78	0.00	10/23/2017	28,968.00	441,518.00	431,511.00	5,655.00
Invesco Global Real Estat	00142C326	33158.560	4/29/2011	11.83	0.00	10/23/2017	49,118.00	433,964.00	421,606.00	3,145.00
JP Morgan Mid Cap Value F	339128100	15474.324	3/27/2012	31.49	0.00	10/23/2017	130,671.00	618,728.00	587,335.00	0.00
Lazard Emerging Markets E	52106N889	21976.722	3/27/2012	18.73	0.00	10/23/2017	35,725.00	428,766.00	394,262.00	2,079.00
LSV VALUE EQ FUND INST	00758M634	334.113	10/23/2017	29.51	0.00	1/11/2018	144.00	10,000.00	0.00	0.00
MFS International Value I	55273E822	22306.746	12/18/2012	30.25	0.00	10/23/2017	322,972.00	997,781.00	903,869.00	0.00
Oppenheimer Developing Ma	683974604	6217.121	6/25/2012	34.93	0.00	10/23/2017	43,433.00	260,000.00	401,312.00	0.00
Oppenheimer Intl Growth	68380L605	14222.429	8/1/2014	36.86	0.00	10/23/2017	85,702.00	610,000.00	930,014.00	0.00
Sector SPDR Trust SBI Mat	81369Y100	1781.000	2/13/2017	51.48	0.00	10/23/2017	13,061.00	104,748.00	94,518.00	988.00
Sector SPDR Trust Ut ETF	81369Y886	2548.000	6/10/2013	36.55	0.00	10/23/2017	32,107.00	139,618.00	131,732.00	2,176.00
T Rowe Price Mid Cap 64	779556109	7307.404	9/24/2014	79.70	0.00	10/23/2017	151,750.00	669,870.00	606,734.00	0.00
TROWE PRICE GWTH STK FD I	741479406	912.825	10/23/2017	68.78	0.00	1/11/2018	-2,729.00	60,000.00	0.00	0.00
TROWE PRICE GWTH STK FD I	741479406	525.841	10/23/2017	68.83	0.00	2/20/2018	-1,136.00	35,000.00	0.00	0.00
Undiscovered Managers Beh	904504842	9867.316	8/26/2013	50.58	0.00	10/23/2017	148,439.00	690,515.00	653,019.00	0.00
Totals:					\$0.00		\$1,037,929.00	\$5,505,508.00	\$5,555,912.00	\$14,043.00
					Commissions / Fees		Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
Totals:					\$0.00		\$1,037,929.00	\$5,505,508.00	\$5,555,912.00	\$14,043.00

Schedule K - Part 3

Investments in Mutual Funds Held at End of Year

Security Description	CUSIP Number	Shares	Trade Date	Market Price End of Year	Cost	Unit Cost at Time of Purchase	Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
10550 Mutual Funds									
BRIDEGWAY ULTRA SMALL	108747403	27216.970	10/23/2017	14.69	421,914.00	15.50	399,816.00	47,210.00	-22,097.00
COHEN & STEERS INST REAL	19247U106	7602.460	10/23/2017	40.53	336,845.00	44.31	308,128.00	16,845.00	-28,717.00
FIDELITY ADV MATERIALS	316390277	2875.607	10/23/2017	80.36	261,714.00	91.01	231,084.00	21,714.00	-30,630.00
FIRST EAGLE OVERSEAS	32008F200	8016.909	10/23/2017	25.15	207,002.00	25.82	201,625.00	7,002.00	-5,377.00
GOLDMAN SACHS INTL EQ	38142V845	15122.932	10/23/2017	13.74	203,281.00	13.44	207,789.00	3,281.00	4,508.00
HENNESSY FOCUS FD I	42588P700	4352.308	10/23/2017	88.48	380,024.00	87.31	385,116.00	24.00	5,092.00
HOMESTEAD SM CO STOCK FD	437769508	20970.468	10/23/2017	42.48	929,393.00	44.32	890,825.00	39,393.00	-38,568.00
LSV VALUE EQ FUND INST	00758M634	50394.415	10/23/2017	28.29	1,485,365.00	29.47	1,425,658.00	95,221.00	-59,707.00
Oppenheimer Developing Ma	683974604	4813.498	6/25/2012	43.68	164,794.00	34.55	210,254.00	1,489.00	45,460.00
Oppenheimer Intl Growth	68380L605	9696.079	8/1/2014	43.68	348,416.00	36.53	423,525.00	4,413.00	75,008.00
PIONEER EQUITY INCOME Y	72366V405	40378.729	10/23/2017	35.64	1,466,666.00	36.32	1,439,098.00	66,667.00	-27,568.00
TROWE PRICE GWTH STK FD I	741479406	44902.162	10/23/2017	65.95	3,051,542.00	67.98	2,961,298.00	350,407.00	-90,245.00
TROWE PRICE QM US SM CAP	87283A102	26538.251	10/23/2017	35.48	891,986.00	33.61	941,577.00	1,986.00	49,591.00
Vanguard 500 Index	922908710	12049.430	2/13/2017	244.73	2,689,532.00	223.21	2,948,857.00	43,970.00	259,325.00
VANGUARD ENERGY FD ADM	921908802	855.935	10/23/2017	106.51	82,646.00	96.56	91,166.00	2,646.00	8,519.00
Totals:					\$12,921,120.00		\$13,065,816.00	\$702,268.00	\$144,594.00
						Cost	Market Value End of Year	Dividends / Income	Unrealized Gains / Losses
Totals:					\$12,921,120.00		\$13,065,816.00	\$702,268.00	\$144,594.00

Schedule P
Active - Member currently receiving a salary

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Biggs, Darren D		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/10/2001	16 Yrs	\$117,603.69	\$94,818.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Chavez-Jimenez, Jose		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
3/5/2001	17 Yrs	\$121,882.03	\$95,757.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Drake, Christopher M		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/4/1995	22 Yrs	\$154,154.05	\$108,205.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Eisenbeis, Scott R		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
1/8/1990	28 Yrs	\$175,250.63	\$95,757.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
ERDMANN, ALEXANDER		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
8/2/2017	0 Yrs	\$4,664.84	\$65,098.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Gaddis, David A		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
7/13/1987	30 Yrs	\$186,267.04	\$95,757.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Handzik, John J		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
1/7/1993	25 Yrs	\$161,607.41	\$95,757.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Huntley, Blake R		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
1/5/2016	2 Yrs	\$15,652.31	\$72,293.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Kasper, Lauren		Active			F

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
6/22/2007	10 Yrs	\$78,793.24	\$106,083.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Kobler, Timothy J		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
10/27/1994	23 Yrs	\$155,399.20	\$107,961.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
LAVALLE, JOSEPH A		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
6/22/2016	1 Yrs	\$12,022.95	\$68,697.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Lopez, Jose		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/25/2013	4 Yrs	\$31,686.91	\$79,488.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Martino, James D		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/24/2014	3 Yrs	\$24,460.23	\$75,891.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Polfiet, Daniel L		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/14/1992	25 Yrs	\$153,085.07	\$95,757.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Robles, Christine J		Active			F

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
7/1/2014	3 Yrs	\$25,537.80	\$75,891.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Rosal, Othello		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/22/2015	2 Yrs	\$17,423.57	\$72,293.00

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Schaller, Robert R		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
5/15/1995	22 Yrs	\$152,522.46	\$118,000.00

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Strugala, Michelle L		Active			F

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/24/2001	16 Yrs	\$119,722.70	\$107,144.00

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Trainor, Dylan M		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
4/1/2013	5 Yrs	\$36,245.75	\$83,085.00

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
VANDERJACK, MATTHEW R		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
6/6/2016	1 Yrs	\$12,365.76	\$68,697.00

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Volek, Nicholas		Active			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
12/23/2008	9 Yrs	\$70,268.20	\$93,879.00

Retirement - No alternate payee under QILDRO (from active service)

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Altobella, Mark J		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
10/16/1986	29 Yrs	\$245,451.98	\$117,006.00	5/1/2016	5/2/2016	\$117,006.00	\$84,829.00	\$91,087.68

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Barnacle, John S		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
10/17/1983	28 Yrs	\$168,422.00	\$97,906.54	4/1/2012	4/2/2012	\$97,906.54	\$68,534.58	\$81,002.76

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Bozek, William D		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
7/20/1988	23 Yrs	\$132,570.00	\$97,906.54	8/1/2011	8/2/2011	\$97,906.54	\$56,296.26	\$67,489.08

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Finlon, Stephen J		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
7/7/1986	25 Yrs	\$154,766.00	\$97,906.54	8/1/2011	8/2/2011	\$97,906.54	\$61,191.59	\$73,692.84

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Foley, Francis P		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
3/9/1981	29 Yrs	\$160,466.00	\$106,419.00	5/31/2010	6/1/2010	\$106,419.00	\$77,153.78	\$95,900.40

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Kolodziej, Theodore A		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
1/11/1988	29 Yrs	\$175,079.32	\$0.00	7/3/2017	7/4/2017	\$95,756.58	\$69,423.52	\$69,423.52

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Konstanty, Edward J		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
2/21/1980	30 Yrs	\$167,124.70	\$117,578.24	2/28/2010	3/1/2010	\$117,578.24	\$88,183.68	\$111,979.44

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Kurinec, Michael J		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
5/9/1983	28 Yrs	\$157,976.00	\$97,906.54	8/1/2011	8/2/2011	\$97,906.54	\$68,534.58	\$84,289.08

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Long, Mark		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
10/7/1985	30 Yrs	\$166,139.25	\$91,142.10	10/7/2015	10/8/2015	\$91,142.10	\$68,356.58	\$74,695.08

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Oggerino, Paul M		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
12/9/1983	29 Yrs	\$155,592.17	\$106,080.00	1/4/2013	1/5/2013	\$106,080.00	\$76,908.00	\$89,315.16

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Pec, Joeph A		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
9/1/1974	34 Yrs	\$140,497.00	\$96,015.20	11/28/2008	11/29/2008	\$96,015.20	\$72,011.40	\$96,777.12

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Pelliccioni, Andrew D		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Unpaid Service Days	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
1/7/1985	30 Yrs	\$163,133.55	\$88,702.00	16	2/8/2015	2/9/2015	\$88,702.26	\$66,526.70	\$72,695.64

Unpaid Breaks		
Beginning Date	Return Date	Break Type
2/2/1990	2/3/1990	Service
5/8/2008	5/23/2008	Service

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Shelton, Mark T		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
7/13/1987	30 Yrs	\$221,188.03	\$132,266.00	7/14/2017	7/15/2017	\$132,266.00	\$99,199.50	\$99,199.50

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Skiba, John P		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
1/7/1991	24 Yrs	\$143,217.74	\$91,142.10	8/13/2015	2/1/2016	\$91,142.10	\$54,685.26	\$54,685.32

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Svehla, Arthur P		Retirement			M

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
7/7/1986	31 Yrs	\$193,914.15	\$108,204.66	1/1/2018	1/2/2018	\$108,204.66	\$81,153.50	\$81,153.50

Disability - Non-duty disability

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
Dusek, Joseph H		Disability			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary	Unpaid Disability Days	Benefit Date	Salary Used	Original Benefit	Current Benefit
12/29/1974	13 Yrs	\$0.00	\$0.00	11067	1/12/1988	\$37,465.00	\$18,732.50	\$35,590.80

Unpaid Breaks

Beginning Date	Return Date	Break Type
1/11/1988		Disability

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
McCarthy, James P		Disability			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary	Unpaid Disability Days	Benefit Date	Salary Used	Original Benefit	Current Benefit
3/9/1981	11 Yrs	\$21,847.18	\$0.00	9504	4/23/1992	\$38,896.00	\$19,448.00	\$34,034.04

Unpaid Breaks

Beginning Date	Return Date	Break Type
4/22/1992		Disability

Surviving Spouse - Member died in retirement

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
		Surviving Spouse			F

Benefit Date	Salary Used	Original Benefit	Current Benefit
1/21/2011		\$38,512.00	\$38,512.44

Terminated - Terminated active service, left accumulated contributions in the fund

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender
MESTRE, EULALIO		Terminated			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
8/2/2017	0 Yrs	\$4,243.02	\$65,098.00

Termination Date	Refund Date	Refund Amount	Return Date	Repaid Amount	Repaid Date
4/2/2018					

Terminated - Terminated active service, withdrew accumulated contributions

Name (Last, First , MI)	SSN	Status	Birth Date	Age	Gender
Rudnick, Joel		Terminated			M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/25/2013	0 Yrs	\$5,081.01	\$63,636.00

Termination Date	Refund Date	Refund Amount	Return Date	Repaid Amount	Repaid Date
8/20/2014	4/27/2018	\$5,081.01			

Deceased Participant - Dependent Survivors/Surviving Spouse

Name (Last, First, MI)	SSN	Status	Birth Date	Age	Gender	Deceased Date
Kleven, Richard T		Deceased Participant			M	1/21/2011

Service Entry Date	Creditable Service	Accumulated Contributions	Last Salary	Retire Date	Benefit Date	Salary Used	Original Benefit	Current Benefit
5/1/1966	20 Yrs	\$0.00	\$0.00	5/2/1986	5/3/1986	\$37,392.00	\$18,696.00	\$0.00

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

A01. At the time of filing this report, did the board of the pension fund have an actuarial valuation produced by a consulting actuary using data from the fiscal year being reported?

Yes

A01a. If yes, did the pension fund submit the actuarial statement as required by 40 ILCS 5/1A-111? (Upload a copy applicable to the fiscal year being reported in Document Submissions.)

Yes

A01b. What is the assumed interest rate used by the consulting actuary? Enter the percentage.

7.25

A01c. What is the total normal cost (Entry Age Normal) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Entry Age Normal cost method.

478970.00

A01d. What is the total normal cost (Projected Unit Credit) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Projected Unit Credit cost method.

596593.00

A01e. What is the total normal cost as a percentage of payroll (Entry Age Normal) calculated by the consulting actuary? Enter the percentage. Enter 0 if the actuary did not calculate the total normal cost using the Entry Age Normal cost method.

41.82

A01f. What is the total normal cost as a percentage of payroll (Projected Unit Credit) calculated by the consulting actuary? Enter the percentage. Enter 0 if the actuary did not calculate the total normal cost using the Projected Unit Credit cost method.

29.03

A01g. What is the accrued liability (Entry Age Normal) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Entry Age Normal cost method.

6242036.00

A01h. What is the accrued liability (Projected Unit Credit) calculated by the consulting actuary? Enter the dollar amount. Enter 0 if the actuary did not calculate the total normal cost using the Projected Unit Credit cost method.

5175653.00

A02. At the time of filing this report, does the fund and/or the municipality intend to hire a consulting actuary to determine the funding requirement using data from the fiscal year being reported?

Yes

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

A02a. When does the pension fund expect to submit the Actuarial Statement as required by 40 ILCS 5/1A-111?

10/3/2018

A02b. What is the name of the actuary performing the actuarial valuation?

Tepfer Consulting

A03. For the current filing year, did the board submit an annual report on the condition of the pension fund to the municipality in accordance with 40 ILCS 5/3-143 or 40 ILCS 5/4-134?

Yes

A04. Did the municipality levy a property tax for the funding of the pension fund during the fiscal year being reported?

No

A05. Does the pension fund have receivables which are one year or older?

No

A05a. If yes, list the type and amount of each receivable which is one year or older?

A05b. If yes, when does the pension fund expect to convert the receivable to cash/investments?

A06. Does the pension fund intend to use the actuarial valuation report as supplied by DOI for this fiscal year's filing when it is available for the tax levy?

No

A06a. If no, what amount will be presented for the tax levy? Enter the dollar amount.

0.00

A06b. Who estimated this amount? How was this amount estimated?

No property tax is levied, employer contributions come from other General Fund sources as determined by an independent actuarial valuation

I01. Did the board adopt a new investment policy during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)

No

I02. Did the board approve any new contracts related to the services of an investment manager, adviser, and/or consultant during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)

Yes

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

I02a. If yes, enter the contact information for each investment company.

John Falduto - Managing Partner
Sawyer Falduto Asset Management, LLC
589 S. York Street
Elmhurst, IL 60126
Phone: 630-941-8560 Fax: 630-941-8558
Email: jfalduto@sawyerfalduto.com

I03. Did the board approve any new contracts related to the services of a custodian for the fund's assets during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)

Yes

I03a. If yes, enter the financial institution's name and address.

Charles Schwab
Charles Schwab & Co., Inc
211 Main Street
San Francisco, CA 94105
Phone: 800-435-4000
Email: jfalduto@sawyerfalduto.com

I04. Do the investment assets fall within the allowable percentage limitations based on net assets per the definition in 40 ILCS 5/1-113.1?

Yes

I04a. If no, were the percentage limitations in compliance per 40 ILCS 5/1-113.10 at the time of purchase?

M01. Did the board adopt new rules and regulations during the fiscal year being reported? (Upload the most recent copy in Document Submissions.)

No

M02. When did the board last adopt or update rules and regulations? If not applicable, then add the fiscal year end date.

1/19/2010

M03. Does the board have policies in place for awarding disability and annual medical reviews?

Yes

M04. Does the board have policies in place for calculating the salary attached to rank?

Yes

M05. Does the board have policies in place for completing the annual statement?

Yes

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

M06. Did the board hold meetings for the administration of the fund during the fiscal year being reported?

Yes

M06a. If yes, submit board minutes. If no, explain why the board did not hold meetings during the year.

Minutes 2017-05-03.pdf

Minutes 2017-05-24.pdf

Minutes 2017-07-19.pdf

Minutes 2017-10-18.pdf

Minutes 2018-01-17.pdf

Minutes 2018-04-18.pdf

M06b. If yes, enter the dates of the board meetings.

5/3/2017

5/24/2017

7/19/2017

10/18/2017

1/17/2018

4/18/2018

M07. Do trustees or the treasurer receive salary from the fund for services performed as a board member?

No

M07a. If yes, identify the board member(s) or the treasurer receiving compensation.

M07b. If yes, list services for which the board member(s) or the treasurer receive compensation. List the amount of compensation.

M08. Does the board retain an attorney?

Yes

M08a. If yes, submit contact information for each attorney.

Charles Atwell - Attorney

Atwell & Atwell

70 S. Constitution Drive, Suite 100

Aurora, IL 60506

Phone: 630-892-4341

Email: Charles@atwellandattwelllaw.com

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

M09. Did newly elected or newly appointed board trustees complete the initial 32 hours of required training per 40 ILCS 5/1-109.3(a) during this or the preceding fiscal year?

NA

M09a. If yes, submit the training certifications for any training which was completed. If no, explain who did not complete the required training and the reason for not completing it.

M10. Did board trustees complete the 16 hours of required continuing education, including or in addition to the 8 hours of ethics training per 40 ILCS 5/1-109.3?

Yes

M10a. If yes, submit the training certifications for any training which was completed. If no, explain who did not complete the required training and the reason for not completing it.

8 hr certificate 1.10.18.pdf

8 hr Dittman courses viewed.pdf

Oct 2017 training other trustees.pdf

M11. What actions does the board take to guarantee that all trustees complete the required training on time?

Most trustees attend the annual IPPFA conference and discuss this at the board meetings. The recording secretary keeps track of trainings viewed/attended as well as the completion certificates.

M12. How does the Board guarantee that the approved training is reasonable (cost) and necessary?

Training is mandatory by IDOI; trainings conducted by IPPFA satisfy the requirements and the annual cost of the conference/seminar is adopted as part of the budget prior to attendance.

M13. How often does the board review mistakes in pension benefits per 40 ILCS 5/3-148 or 40 ILCS 5/4-138.10?

Annually; no mistakes in benefits noted in FY 2017/2018

M14. Did the board address mistakes in benefits after a benefit had been approved during the fiscal year?

No

M14a. How does the board address mistakes in a benefit after the board had already begun paying the benefit?

M14b. Does the board correct the benefit going forward?

M14c. Does the board collect the difference?

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

M15. Does the Treasurer verify benefit calculations for new beneficiaries?

Yes

M15a. If no, explain why the Treasurer does not verify benefit calculations approved by the board?

M16. Does the board review payroll records when approving new benefits?

Yes

M17. Does the board review contributions collected on pensionable components (items) of salary when approving new benefits?

Yes

M18. Does the board review creditable service when approving new benefits?

Yes

M19. Does the board review the labor contract when approving new benefits?

No

M20. Does the board review the municipal salary appropriation ordinance when approving new benefits?

No

M21. Does the board review the salary amount appropriated for the firefighter/police officer when approving new benefits?

No

M22. Are all board trustees aware of the consequences of breaching their fiduciary duties as outlined in ILCS 40 5/1-114?

Yes

M23. Has an annual audit been conducted by an independent CPA for the fiscal year being reported?

Yes

M23a. If yes, provide the contact information of the independent CPA who conducted the annual audit.

Scott Termine - Partner

BKD

1901 S. Meyers Road, Suite 500

Oakbrook Terrace, IL 60181

Phone: 630.282.9500

Email: stermine@BKD.com

M23b. If yes, submit a copy of the annual audit.

VOWB FY18 CAFR FINAL.pdf

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

M24. If applicable, explain why an annual audit was not conducted by an independent CPA for the fiscal year being reported. If not applicable, enter N/A.

N/A

M25. Is line 1.3 on the annual statement, adjustment to the beginning balance, greater than \$10.00?

No

M25a. If yes, explain.

M26. Are there any lawsuits pending against the board of the pension fund?

No

M26a. If yes, explain.

M27. Are all board trustees aware of the regulatory changes, if applicable, during the fiscal year?

Yes

M28. If applicable, did the board of the pension fund give notice to the municipality after the municipality failed to transmit to the fund contributions required of it for more than 90 days after the payment of those contributions was due during the fiscal year being reported? ILCS 40 5/3-125 (c)(3) or ILCS 40 5/4-118(b-5)

NA

M28a. If yes, did the board of the pension fund certify to the Comptroller the amounts of the delinquent payments?

M28a1. If yes, what amount was certified?

M29. What actions does the board take to identify annuitants who are deceased?

Annual affidavit is required to be signed, notarized and returned by all beneficiaries.

P01. What is the board's definition of 'salary attached to rank'?

Salary plus longevity

P02. Which components of compensation (base, longevity, holiday, education, etc.) make up 'salary attached to rank'?

Base and longevity

P03. Does the board compare the salary used amount to the salary in payroll records and to the salary outlined in the labor contract and/or ordinance establishing salary when calculating pension benefits?

Yes

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

P03a. If no, explain why the board does not compare final salary calculation used for pension benefit to payroll records.

P04. Did the board collect the statutorily required contributions on all components of 'salary attached to rank'?

Yes

P04a. If no, explain why the board did not collect the statutorily required contributions on all pensionable items.

P05. Does the board collect contributions over retroactive pay?

Yes

P06. Do the amounts reported in FYE annual salary and/or salary used include any one-time additions?

No

P06a. If yes, what are the one-time additions to FYE annual salary and/or salary used related to?

P07. Does the board maintain the salary information of all members?

Yes

P07a. If yes, explain how the pension fund stores this information?

Prepared by the Treasurer and provided to the Board at least annually; made a part of the permanent records by the recording secretary

P07b. If yes, how many years of salary information does the pension fund retain?

Since inception of the fund

P08. Does the employer pick up contributions per 40 ILCS 5/3-125.2 or 40 ILCS 5/4-118.2?

No

P08a. If yes, explain why the employer picks up contributions and for whom.

S01. How does the board confirm the creditable service time awarded at the time of the pension approval? Include the types of documents the board reviews prior to approving the benefit amount.

Treasurer reviews payroll and personnel file records as well as disciplinary records and confers with the recording secretary to determine any service breaks and prepares a memo that is presented to the full Board

S02. What documentation does the board require and review prior to the awarding of additional creditable service for time spent in the military?

DD-214 Form and calculation by Treasurer and independent calculation by the actuary is reviewed

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2018

Interrogatory Statement

- S03. What documentation does the board require and review prior to the awarding of additional creditable service for time transferred from another pension fund?**

This has never occurred within the pension fund

- S04. What documentation does the board require and review prior to the awarding of additional creditable service for any other type of transfer?**

prior employment records, IMRF records

- S05. When does the board record a police officer's transferred creditable service time to the fund? If not applicable, enter N/A.**

After approval by the pension Board

- S06. If applicable, does the board have procedures in place to meet the portability reporting requirement under Section 4404.130?**

NA

S06a. If no, explain why the board does not have the procedures in place.

- S07. Were the additional statutorily required contributions under Section 4-109.3(i)(reciprocity) and interest, where applicable, collected on participants who intend to retire under the provisions of Section 4-109.3?**

NA

S07a. If no, explain why the statutorily required contributions were not collected?

- S08. What procedures are in place to verify that the firefighter's communication of intent to receive benefits under the provisions of Section 4-109.3 (reciprocity) occurred within 21 months of the hire date?**

N/A - We do not have any firefighters



October 9, 2018

MEMO TO: Village of Willowbrook Police Pension Board

MEMO FROM: Carrie Dittman, Director of Finance *C.D.*

APPROVAL NEEDED: Reimbursement to Village's General Fund

As previously reported, the Police Pension Fund is paying out more in monthly benefit payments than is coming in from officer and Village contributions; the Village fronts this money as the Village pays the monthly benefit payments for the police pension beneficiaries and is then reimbursed from the pension fund. As of October 9, 2018, the Police Pension Fund owes the Village \$130,169.24.

The monthly recurring deficit (exclusive of administrative fees) is slightly over \$21,300.

Thus, a reimbursement of funds from the police pension account at Charles Schwab to the Village's General Fund in the amount of **\$195,000** is necessary to cover the current and estimated shortfalls over the next 3 months.

Please let me know if you have any questions.

Quarterly Investment Performance Report

September 30, 2018

Willowbrook Police Pension Fund



Presented by:

Thomas S. Sawyer, Managing Partner
John J. Falduto, Managing Partner
Edward J. Lavin, Chief Investment Officer
David M. Harrington, Director of Portfolio Management

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INVESTMENT POLICY GUIDELINES

Performance Measurements	Benchmark Index		
Cash Equivalents / Short Term	90-day US Treasury Bills		
Fixed Income	Barclays US Government Bond Index		
Large Cap Domestic Equities	S&P 500 Index		
Small Cap Domestic Equities	Russell 2000 Stock Index		
International Equities	MSCI Europe/Australia/Far East Index		

Portfolio Allocation	Target	Range	Maximum
Cash / Short Term	0%	0 - 5%	5%
Fixed Income	40%	35 - 45%	45%
Equity	60%	55 - 65%	See Below

Fixed Income Allocation	Target	Range
Bank Certificates of Deposit	0%	0 - 20%
US Treasury Securities	30%	0 - 100%
US Government Agency (non-MBS)	35%	0 - 70%
US Government Agency (Callable)	10%	0 - 30%
US Government Agency (MBS)	5%	0 - 10%
Taxable Municipal Securities	10%	0 - 20%
Investment Grade Corporate Bonds	10%	0 - 30%

Equity Diversification	Target	Range
US Large Cap Stocks	70%	40 - 100%
US Small Cap Stocks	20%	0 - 40%
Foreign Securities	10%	0 - 20%

Portfolio Allocation – Equity Maximum

Illinois Statute provides limits for investment in mutual funds / equities as a percentage of pension fund assets. Please note that the comments provided below summarize the statute and are general in nature. Please refer to the Illinois Compiled Statutes, the Pension Fund's Investment Policy and the Pension Board's legal counsel for information regarding investments allowed under the law.

- **Funds with total assets under \$2.5 million** may invest up to 10% of total assets in mutual funds / equities.
- **Funds with total assets over \$2.5 million and up to \$10 million** may invest up to 45% of total assets in mutual funds / equities.
- **Funds with total assets over \$10 million** may invest more than 45% of total assets in mutual funds / equities (either 55% or 65% depending on interpretation).

Initial interpretation of the statute was that funds with total assets of over \$10 million were allowed to invest up to 55% of total assets in mutual funds / equities on and after July 1, 2012. **On August 1, 2012, the Illinois Department of Insurance issued an advisory opinion indicating that the total allowable investment in equities (mutual funds) is 65%.**

CASH FLOW AND PERFORMANCE REVIEW

Cash Flow	Quarter 3 2018	Year-to-Date
Beginning Market Value	\$21,959,055	\$21,825,625
Contributions / Additions	0	0
Distributions / Expenses	-6,862	-168,149
Adjusted Beginning Market Value	21,952,193	21,657,476
Ending Market Value	\$22,540,025	\$22,540,025
Investment Return	\$587,832	\$882,549

Performance Review	Quarter 1 2018	Quarter 2 2018	Quarter 3 2018	Quarter 4 2018	Year-to-Date
Total Account Return (Gross)	-0.57%	1.94%	2.68%	%	4.07%
Total Account Return (Net)	-0.59%	1.91%	2.65%	%	3.99%
Account Benchmark	-0.77%	2.35%	3.52%	%	5.14%
Equity Return	-0.14%	3.20%	4.41%	%	7.60%
Blended Benchmark	-0.67%	3.86%	6.25%	%	9.61%
70% S&P 500	-0.76%	3.43%	7.71%	%	10.56%
20% Russell 2000	-0.08%	7.75%	3.58%	%	11.51%
10% MSCI EAFE	-1.41%	-0.97%	1.42%	%	-0.98%
Fixed Income Return	-1.22%	0.02%	-0.02%	%	-1.23%
Barclay's US Gov't Bond	-1.15%	0.10%	-0.57%	%	-1.62%
Cash Equivalent	0.03%	0.09%	0.18%	%	0.31%
3 Month Treasury Bill	0.35%	0.45%	0.50%	%	1.32%

Long-Term Performance Periods Ending 9/30/2018	1 Year	3 Years	5 Years	10 Years	Since Inception 11/30/2017
Total Account Return	7.50%	%	%	%	4.58%
Account Benchmark	8.76%	%	%	%	5.80%
Equity Return	16.31%	%	%	%	8.35%
Blended Benchmark	15.91%	%	%	%	10.56%
Fixed Income Return	-1.18%	%	%	%	-1.05%
Barclay's US Gov't Bond	-1.56%	%	%	%	-1.31%

Annualized returns for periods exceeding one year. All account performance and benchmark calculations include any change to asset allocation guidelines. Past performance is no guarantee of future returns.

Investment Performance Summary

Investment Performance Summary – YTD Through 9/30/18				
Equity Category	YTD Model Portfolio Return	YTD Benchmark Return	YTD Excess Return	Equity Benchmark Weight
Large Cap	8.54%	10.56%	-2.02%	70%
Small & Mid Cap	13.03%	11.51%	1.52%	20%
International	-3.80%	-0.98%	-2.82%	10%

- Large cap benchmark return reflects the outsized impact of select individual stocks

S&P 500 Index Top 3 Holdings	Index Weight 9/30/18	YTD Return 9/30/18	Contribution to Index Return
Apple Inc.	4.22%	34.92%	1.47%
Microsoft Corp	3.53%	35.43%	1.25%
Amazon Inc.	3.18%	71.27%	2.27%
Top 3 Total	10.93%		4.99%
S&P 500 Index			10.56%

- Small & Mid cap investment performance exceeded benchmark returns driven by strong returns for developing growth companies
- International stocks continue to exhibit volatile results with returns highly correlated to specific geographical exposures and the associated geopolitical risk

Looking Ahead

- Maintain investment discipline and a consistent approach to portfolio management
 - Focus on long-term risk and reward outcomes
 - Prioritize capital preservation, risk diversification and commensurate returns
- Small & Mid Cap equity allocation changes made at the end of 2Q have already provided positive return benefits

Recent Portfolio Changes

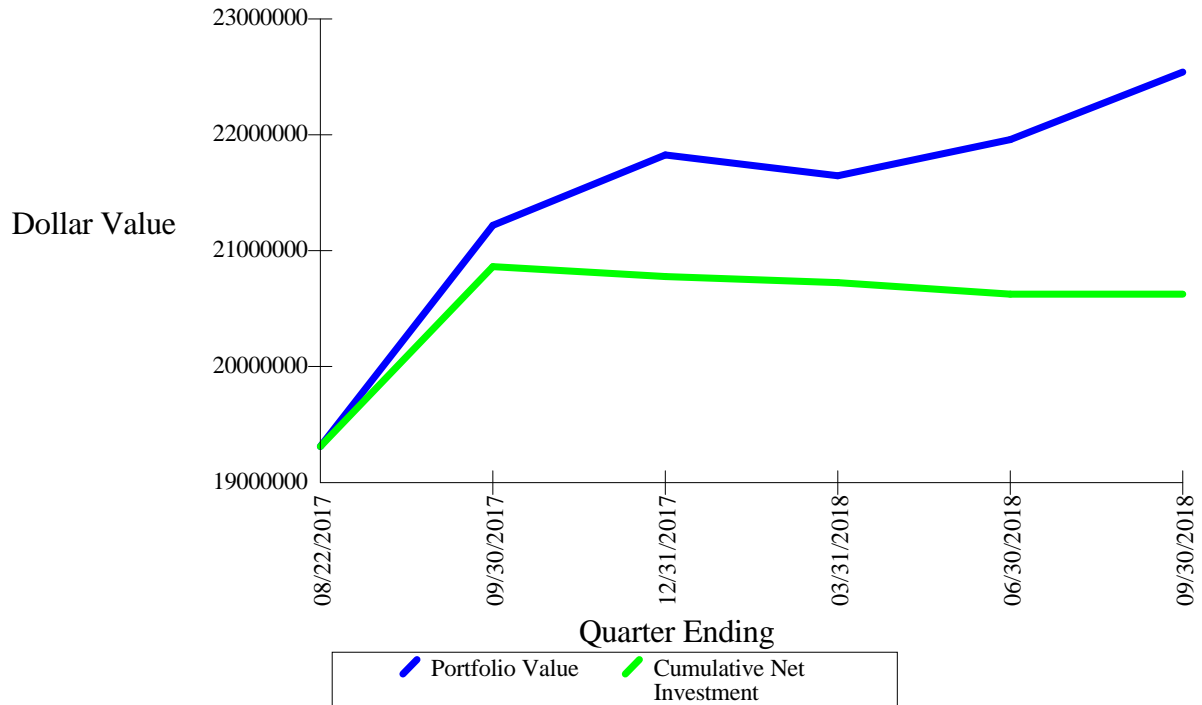
New Fund & 3Q Return		Previous Fund & 3Q Return	
Victory Sycamore	4.75%	Hennessy Focus	2.54%
Goldman Sachs Small Cap	3.12%	Homestead Small Company	-0.54%

**Investment portfolio returns presented above represent a model equity asset allocation and may differ by client.*

Portfolio Value vs. Cumulative Net Investment

From 08/22/2017 to 09/30/2018

Willowbrook Police Pension Fund



<u>Period Ending</u>	<u>Contributions and Withdrawals</u>	<u>Cumulative Net Investment</u>	<u>Portfolio Value</u>	<u>Investment Gain</u>
08/22/2017	19,310,225	19,310,225	19,310,225	0
09/30/2017	1,554,742	20,864,967	21,217,916	352,949
12/31/2017	-89,639	20,775,327	21,825,625	1,050,298
03/31/2018	-50,000	20,725,327	21,647,581	922,254
06/30/2018	-100,000	20,625,327	21,959,055	1,333,728
09/30/2018	0	20,625,327	22,540,025	1,914,698

QUARTERLY UPDATE – SEPTEMBER 30, 2018**Key Points**

- Ongoing disputes over trade policies and tariffs continue to capture investors' attention though with reduced day-to-day impact on market volatility.
- As expected, The Federal Reserve (Fed) raised short-term interest rates in September. Longer term bond yields moved higher during the quarter with the yield on the 10 year U.S. Treasury note closing at 3.05%.
- The U.S. economy continues to grow at respectable pace of an annualized 4.2% according to the most recent release from U.S. Department of Commerce. Solid economic fundamentals should continue to provide a healthy foundation for corporate earnings.

Equity Markets Fragmented but Positive

Domestic equity markets continued to move higher while foreign markets struggled to keep pace. US stocks were buoyed by strong corporate earnings and positive economic data offsetting continued trade disputes.

	2017	1st Qtr 2018	2nd Qtr 2018	3rd Qtr 2018	YTD 2018
Standard & Poor's 500 Index	+21.83%	-0.76%	+3.43%	+7.71%	+10.56%
Russell 2000 Index	+14.65%	-0.08%	+7.75%	+3.58%	+11.51%
MSCI-EAFE Index	+25.62%	-1.41%	-0.97%	+1.42%	-0.98%

Looking Forward

- **Economy:** Second quarter GDP was reported growing at an annual rate of 4.2%, in-line with market expectations. The unemployment rate remains at a historically low 3.9% supported by initial claims which are also at long-term lows. Measures of consumer confidence and productivity continue to trend higher as well.
- **Federal Reserve:** The Fed raised the benchmark interest rate by 0.25% bringing the target range to 2.0% - 2.25%. With unemployment below 4% and the most recent reads on inflation ranging from 2.5% to 3.0%, the market expects the Fed to stick to prior guidance and raise short-term rates again in December.

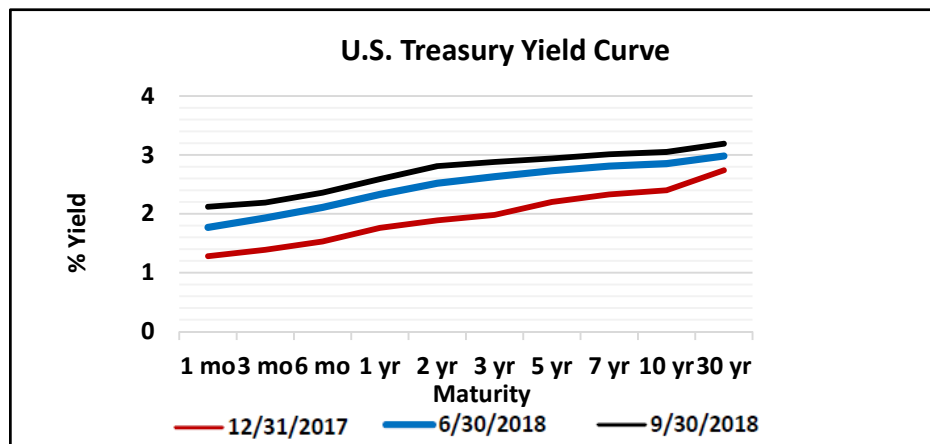
- **Earnings:** Earnings and revenue growth for the second quarter were impressive. For companies in the S&P 500 Index, year-over-year revenue grew at a rate exceeding 11%. 12-month trailing operating earnings followed suit increasing by close to 20% over the same period last year. At this writing the S&P 500 is trading at over 2900 resulting in a price-to-earnings (P/E) multiple of just under 19x operating earnings. Looking at the S&P 500 data, forward looking estimates remain steady with a forward P/E of 16.5x operating earnings.

Tariffs and trade policy rhetoric have had little impact on the economy thus far. So long as earnings estimates hold and the economy doesn't take a step backwards, the environment remains positive for equities. With earnings growth outpacing the performance of the stock market, equity valuations continue to improve.

Bond Yields

Interest rates moved higher across the maturity spectrum during the third quarter with the U.S. Treasury yield curve flattening by 9 basis points for maturities between two and ten years.

- The rate move during the 3rd quarter was led by the front end of the yield curve with Treasury bills and notes out to three years experiencing the largest increase in yield.
- The yield on the 10-Year U.S. Treasury moved higher closing at 3.05%, above the much discussed 3.00% mark. As a reminder, intermediate and long-term interest rates are more influenced by expectations for economic growth, inflation and global alternatives.



While intermediate and long-term bond yields moved somewhat higher, investor concern over the direction of trade policy along with the low yield on foreign sovereign debt alternatives should continue to lend to support U.S. Treasury prices. In terms of portfolio structure, we are positioning durations somewhat short of the benchmark (slightly conservative) and place a premium on credit quality.

The information contained in this commentary is the opinion of the author and obtained from sources believed to be reliable, but the accuracy cannot be guaranteed. Past performance is not predictive of future returns.

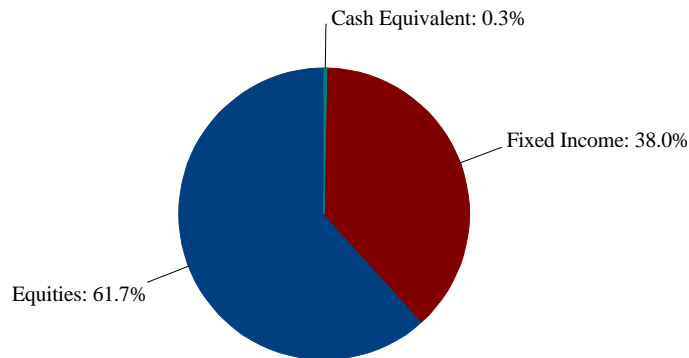
SAWYER FALDUTO
ASSET MANAGEMENT, LLC

Portfolio Statement

As of 09/30/2018
09/28/2018 Prices

Willowbrook Police Pension Fund

Portfolio Allocation



Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Equities						
Large Cap						
Mutual Fund						
6.5%	LSV Value Equity Fund	LSVEX	50,394.415	1,467,485.36	1.7%	25,509.66
6.7%	Pioneer Equity Income	PYEQX	40,753.134	1,504,605.71	1.8%	27,712.13
14.2%	T Rowe Price Growth Stock	PRUFX	44,202.568	3,197,613.77	0.4%	11,492.66
14.5%	Vanguard 500 Index Fund	VFIAX	12,160.444	3,272,253.88	1.8%	59,090.04
41.9%				9,441,958.72	1.3%	123,804.49
Mid Cap						
Mutual Fund						
1.8%	Victory Sycamore	VEVIX	9,598.004	410,410.65	1.1%	4,411.29
Small Cap						
Mutual Fund						
1.9%	Bridgeway Ultra-Small Company	BRSIX	27,216.97	431,116.80	0.1%	549.51
4.1%	Goldman Sachs Small Cap	GCSIX	31,110.706	924,921.29	0.0%	0.00
4.6%	T Rowe Price QM US Small-Cap	TQAIX	25,922.184	1,046,997.01	0.0%	0.00
10.7%				2,403,035.10	0.0%	549.51
International						
Mutual Fund						
0.9%	First Eagle Overseas	SGOIX	8,016.909	196,654.78	1.9%	3,743.89
0.9%	Goldman Sachs International	GCIIX	15,122.932	203,100.98	1.6%	3,334.61
0.9%	Oppenheimer Developing Markets	ODVIX	4,813.498	197,642.23	0.8%	1,500.18
1.8%	Oppenheimer International Growt	OIGIX	9,696.079	400,254.14	1.1%	4,460.58
4.4%				997,652.13	1.3%	13,039.26

Portfolio Statement

As of 09/30/2018
09/28/2018 Prices

Willowbrook Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Equities						
Real Estate						
Mutual Fund						
1.5%	Cohen & Steers Realty	CSRIX	7,821.48	336,167.21	4.3%	14,422.82
Natural Resources						
Mutual Fund						
1.0%	Fidelity Advisor Materials Fund	FMFEX	2,875.607	226,856.64	0.3%	695.90
0.4%	Vanguard Energy Fund	VGELX	855.935	93,159.97	0.3%	285.02
1.4%				320,016.61	0.3%	980.92
61.7%				13,909,240.42	1.1%	157,208.28
Fixed Income						
Cash Equivalent						
Certificate of Deposit						
0.4%	Goldman Sachs Bk 11/26/2018 1.70%	38148J2Y6	100,000	99,962.10	1.7%	1,700.00
	Accrued Income			600.82		
Taxable Bonds						
U. S. Treasury						
0.4%	US Treas Note 05/31/2020 2.50%	9128284Q0	100,000	99,531.25	2.5%	2,500.00
	Accrued Income			840.16		
0.4%	US Treas Note 04/30/2019 1.625%	912828D23	100,000	99,531.25	1.6%	1,625.00
	Accrued Income			680.03		
0.4%	US Treas Note 11/15/2024 2.25%	912828G38	100,000	95,859.37	2.3%	2,250.00
	Accrued Income			849.86		
0.6%	US Treas Note 11/15/2025 2.25%	912828M56	150,000	142,617.18	2.4%	3,375.00
	Accrued Income			1,274.80		
0.3%	UST Infl Indx 01/15/2019 2.125%	912828JX9	60,000	70,601.06	1.8%	1,275.00
	Accrued Income			270.24		
2.3%				512,055.20	2.2%	11,025.00
U.S. Government Agency						
0.2%	Fed Farm Cr Bk 11/24/2028 4.30%	31331J3M3	50,000	53,682.80	4.0%	2,150.00
	Accrued Income			758.47		
0.5%	Fed Farm Cr Bk 07/06/2020 3.45%	31331JUW1	100,000	101,051.50	3.4%	3,450.00
	Accrued Income			814.58		
1.0%	Fed Farm Cr Bk 07/20/2023 4.875%	31331S6U2	200,000	216,405.80	4.5%	9,750.00
	Accrued Income			1,922.92		
0.5%	Fed Farm Cr Bk 08/25/2026 5.30%	31331VHD1	100,000	113,694.10	4.7%	5,300.00
	Accrued Income			530.00		
0.8%	Fed Farm Cr Bk 04/13/2026 5.40%	31331VWN2	150,000	171,018.60	4.7%	8,100.00
	Accrued Income			3,780.00		

Portfolio Statement

As of 09/30/2018
09/28/2018 Prices

Willowbrook Police Pension Fund

Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Fixed Income						
Taxable Bonds						
U.S. Government Agency						
0.7%	Fed Farm Cr Bk 10/05/2021 5.03%	31331XFK3	150,000	159,001.80	4.7%	7,545.00
	Accrued Income			3,688.67		
1.3%	Fed Farm Cr Bk 11/28/2022 5.125%	31331YFQ8	275,000	297,606.93	4.7%	14,093.75
	Accrued Income			4,815.36		
0.1%	Fed Farm Cr Bk 12/19/2022 5.21%	31331YHY9	25,000	27,165.65	4.8%	1,302.50
	Accrued Income			369.04		
0.8%	Fed Farm Cr Bk 12/28/2027 5.25%	31331YLB4	150,000	172,049.85	4.6%	7,875.00
	Accrued Income			2,034.38		
0.4%	Fed Farm Cr Bk 11/07/2022 1.96%	3133EA7E2	100,000	95,991.90	2.0%	1,960.00
	Accrued Income			784.00		
0.2%	Fed Farm Cr Bk 11/07/2028 2.80%	3133EA7F9	50,000	47,313.90	3.0%	1,400.00
	Accrued Income			560.00		
0.4%	Fed Farm Cr Bk 06/15/2027 3.125%	3133EEW89	100,000	98,133.90	3.2%	3,125.00
	Accrued Income			920.14		
0.4%	Fed Farm Cr Bk 11/25/2026 2.80%	3133EFQU4	100,000	96,276.80	2.9%	2,800.00
	Accrued Income			980.00		
1.0%	Fed Farm Cr Bk 03/03/2027 2.57%	3133EHC84	250,000	235,547.50	2.7%	6,425.00
	Accrued Income			499.72		
0.4%	Fed Farm Cr Bk 03/07/2028 3.17%	3133EJFB0	100,000	98,284.60	3.2%	3,170.00
	Accrued Income			211.33		
0.4%	Fed Farm Cr Bk 12/14/2028 3.35%	3133EJNZ8	100,000	99,280.90	3.4%	3,350.00
	Accrued Income			995.69		
0.4%	Fed Farm Cr Bk 05/17/2028 3.30%	3133EJPN3	100,000	99,232.90	3.3%	3,300.00
	Accrued Income			1,228.33		
0.4%	Fed Farm Cr Bk 08/24/2026 3.10%	3133EJXS3	100,000	98,515.10	3.1%	3,100.00
	Accrued Income			318.61		
0.9%	Fed Farm Cr BI 10/26/2027 2.70%	3133EHL68	200,000	189,544.20	2.8%	5,400.00
	Accrued Income			2,325.00		
0.5%	Fed Home Ln Bk 09/01/2028 4.00%	3130A07B0	100,000	104,894.50	3.8%	4,000.00
	Accrued Income			333.33		
0.9%	Fed Home Ln Bk 04/10/2028 4.00%	3130A0A26	200,000	209,962.80	3.8%	8,000.00
	Accrued Income			3,800.00		
0.4%	Fed Home Ln Bk 09/11/2026 3.00%	3130A2VE3	100,000	97,814.80	3.1%	3,000.00
	Accrued Income			166.67		
1.1%	Fed Home Ln Bk 12/12/2025 2.625%	3130A6ZQ3	250,000	239,961.00	2.7%	6,562.50
	Accrued Income			1,986.98		

Portfolio Statement

As of 09/30/2018

09/28/2018 Prices

Willowbrook Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Fixed Income						
Taxable Bonds						
U.S. Government Agency						
0.9%	Fed Home Ln Bk 12/11/2026 2.625%	3130AAAG3	200,000	190,025.40	2.8%	5,250.00
	Accrued Income			1,604.17		
1.3%	Fed Home Ln Bk 09/10/2027 2.625%	3130ACKB9	300,000	282,782.10	2.8%	7,875.00
	Accrued Income			459.38		
0.4%	Fed Home Ln Bk 08/07/2019 2.375%	3130AERE2	100,000	99,803.20	2.4%	2,375.00
	Accrued Income			356.25		
0.5%	Fed Home Ln Bk 05/15/2019 5.375%	3133X72S2	100,000	101,749.40	5.3%	5,375.00
	Accrued Income			2,030.56		
0.7%	Fed Home Ln Bk 08/15/2024 5.375%	3133X8EW8	140,000	157,094.42	4.8%	7,525.00
	Accrued Income			961.53		
0.4%	Fed Home Ln Bk 09/09/2024 5.365%	3133X8L34	75,000	84,213.45	4.8%	4,023.75
	Accrued Income			245.90		
0.2%	Fed Home Ln Bk 09/11/2020 4.625%	3133XD4P3	50,000	51,663.65	4.5%	2,312.50
	Accrued Income			128.47		
0.5%	Fed Home Ln Bk 12/11/2020 5.25%	3133XDVS7	100,000	105,016.10	5.0%	5,250.00
	Accrued Income			1,604.17		
0.5%	Fed Home Ln Bk 06/12/2026 5.75%	3133XG6E9	100,000	116,492.00	4.9%	5,750.00
	Accrued Income			1,740.97		
0.7%	Fed Home Ln Bk 12/10/2021 5.00%	3133XHRJ3	150,000	159,374.85	4.7%	7,500.00
	Accrued Income			2,312.50		
0.2%	Fed Home Ln Bk 09/30/2022 5.375%	3133XMFY2	50,000	54,469.20	4.9%	2,687.50
	Accrued Income			7.47		
1.0%	Fed Home Ln Bk 03/10/2023 4.75%	3133XPKG8	200,000	214,311.60	4.4%	9,500.00
	Accrued Income			554.17		
0.5%	Fed Home Ln Bk 07/01/2019 4.375%	3133XU3G6	100,000	101,337.30	4.3%	4,375.00
	Accrued Income			1,093.75		
21.7%				4,887,687.01	3.8%	184,957.50
U.S. Government Agency - Callable						
0.6%	Fed Farm Cr Bk 03/09/2027 3.08% Call 03/09/2020, 100.00	3133EHBV4	150,000	144,104.10	3.2%	4,620.00
	Accrued Income			282.33		
0.2%	Fed Home Ln Bk 12/21/2021 2.23% Call 12/21/2018, 100.00	3130AD2Q4	50,000	48,724.75	2.3%	1,115.00
	Accrued Income			309.72		
0.9%				193,420.90	3.0%	5,735.00

Portfolio Statement

As of 09/30/2018
09/28/2018 Prices

Willowbrook Police Pension Fund

Weight	Description	Symbol	Quantity	Current Value	Current Yield	Annual Income
Fixed Income						
Taxable Bonds						
Mortgage Backed						
0.0%	GNMA 07/20/2024 8.00% Par 72.50 (0.00090624) Accrued Income	36202B7B5	80,000	83.42	7.0%	5.80
0.0%	GNMA 08/20/2028 6.00% Par 3,988.20 (0.01139485) Accrued Income	36202C4N0	350,000	4,299.49	5.6%	239.29
0.0%	GNMA 12/15/2018 5.00% Par 124.61 (0.00166143) Accrued Income	36291BJZ1	75,000	124.91	5.0%	6.23
0.0%	GNMA 06/15/2019 4.50% Par 412.65 (0.00206323) Accrued Income	36291HVVU5	200,000	416.66	4.5%	18.57
				0.83		
0.0%				4,933.08	5.5%	269.89
Taxable Municipal						
0.4%	Cook Cnty, IL Des Plaines Sch Dist 62 12/01/2027 5.841% Call 12/01/2019, 100.00 Accrued Income	213633GH7	85,000	87,266.10	5.7%	4,964.85
0.2%	Cook Cnty, IL Northfield Sch Dist 225 12/01/2025 5.70% Call 12/01/2020, 100.00 Accrued Income	215777JL8	50,000	52,270.50	5.5%	2,850.00
0.4%	Cook County, IL Moraine Valley Comm. College 12/01/2023 3.10% Call 12/01/2020, 100.00 Accrued Income	216129ES1	100,000	98,216.00	3.2%	3,100.00
0.1%	Crystal Lake, IL 01/01/2020 4.65% Call 01/01/2019, 100.00 Accrued Income	229255FQ2	25,000	25,078.00	4.6%	1,162.50
0.2%	Fox Valley, IL Park District 12/15/2026 5.625% Call 12/15/2020, 100.00 Accrued Income	351592GN4	45,000	46,989.00	5.4%	2,531.25
0.2%	McHenry Cnty, IL 12/15/2020 4.85% Call 12/15/2018, 100.00 Accrued Income	580815FX1	50,000	50,166.50	4.8%	2,425.00
0.3%	Palatine, IL Park District 12/01/2019 1.90% Accrued Income	696123GX0	60,000	59,200.80	1.9%	1,140.00
0.4%	Skokie, IL 12/01/2028 3.30% Accrued Income	830728TA9	100,000	95,361.00	3.5%	3,300.00
				1,356.67		

Portfolio Statement

As of 09/30/2018
09/28/2018 Prices

Willowbrook Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Fixed Income						
Taxable Bonds						
Taxable Municipal						
0.2%	Will County, IL 11/15/2020 4.575%	968657FN1	50,000	51,301.00	4.5%	2,287.50
	Accrued Income			864.17		
0.5%	Will County, IL Forest Preserve Dist 12/15/2025 5.50%	968661GL6	100,000	108,968.00	5.0%	5,500.00
	Accrued Income			1,619.44		
0.2%	Will County, IL Troy Community Cons Sch Dist 10/01/2020 4.25%	968717QR2	50,000	50,961.50	4.2%	2,125.00
	Accrued Income			1,062.50		
3.3%				736,449.43	4.3%	31,386.10
Corporate						
0.4%	Adobe Systems 02/01/2025 3.25% Call 11/01/2024, 100.00	00724FAC5	100,000	98,065.90	3.3%	3,250.00
	Accrued Income			541.67		
0.4%	Allstate Corp 06/15/2023 3.15%	020002AZ4	100,000	98,082.30	3.2%	3,150.00
	Accrued Income			927.50		
0.5%	Bank of America 05/13/2021 5.00%	06051GEH8	100,000	103,913.60	4.8%	5,000.00
	Accrued Income			1,916.67		
0.2%	Bank of America 08/01/2025 3.875%	06051GFS3	50,000	49,616.45	3.9%	1,937.50
	Accrued Income			322.92		
0.3%	Burlington Northern Santa Fe 06/01/2021 4.10%	12189LAD3	75,000	76,298.63	4.0%	3,075.00
	Accrued Income			1,025.00		
0.4%	Citigroup Inc. 06/16/2024 3.75%	172967HT1	100,000	99,108.20	3.8%	3,750.00
	Accrued Income			1,093.75		
0.9%	Ford Motor Credit 10/05/2018 2.551%	345397XN8	200,000	199,997.20	2.6%	5,102.00
	Accrued Income			2,494.31		
0.4%	Gen Elec Cap Corp 01/09/2023 3.10%	36962G6S8	100,000	97,855.40	3.2%	3,100.00
	Accrued Income			706.11		
0.4%	General Mills 02/15/2024 3.65%	370334BT0	100,000	98,338.90	3.7%	3,650.00
	Accrued Income			466.39		
0.5%	Gilead Sciences 04/01/2024 3.70% Call 01/01/2024, 100.00	375558AW3	100,000	100,266.30	3.7%	3,700.00
	Accrued Income			1,850.00		
0.6%	Johnson & Johnson 01/15/2028 2.90% Call 10/15/2027, 100.00	478160CK8	150,000	142,411.20	3.1%	4,350.00
	Accrued Income			918.33		
0.6%	JP Morgan Chase 07/15/2025 3.90% Call 04/15/2025, 100.00	46625HMN7	125,000	124,745.13	3.9%	4,875.00
	Accrued Income			1,029.17		

Portfolio Statement

As of 09/30/2018

09/28/2018 Prices

Willowbrook Police Pension Fund

<u>Weight</u>	<u>Description</u>	<u>Symbol</u>	<u>Quantity</u>	<u>Current Value</u>	<u>Current Yield</u>	<u>Annual Income</u>
Fixed Income						
Taxable Bonds						
Corporate						
0.2%	Norfolk Southern 01/15/2024 3.85% Call 10/15/2023, 100.00 Accrued Income	655844BP2	50,000	50,316.50	3.8%	1,925.00
0.9%	Omnicom Group Inc 05/01/2022 3.625% Accrued Income	681919AZ9	200,000	198,992.20	3.6%	7,250.00
0.5%	Oracle Corp 07/15/2023 3.625% Accrued Income	68389XAS4	100,000	101,087.90	3.6%	3,625.00
0.8%	PNC Funding Corp 08/11/2020 4.375% Accrued Income	693476BL6	165,000	168,285.48	4.3%	7,218.75
0.6%	US Bancorp 05/24/2021 4.125% Call 04/23/2021, 100.00 Accrued Income	91159HHA1	125,000	127,630.13	4.0%	5,156.25
0.3%	Verizon Comm Inc 11/01/2021 3.50% Accrued Income	92343VBC7	75,000	75,253.20	3.5%	2,625.00
0.4%	Welltower Inc. 06/01/2025 4.00% Call 03/01/2025, 100.00 Accrued Income	42217KBF2	100,000	98,536.40	4.1%	4,000.00
				1,333.33		
9.5%				2,131,534.03	3.6%	76,739.50
37.6%				8,466,079.65	3.7%	310,112.99
38.0%				8,566,642.57	3.7%	311,812.99
Cash Equivalent						
0.3%	Schwab Government Money Fund	SWGXX		64,142.44	1.4%	872.34
99.6%				22,454,582.32	2.1%	469,893.61
	Total Accrued Income			85,443.11		
100.0%				22,540,025.43		

EQUITY PORTFOLIO

This section of the quarterly presentation contains independent, third party information provided by Morningstar regarding the equity portfolio of mutual funds and the individual underlying mutual funds.

Portfolio Snapshot

Willowbrook Police Pension Fund: 44197538

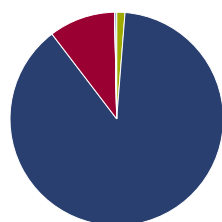
Portfolio Value

\$13,909,240.42

Benchmark

Custom

Analysis 09-30-2018




Asset Allocation

- Cash
- US Stocks
- Non-US Stocks
- Bonds
- Other/Not Clsfd

	Portfolio Net %	Bmark Net %
Cash	1.25	0.00
US Stocks	88.37	89.70
Non-US Stocks	10.07	10.29
Bonds	0.03	0.00
Other/Not Clsfd	0.28	0.01

Morningstar Equity Style Box %

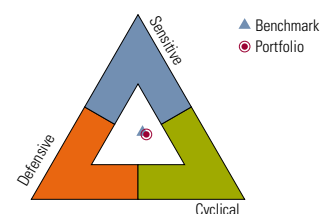
18	19	30	Large	Total Stock Holdings	
8	6	7		Mid	3,364
4	4	4			% Not Classified
			Small	0	
Value	Blend	Growth			
					
0-10	10-25	25-50	>50		

Morningstar Fixed Income Style Box %

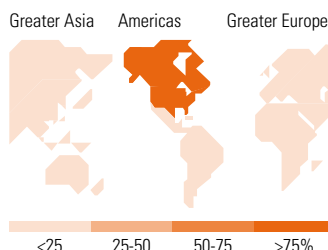
0	0	0	High	Total Bond Holdings
0	0	0		90
0	0	0	Med	% Not Classified
0	0	0		100
0	0	0	Low	
Ltd	Mod	Ext		
0-10	10-25	25-50	>50	

Stock Analysis 09-30-2018

Stock Sectors

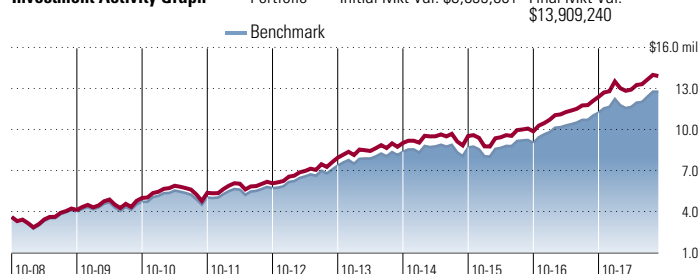


World Regions



Performance 09-30-2018

Investment Activity Graph



	Portfolio (%)	Bmark (%)
Cyclical	41.20	35.59
Basic Matls	5.23	3.51
Consumer Cycl	15.70	12.30
Financial Svs	15.32	16.32
Real Estate	4.95	3.46
Sensitive	37.45	40.12
Commun Svs	1.77	2.95
Energy	5.34	5.66
Industrials	10.64	11.42
Technology	19.70	20.09
Defensive	21.35	24.29
Consumer Def	5.91	6.79
Healthcare	12.94	14.57
Utilities	2.50	2.93
Not Classified	0.00	0.00

	Portfolio (%)	Bmark (%)
Americas	90.66	89.76
North America	90.35	89.71
Latin America	0.31	0.05
Greater Europe	5.17	6.46
United Kingdom	1.25	1.71
Europe-Developed	3.60	4.64
Europe-Emerging	0.21	0.04
Africa/Middle East	0.11	0.07
Greater Asia	4.17	3.78
Japan	1.04	2.46
Australasia	0.20	0.69
Asia-Developed	0.81	0.57
Asia-Emerging	2.12	0.06
Not Classified	0.00	0.00

	3 Mo	1 Yr	3 Yr	5 Yr	10 Yr
Trailing Returns					
Portfolio Return	4.48	14.98	16.34	12.81	12.11
Benchmark Return	6.26	15.91	16.59	12.53	11.27
+/- Benchmark Return	-1.78	-0.93	-0.25	0.28	0.84

Best/Worst Time Periods	Best %	Worst %
3 Months	26.70 (Mar 2009-May 2009)	-23.22 (Oct 2008-Dec 2008)
1 Year	56.45 (Mar 2009-Feb 2010)	-8.22 (Mar 2015-Feb 2016)
3 Years	27.52 (Mar 2009-Feb 2012)	2.46 (Oct 2008-Sep 2011)

Portfolio Yield (09-30-2018)	Yield %
12-Month Yield	—

Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown. The performance data reflects monthly portfolio rebalancing.

Holdings 09-30-2018

Top 10 holdings out of 15

Vanguard 500 Index Admiral (USD)
T. Rowe Price Growth Stock I (USD)
Pioneer Equity Income Y (USD)
LSV Value Equity (USD)
T. Rowe Price QM US Small-Cap Gr Eq I (USD)
Goldman Sachs Small Cap Eq Insights Instl (USD)
Bridgeway Ultra-Small Company Market (USD)
Victory Sycamore Established Value I (USD)
Oppenheimer International Growth I (USD)
Cohen & Steers Instl Realty Shares (USD)

Symbol	Type	Holding Value \$	% Assets
VFIAX	MF	3,272,254	23.53
PRUF	MF	3,197,614	22.99
PYEQX	MF	1,504,606	10.82
LSVEX	MF	1,467,485	10.55
TQAI	MF	1,046,997	7.53
GCSIX	MF	924,921	6.65
BRISX	MF	431,117	3.10
VEVIX	MF	410,411	2.95
OIGIX	MF	400,254	2.88
CSRIX	MF	336,167	2.42

Portfolio Snapshot

Willowbrook Police Pension Fund: 44197538

Portfolio Value

\$13,909,240.42

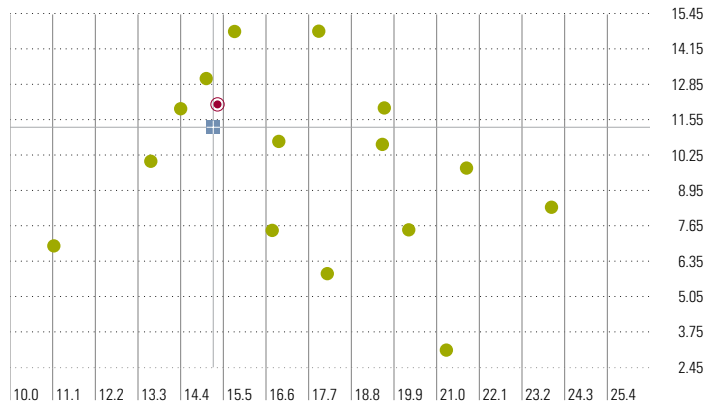
Benchmark

Custom

Risk Analysis 09-30-2018

Risk/Reward Scatterplot

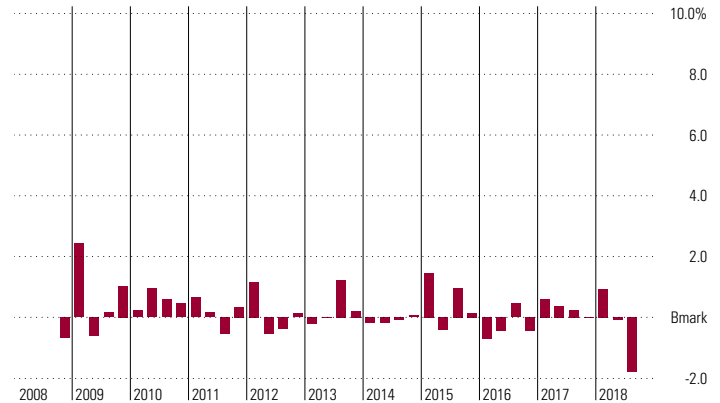
● Portfolio ● Holdings ■ Bmark 10 Year Mean



10 Year Standard Deviation

Performance History Graph

■ Portfolio Quarterly returns +/- Benchmark in %



Risk and Return Statistics

	3 Yr		5 Yr		10 Yr	
	Portfolio	Bmark	Portfolio	Bmark	Portfolio	Bmark
Standard Deviation	9.39	9.35	9.65	9.73	15.35	15.24
Mean	16.34	16.59	12.81	12.53	12.11	11.27
Sharpe Ratio	1.68	1.71	1.32	1.28	0.85	0.80

MPT Statistics

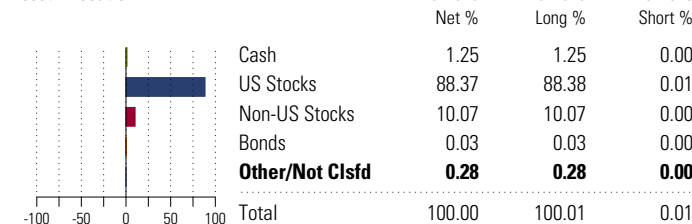
	3 Yr Portfolio	5 Yr Portfolio	10 Yr Portfolio
Alpha	-0.19	0.44	0.74
Beta	1.00	0.98	1.00
R-Squared	98.58	98.23	99.08

Portfolio-Level Performance Disclosure

The portfolio-level performance shown is hypothetical and for illustrative purposes only. Investor returns will differ from the results shown. The performance data reflects monthly portfolio rebalancing.

Fundamental Analysis 09-30-2018

Asset Allocation



Market Maturity

	Portfolio	Bmark
% of Stocks	97.32	99.88
Developed Markets	2.68	0.12
Emerging Markets	0.00	0.00
Not Available	0.00	0.00
Valuation Multiples	Portfolio	Bmark
Price/Earnings	20.70	19.44
Price/Book	2.94	2.79
Price/Sales	1.80	1.82
Price/Cash Flow	13.20	12.80

Geometric Avg Capitalization (\$Mil)

Portfolio	33,646.67
Benchmark	43,854.58

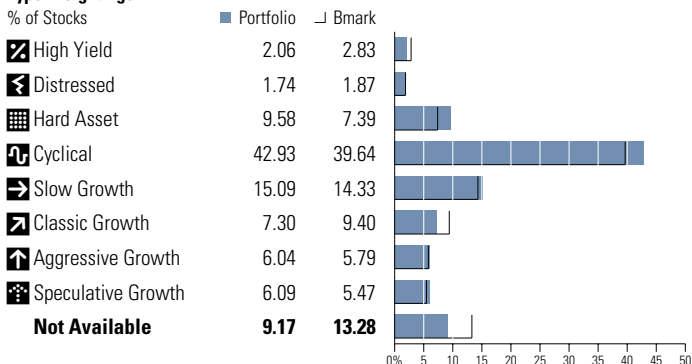
Credit Quality Breakdown

	% of Bonds
AAA	—
AA	—
A	—
BBB	—
BB	—
B	—
Below B	—
NR	—

Interest Rate Risk

	Bonds	% Not Available
Avg Eff Maturity	—	100.00
Avg Eff Duration	—	100.00
Avg Wtd Coupon	—	1.28

Type Weightings



Profitability

	Portfolio	Bmark
% of Stocks	2018-09	2018-09
Net Margin	12.95	13.55
ROE	18.43	19.34
ROA	6.32	6.35
Debt/Capital	40.42	41.11

Fund Statistics

Potential Cap Gains Exposure	33.54
Avg Net Expense Ratio	0.52
Avg Gross Expense Ratio	0.53

MUTUAL FUND PERFORMANCE AND FUND CHARACTERISTICS

Large Cap (US)	Ticker Symbol	Investment Objective	YTD Return	1 yr	Annualized Returns		
					3 yrs	5 yrs	10 yrs
T Rowe Price Growth Stock	PRUFX	Large Growth	15.37%	22.41%	19.45%	16.22%	14.79%
Vanguard 500 Index Admiral	VFIAX	Large Blend	10.53%	17.87%	17.27%	13.91%	11.95%
LSV Value Equity	LSVEX	Large Value	0.59%	7.93%	13.55%	11.43%	10.75%
Pioneer Equity Income Fund	PYEQX	Large Value	3.40%	9.40%	14.71%	11.89%	10.02%
S&P 500 Index – Growth			17.24%	25.21%	19.88%	16.57%	14.05%
S&P 500 Index			10.56%	17.91%	17.31%	13.95%	11.97%
S&P 500 Index – Value			3.51%	10.06%	14.13%	10.88%	9.62%

Small & Mid Cap (US)	Ticker Symbol	Investment Objective	YTD Return	1 yr	Annualized Returns		
					3 yrs	5 yrs	10 yrs
Bridgeway Ultra-Small Co Mkt	BRSIX	Ultra Small Blend	11.08%	13.56%	16.33%	10.14%	10.64%
Goldman Sachs Small Cap Equity	GCSIX	Small Blend	14.17%	17.78%	17.87%	12.38%	11.98%
Victory Sycamore Established Value	VEVIX	Mid-Cap Value	6.19%	12.37%	15.00%	13.21%	13.06%
T Rowe Price Div Small Cap Grwth	TQAIX	Small Growth	15.60%	22.44%	18.08%	13.39%	14.80%
Russell 2000 Index – Growth			15.76%	21.06%	17.98%	12.14%	12.65%
Russell 2000 Index			11.51%	15.24%	17.12%	11.07%	11.11%
Russell 2000 Index - Value			7.14%	9.33%	16.12%	9.91%	9.52%

International	Ticker Symbol	Investment Objective	YTD Return	1 yr	Annualized Returns		
					3 yrs	5 yrs	10 yrs
Oppenheimer Intl Growth	OIGIX	Large Growth	-5.39%	-1.86%	7.56%	3.89%	7.48%
First Eagle Overseas	SGOIX	Large Blend	-2.74%	-0.79%	7.17%	4.29%	6.91%
Goldman Sachs Intl Equity	GCIIX	Large Blend	-1.25%	2.62%	11.90%	7.03%	5.89%
Oppenheimer Developing Markets	ODVIX	Emerging Mkts	-4.36%	0.55%	13.32%	3.54%	7.50%
MSCI EAFE Index			-0.98%	3.25%	9.77%	4.90%	5.87%
MSCI Emerging Markets Index			-7.39%	-0.44%	12.77%	3.99%	5.76%

Real Estate	Ticker Symbol	Investment Objective	YTD Return	1 yr	Annualized Returns		
					3 yrs	5 yrs	10 yrs
Cohen & Steers Realty	CSRIX	Real Estate	2.83%	5.93%	8.07%	9.90%	8.33%
DJ US Select REIT Index			2.56%	4.59%	6.88%	9.14%	7.21%

Natural Resources	Ticker Symbol	Investment Objective	YTD Return	1 yr	Annualized Returns		
					3 yrs	5 yrs	10 yrs
Vanguard Energy Admiral	VGELX	Natural Resources	8.14%	15.11%	13.88%	1.17%	3.08%
Fidelity Advisor Materials Fund	FMFEX	Natural Resources	-8.54%	-2.19%	11.43%	5.07%	9.77%
S&P NA Natural Resources Index			3.13%	9.25%	10.29%	-0.35%	2.22%

*YTD Return and Annualized Returns are calculated as of September 30, 2018

The performance data noted above is the performance of the referenced mutual fund for the period and does not represent the performance of Sawyer Falduto Asset Management, LLC or its clients. Past performance does not guarantee future results.

FIXED INCOME PORTFOLIO

Fixed Income Allocation	Target	Range	Current
Bank Certificates of Deposit	0%	0 - 20%	1.2%
US Treasury Securities	30%	0 - 100%	6.0%
US Government Agency (non-MBS)	35%	0 - 70%	57.1%
US Government Agency (Callable)	10%	0 - 30%	2.3%
US Government Agency (MBS)	5%	0 - 10%	0.1%
Taxable Municipal Securities	10%	0 - 20%	8.6%
Investment Grade Corporate Bonds	10%	0 - 30%	24.9%

Portfolio Statistics	Duration	Yield-to-Maturity	Current Yield	Average Coupon
Fixed Income Portfolio	4.80 yrs	3.26%	3.68%	3.78%
Benchmark	5.91 yrs	2.95%	2.37%	2.32%

Maturity Distribution	% of Fixed Income Securities
0 – 1 years	10.0%
1 – 3 years	14.0%
3 – 5 years	21.8%
5 – 7 years	13.6%
7 – 10 years	37.2%
10 – 15 years	3.5%
15 + years	0.0%

Quality Distribution*	Tsy/FDIC	Aaa	Aa	A/Baa/NR
Fixed Income Portfolio	7.2%	62.2%	3.9%	26.7%

*Quality Distribution reflects ratings as provided by Moody's. Standard & Poor's lowered the rating on U.S. Treasuries and certain government agencies to AA+ on August 5, 2011.

Transaction Ledger Report

From 07/01/2018 to 09/30/2018

Willowbrook Police Pension Fund

<u>Trade Date</u>	<u>Activity</u>	<u>Description</u>	<u>Quantity</u>	<u>Principal Amount</u>	<u>Accrued Pd/Rec</u>
07/01/2018	Interest	Crystal Lake, IL 01/01/2020 4.65%		581.25	
		Call 01/01/2019 100.00			
07/01/2018	Interest	Fed Home Ln Bk 07/01/2019 4.375%		2,187.50	
07/05/2018	Management Fee	Schwab Government Money Fund		6,862.00	
07/06/2018	Interest	Fed Farm Cr Bk 07/06/2020 3.45%		1,725.00	
07/09/2018	Interest	Gen Elec Cap Corp 01/09/2023 3.10%		1,550.00	
07/10/2018	Sell	Fed Home Ln Bk 03/06/2019 4.30%	(75,000)	75,897.47	1,119.79
07/15/2018	Interest	GNMA 12/15/2018 5.00%		1.66	
07/15/2018	Interest	GNMA 06/15/2019 4.50%		3.13	
07/15/2018	Interest	Johnson & Johnson 01/15/2028 2.90%		2,960.42	
		Call 10/15/2027 100.00			
07/15/2018	Interest	JP Morgan Chase 07/15/2025 3.90%		2,437.50	
		Call 04/15/2025 100.00			
07/15/2018	Interest	Norfolk Southern 01/15/2024 3.85%		962.50	
		Call 10/15/2023 100.00			
07/15/2018	Interest	Oracle Corp 07/15/2023 3.625%		1,812.50	
07/15/2018	Interest	Schwab Government Money Fund		61.04	
07/15/2018	Interest	UST Infl Indx 01/15/2019 2.125%		745.33	
07/15/2018	Return of Principal	GNMA 12/15/2018 5.00%		96.49	
07/15/2018	Return of Principal	GNMA 06/15/2019 4.50%		202.11	
07/20/2018	Interest	Fed Farm Cr Bk 07/20/2023 4.875%		4,875.00	
07/20/2018	Interest	GNMA 07/20/2024 8.00%		0.51	
07/20/2018	Interest	GNMA 08/20/2028 6.00%		21.32	
07/20/2018	Return of Principal	GNMA 07/20/2024 8.00%		1.40	
07/20/2018	Return of Principal	GNMA 08/20/2028 6.00%		129.87	
07/31/2018	Interest	US Treas Note 07/31/2018 1.375%		893.75	
07/31/2018	Sell	US Treas Note 07/31/2018 1.375%	(130,000)	130,000.00	0.00
08/01/2018	Interest	Adobe Systems 02/01/2025 3.25%		1,625.00	
		Call 11/01/2024 100.00			
08/01/2018	Interest	Bank of America 08/01/2025 3.875%		968.75	
08/06/2018	Buy	Fed Home Ln Bk 08/07/2019 2.375%	100,000	99,930.75	0.00

Transaction Ledger Report

From 07/01/2018 to 09/30/2018

Willowbrook Police Pension Fund

<u>Trade Date</u>	<u>Activity</u>	<u>Description</u>	<u>Quantity</u>	<u>Principal Amount</u>	<u>Accrued Pd/Rec</u>
08/11/2018	Interest	PNC Funding Corp 08/11/2020 4.375%		3,609.38	
08/13/2018	Buy	Cook County, IL 12/01/2023 3.10% Call 12/01/2020 100.00	100,000	99,272.00	637.22
08/15/2018	Interest	Fed Home Ln Bk 08/15/2024 5.375%		3,762.50	
08/15/2018	Interest	General Mills 02/15/2024 3.65%		1,825.00	
08/15/2018	Interest	GNMA 12/15/2018 5.00%		1.26	
08/15/2018	Interest	GNMA 06/15/2019 4.50%		2.37	
08/15/2018	Interest	Schwab Government Money Fund		101.08	
08/15/2018	Return of Principal	GNMA 12/15/2018 5.00%		89.14	
08/15/2018	Return of Principal	GNMA 06/15/2019 4.50%		135.27	
08/20/2018	Interest	GNMA 07/20/2024 8.00%		0.50	
08/20/2018	Interest	GNMA 08/20/2028 6.00%		20.67	
08/20/2018	Return of Principal	GNMA 07/20/2024 8.00%		1.41	
08/20/2018	Return of Principal	GNMA 08/20/2028 6.00%		32.05	
08/25/2018	Interest	Fed Farm Cr Bk 08/25/2026 5.30%		2,650.00	
08/28/2018	Buy	Fed Farm Cr Bk 05/17/2028 3.30%	100,000	100,577.00	935.00
09/01/2018	Interest	Fed Home Ln Bk 09/01/2028 4.00%		2,000.00	
09/03/2018	Interest	Fed Farm Cr Bk 03/03/2027 2.57%		3,212.50	
09/07/2018	Interest	Fed Farm Cr Bk 03/07/2028 3.17%		1,585.00	
09/09/2018	Interest	Fed Farm Cr Bk 03/09/2027 3.08% Call 03/09/2020 100.00		2,310.00	
09/09/2018	Interest	Fed Home Ln Bk 09/09/2024 5.365%		2,011.87	
09/10/2018	Interest	Fed Farm Cr Bk 09/10/2018 4.95%		618.75	
09/10/2018	Interest	Fed Home Ln Bk 09/10/2027 2.625%		3,937.50	
09/10/2018	Interest	Fed Home Ln Bk 03/10/2023 4.75%		4,750.00	
09/10/2018	Sell	Fed Farm Cr Bk 09/10/2018 4.95%	(25,000)	25,000.00	0.00
09/11/2018	Interest	Fed Home Ln Bk 09/11/2020 4.625%		1,156.25	
09/11/2018	Interest	Fed Home Ln Bk 09/11/2026 3.00%		1,500.00	
09/12/2018	Buy	Fed Farm Cr Bk 08/24/2026 3.10%	100,000	99,371.00	163.61
09/12/2018	Sell	T Rowe Price Growth Stock	(699.594)	50,000.00	
09/12/2018	Sell	T Rowe Price QM US Small-Cap Growt	(616.067)	25,000.00	
09/13/2018	Interest	Schwab Government Money Fund		37.11	

Transaction Ledger Report

From 07/01/2018 to 09/30/2018

Willowbrook Police Pension Fund

Trade Date	Activity	Description	Quantity	Principal Amount	Accrued Pd/Rec
09/15/2018	Interest	GNMA 12/15/2018 5.00%		0.89	
09/15/2018	Interest	GNMA 06/15/2019 4.50%		1.86	
09/15/2018	Return of Principal	GNMA 12/15/2018 5.00%		87.89	
09/15/2018	Return of Principal	GNMA 06/15/2019 4.50%		83.80	
09/17/2018	Dividend	Schwab Government Money Fund		9.03	
09/20/2018	Interest	GNMA 07/20/2024 8.00%		0.49	
09/20/2018	Interest	GNMA 08/20/2028 6.00%		20.51	
09/20/2018	Qualified Dividend	Pioneer Equity Income	184.256	6,896.71	
09/20/2018	Return of Principal	GNMA 07/20/2024 8.00%		1.51	
09/20/2018	Return of Principal	GNMA 08/20/2028 6.00%		113.69	
09/25/2018	Qualified Dividend	Vanguard 500 Index Fund	54.635	14,706.14	
09/25/2018	Qualified Dividend	Victory Sycamore	25.602	1,099.88	
09/28/2018	Qualified Dividend	Cohen & Steers Realty	83.002	3,567.44	
09/30/2018	Interest	Fed Home Ln Bk 09/30/2022 5.375%		1,343.75	