

Village of Willowbrook

7760 Quincy Street
Willowbrook, IL 60527-5594

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

Mayor

Robert A. Napoli

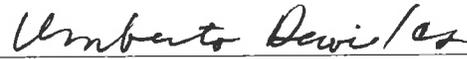
Village Clerk

Leroy R. Hansen

N O T I C E

NOTICE IS HEREBY GIVEN that a regular meeting of the Board of Trustees of the Police Pension Fund of the Village of Willowbrook has been scheduled as follows:

DATE: October 31, 2011 - Monday
TIME: 3:00 P.M.
PLACE: Willowbrook Village Hall
7760 Quincy Street
Willowbrook, Illinois 60527
AGENDA: See attached.



Umberto Davi, President
Board of Trustees
Police Pension Fund

This notice was sent by facsimile on October 27, 2011

The Doings
Suburban Life Graphic

The Tribune
Chicago Sun-Times

THIS NOTICE WAS PLACED ON THE BULLETIN BOARD IN THE LOBBY OF THE VILLAGE HALL, 7760 QUINCY STREET, IN THE VILLAGE OF WILLOWBROOK, DUPAGE COUNTY, ILLINOIS ON OCTOBER 27, 2011.

cc: Indian Prairie Library

ANY INDIVIDUAL WITH A DISABILITY REQUIRING A REASONABLE ACCOMMODATION IN ORDER TO PARTICIPATE IN ANY PUBLIC MEETING HELD UNDER THE AUTHORITY OF THE VILLAGE OF WILLOWBROOK, SHOULD CONTACT THE ADA COMPLIANCE OFFICER AT THE VILLAGE OF WILLOWBROOK, 7760 QUINCY STREET, WILLOWBROOK, IL 60527, OR CALL (630) 323-8215 VOICE, OR (630) 920-2259 TDD, MONDAY THROUGH FRIDAY, BETWEEN 8:30 A.M. AND 4:30 P.M., WITHIN A REASONABLE TIME BEFORE THE MEETING. REQUESTS FOR SIGN LANGUAGE INTERPRETERS SHOULD BE MADE A MINIMUM OF FIVE WORKING DAYS IN ADVANCE OF THE MEETING.



"A Place of American History"

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 MONDAY, OCTOBER 31, 2011, AT 3:00 P.M. AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER
2. ROLL CALL
3. APPROVAL - MINUTES OF REGULAR MEETING - 07/26/11
4. APPROVAL - MINUTES OF SPECIAL MEETING - 08/08/11
5. APPROVAL - MINUTES OF SPECIAL MEETING - 08/24/11
6. APPROVAL - EXPENSES INCURRED JULY THRU SEPTEMBER 2011
7. APPROVAL - INVESTMENTS MADE JULY THRU SEPTEMBER 2011 - Quarterly Investment Report - MB Financial Bank
8. APPROVAL - ACTUARIAL REPORT - Fiscal Year 2011
9. APPROVAL - ANNUAL REPORT - Fiscal Year 2011
10. INFORMATION - DEPARTMENT OF INSURANCE REPORT
11. INFORMATION - 2011 AUDITED FINANCIAL STATEMENTS & MANAGEMENT LETTER
12. VISITOR BUSINESS (Public comment is limited to three minutes per person on agenda items only)
13. NEW BUSINESS
14. OLD BUSINESS
15. COMMUNICATIONS
16. ADJOURNMENT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON JULY 26, 2011, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 3:00 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were Trustees Tim Kobler and Joseph Pec, and President Davi. Also present were Terese Krafchek and Ted Kirpach from MB Financial Bank; Carrie Dittman, Interim Finance Director; and Commander Mike Kurinec. ABSENT: Trustee Scott Eisenbeis.

3. ELECTION OF OFFICERS OF THE WILLOWBROOK POLICE PENSION FUND

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to re-elect Umberto Davi as President; Made by Trustee Pec, seconded by President Davi to re-elect Tim Kobler as Vice President; Made by President Davi, seconded by Trustee Kobler to elect Scott Eisenbeis as Secretary; Made by Trustee Kobler, seconded by President Davi to elect Joe Pec Assistant Secretary. The Board decided to table the appointment of the Treasurer until the the next pension meeting.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL OF MINUTES OF REGULAR MEETING - 04/27/11

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the minutes of the regular meeting of the Police Pension Fund Board of Trustees held on April 27, 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL OF EXPENSES INCURRED APRIL THRU JUNE, 2011

President Davi summarized the expenses of the Pension Fund as follows: 1) Pension Benefits-Foley-\$19,288.44; 2) Pension Benefits-Kleven (Widow)-\$9,628.11; 3) Pension Benefits-Konstanty-\$22,762.41; 4) Pension Benefits-Pec-\$19,672.20; 5) Disability Benefits-Dusek-\$7,914.27; 6) Disability Benefits-McCarthy-\$4,862.01; 7) Financial Management Fees-\$6,037.60; 8) Division of Insurance/State Filing Fee-\$2,491.46; 9) Wolf & Company/Audit-\$2,100.00; 10) IPPFA/Trustee Program-Pec-\$750.00; 11) John Broihier/Legal Fees-\$399.00; 12) IPPFA/NIU/On-Line Training-Eisenbeis-\$350.00. The total expenditures for the Pension Fund for April thru June 2011 were \$96,255.53.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to approve the expenditures in the amount of \$96,255.53 incurred by the Police Pension Fund for April thru June 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL OF INVESTMENTS MADE APRIL THRU JUNE 2011 - QUARTERLY INVESTMENT REPORT - MB FINANCIAL BANK

Terese Krafchek, representing MB Financial Bank, summarized the quarterly investment report for the Pension Fund Board.

Ms. Krafchek introduced Ted Kirpach as the new portfolio manager assigned to the Willowbrook Police Pension Fund.

Ms. Krafchek stated that all aspects of the fund did well. The total fund was up 1.19% for the second quarter of the year. The fund began the quarter at \$13,862,799 and after additions and changes due to investments, ended at \$14,022,990.

Mr. Kirpach summarized the portfolio allocations with 41.86% in equities, 3.21% in cash/cash equivalents, 1.10% in Mutual Funds, 2.16% in Commodities, and 51.66% of the portfolio in fixed income securities. The 41.86% equity was invested 67.03% in large cap U.S. stocks, 5.11% in mid cap U.S. stocks, 10.43% in small cap U.S. stocks, and 17.43% in international stocks; and the 51.66% fixed income was invested in 10.77% U.S. Treasuries, 68.0% in U.S. Agencies, 18.69% in Municipal Bonds, 1.15% in U.S. Mortgage Backed Securities, and 1.41% in Certificates of Deposit.

Mr. Kirpach stated that the William Blair International was removed and replaced with Scout International; and DFA Real Estate Fund, which solely invested within the United States, was removed and replaced with Invesco, which is an international real estate fund.

Trustee Kobler questioned on why there was no monetary additions sent to MB Financial. Ms. Krafchek advised that the former Finance Director would forward money when there was a build up in the checking account. Ms. Dittman questioned if this was something that was voted on by the Board. President Davi stated that it had never been voted on. President Davi stated that it was discretionary. The former Finance Director would keep enough on hand to pay out to the pensioners then forward money to MB Financial. President Davi stated that the Board needs to determine how money is transferred. Ms. Dittman stated that she will do an analysis of what the new cash flow will be and determine what will need to be done.

Ms. Krafchek questioned that with the increase in cash flow with the new pensioners, would the current contributions that are being received be enough to cover payments or does the bank need to take over pension payments. Ms. Krafchek stated that when MB Financial does the pension payments for a fund, they target to keep three (3) months of disbursements on hand in the Money Market Fund. President Davi stated that they would look into this issue.

President Davi questioned if what as the Pension Board take into consideration with the additional pensioners and if anything should be done with the financial advisors to ensure the value of the Fund. Ms. Krafchek stated that the retirements get factored into the Actuarial Report and has already been planned for in the overall actuary valuation. Ms. Krafchek stated that the actual hits to the funding level of a pension fund come from disability claims.

Ms. Krafchek suggested that some changes be made and advised that the State statute made changes in 2010. Since the fund is over \$10 million in size, the board should talk about changing the funding to 50% fixed income and 50% equities. The fund has been at the maximum of 45% equities since that was allowed and historically, equities have been the best performing class and best opportunity to meet the actuarial rate of return assumptions. The other change is to allow corporate bonds as municipal investments, which has a risk reduction effect on fixed income portfolio because the investments are spread among more types of investments.

After a discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to approve the investments and recommendations made by MB Financial Bank on behalf of the Police Pension Fund from April thru June 2011.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL - INVESTMENT POLICY

Ms. Krafchek reviewed the updates to the Willowbrook Police Pension Fund Investment Policy.

Ms. Krafchek recommends maximizing the equity allocations, which can be done with by investment growth. Ms. Krafchek also recommends adding the corporate bonds to the portfolio.

Trustee Kobler questioned if the corporate bonds will be held to certain ratings. Ms. Krafchek confirmed that no junk bonds will be purchased and must be investment grade at the time of purchase.

President Davi questioned how percentages are determined. Ms. Krafchek stated that they would work to have the taxable municipal bonds down to 10-15% range and, over time, 18-24 months build up to 30% in corporate bonds, and allocations to government agencies would also be reduced over time as opportunities present themselves.

Ms. Krafchek stated that the new policy has changes to statute references that were updated, parameters in equities were changed due to the current size of the Pension fund, changes to the maximum allocation allowed. Other changes include the suggested allocations; adding a dedicated allocation for mid-size equities, foreign stocks, real estate, and alternatives. Changes were also made in the definitions to update names that were changed through mergers and acquisitions, and added more bench marks and indexes.

After a discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to approve the Investment Policy as drafted by MB Financial.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. APPROVAL - POSSIBLE SUSPENSION OF PENSION BENEFITS - RUTH KLEVEN

Recording Secretary Stuchl advised that as of today's date, there was still no information received by Ruth Kleven. Ms. Dittman had suggested that the pension attorney be contacted to confirm that benefits can be suspended. Ms. Stuchl received an email from John Broihier, which stated:

"I know of no reason that would prevent you from holding back further payments if questions have arisen with respect to the recipient. You should check the rules of the pension board to see if they spell out the process to be followed in the event there is a lack of communication from a recipient. It is important to confirm the death of the pensioner and to make sure that his spouse is still alive and competent. Until the board receives the supporting documentation, it has no assurance that the funds are being received by the proper party. I am unaware of a specific form used to notify a recipient that the funds are being withheld, however, once the board makes its decision, a letter advising the spouse of the decision and advising her as to what she will need to do to continue to receive benefits would be appropriate."

Ms. Stuchl stated that she did review the Rules and Regulations and did not see any reference to suspending benefits. Ms. Stuchl also stated that she did confirm the death of Richard Kleven.

President Davi confirmed with the Board of the issues and reviewed the time line of correspondence. President Davi requested that the suspension letter be sent in the same certified manner and also by regular mail.

After a discussion by the Board, the following motion was made:

MOTION: Made by President Davi, seconded by Trustee Kobler, to suspend the benefits paid to Ms. Ruth Kleven until the proper documentation that was requested in the letters have been received by the Board.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. DISCUSSION - PENSION BUY BACK

Ms. Dittman stated that since the last Pension Board meeting, there have been several requests to buy back either military service time or IMRF service time. Two of the military times that were submitted in June, Daniel Polfliet and Andrew Pelliccioni. Information was sent to the Department of

Insurance and Actuary Art Tepfer to confirm calculations. Ms. Dittman stated that the calculations would need to be updated for August dates.

Ms. Dittman stated that the IMRF buy back had time limits and has expired.

Ms. Dittman stated that she received a military buy back from Commander William Bozek during the previous week. Commander Bozek's is complicated due to the fact that buy back has to be completed while you are still in active service. Commander Bozek's retirement will go into effect on August 1, 2011. Ms. Dittman has contacted the Department of Insurance on how to implement buy back and is waiting for a response. Trustee Pec questioned on if Commander Bozek could set up a payment schedule. Ms. Krafchek stated that he would have to pay the full amount due in order to receive his full retirement benefit.

10. VISITOR BUSINESS

Commander Mike Kurinec questioned when the Pension Board will hold the meeting to approve the retirement pensions.

After discussion by the Board members, a Special Meeting to approve the retirement pensions was scheduled for August 8, 2011 at 3:00 p.m.

11. NEW BUSINESS

The trustees discussed the IPPFA Conference that will be held in October and who would be attending. President Davi, Trustee Kobler, and Trustee Pec stated they would go.

12. OLD BUSINESS

There was no old business.

13. COMMUNICATIONS

Ms. Dittman stated she received a letter from Village Administrator Tim Halik from Rust Consulting, Inc. reference the possible past purchases of municipal derivatives and a proposed settlement in a class action law suit by Morgan Stanley and other companies. Ms. Dittman stated that the time frame is

anywhere from January 1, 1992 to present. Mr. Kirpach stated that MB Financial has not made any purchases of municipal derivatives.

The Board agreed that they will not take part in the class action suit.

14. ADJOURNMENT

MOTION: Made by Trustee Kobler, seconded by Trustee Pec to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 4:22 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

President

Minutes transcribed by Cindy Stuchl.

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON AUGUST 8, 2011, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 3:15 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were Trustees Scott Eisenbeis, Tim Kobler, and Joseph Pec, and President Davi. Also present: Interim Director of Finance Carrie Dittman (via conference call), Commander William Bozek, Commander Stephen Finlon, Commander Michael Kurinec, and Officer Daniel Polfliet.

3. APPROVAL - PENSION REINSTATEMENT - WIDOW BENEFITS - RUTH KLEVEN

President Davi reviewed the action that was taken at the July 26th regular Pension meeting to suspend widow benefits to Ruth Kleven due to her failure to provide required documents. President Davi confirmed that the required documents, being the W-4P tax form and copy of Richard Kleven's death certificate were received by the Board on August 2, 2011.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to reinstate the pension benefits for the survival spouse of Ruth Kleven effective immediately.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - PENSION BUY BACK - MILITARY TIME - COMMANDER WILLIAM D. BOZEK

President Davi reviewed the request by Commander William Bozek to buy back military time to purchase 152 days of creditable service time. The cost to Commander Bozek would be \$6,691.63 as of August 8, 2011.

Trustee Eisenbeis questioned about a discrepancy that was verbally given to Commander Bozek and the amount due per the

report that Carrie Dittman provided. Ms. Dittman stated that the conversation with Commander Bozek was approximate. The earlier quote was if the payment had been made on that date. The actual payment included interest that was accrued through today's date.

Trustee Eisenbeis questioned on who the check gets made out to and who it gets turned over to. Ms. Dittman stated that it should be the Police Pension Fund of the Village of Willowbrook. Recording Secretary Stuchl indicated that she will write up a receipt for the payment.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis, to approve Commander William Bozek's application for buyback of 152 days of military time at a cost to Commander Bozek of \$6,691.63 as of August 8, 2011. Commander Bozek's creditable service will be increased by 152 days, with an effective start date of employment of July 20, 1988.

President Davi indicated that this motion of the military buy back does not affect his actual retirement date. This has increased his start date.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. APPROVAL - PENSION BUY BACK - MILITARY TIME - OFFICER DANIEL L. POLFLIET

President Davi reviewed the request by Officer Daniel Polfliet to buy back military time to purchase 24 months of creditable service time. The cost to Officer Polfliet would be \$23,602.53 as of August 10, 2011. However, Ms. Dittman stated that the check will be received from Nationwide on August 17th and needed to change the motion to reflect the additional interest, or \$23,630.62.

Trustee Pec questioned if the payment has to be made in a lump sum or if it can be made over time. Ms. Dittman stated that as long as the officer is currently an employee, he can do a payment plan. Ms. Dittman stated that the Pension Board would decide on the length of time for the payments to be made.

August 8, 2011

Trustee Pec stated that Officer Polfliet will be making a lump sum payment, so the payment plan would not be necessary.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler and seconded by Trustee Eisenbeis to approve Officer Daniel Polfliet's application for buyback of 24 months of military time at a cost to Officer Polfliet of \$23,602.53 as of August 10, 2011, plus interest calculated through August 17, 2011. Officer Polfliet's creditable service will be increased by 24 months, with an effective start date of employment of September 14, 1992.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

6. APPROVAL - APPLICATION FOR RETIREMENT BENEFITS - COMMANDER WILLIAM D. BOZEK

President Davi reviewed the application for regular retirement benefits submitted by Commander William Bozek. Commander Bozek has 23 years and 8 days of service and will receive 57.5% of his base salary. Pension calculations were completed and placed into his pension file.

Trustee Kobler indicated that the creditable service time and pension percentage was not listed on the pension application. Additions were made to the original application for signatures.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve Commander William Bozek's application for a regular retirement effective 8/1/2011 (last day of employment). The effective date of the benefit will be August 2, 2011. Commander Bozek's pension benefits will be based on a salary of \$97,906.54 and 23 years, 0 months and 8 days of creditable service. Commander Bozek will receive 57.5% of \$97,906.54 which totals \$56,296.26 (\$4,691.36 on a monthly basis, month of August 2011 is prorated and is \$4,540.03).

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

7. APPROVAL - APPLICATION FOR RETIREMENT BENEFITS - COMMANDER
STEPHEN J. FINLON

President Davi reviewed the application for regular retirement benefits submitted by Commander Stephen Finlon. Commander Finlon has 25 years and 12 days of service and will receive 62.5% of his base salary. Pension calculations were completed and placed into his pension file.

Ms. Dittman indicated that the pension application showed 25 years, 0 months, and 5 days. The correct information is 12 days and was changed on the application.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Eisenbeis, to approve Commander Stephen Finlon's application for a regular retirement effective 8/1/2011 (last day of employment). The effective date of the benefit will be August 2, 2011. Commander Finlon's pension benefits will be based on a salary of \$97,906.54 and 25 years, 0 months and 12 days of creditable service. Commander Finlon will receive 62.5% of \$97,906.54 which totals \$61,191.59 (\$5,099.30 on a monthly basis, month of August 2011 is prorated and is \$4,934.81).

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

8. APPROVAL - APPLICATION FOR RETIREMENT BENEFITS - COMMANDER
MICHAEL J. KURINEC

President Davi reviewed the application for regular retirement benefits submitted by Commander Michael Kurinec. Commander Kurinec has 28 years, 2 months, and 3 days of service and will receive 70.0% of his base salary. Pension calculations were completed and placed into his pension file.

President Davi indicated that the pension application showed 28 years, 2 months, and 22 days. The correct information is 3 days and was changed on the application.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by President Davi, seconded by Trustee Kobler, to approve Commander Michael Kurinec's application for a regular retirement effective 8/1/2011 (last day of employment). The effective date of the benefit will be August 2, 2011. Commander Kurinec's pension benefits will be based on a salary of

\$97,906.54 and 28 years, 2 months and 3 days of creditable service. Commander Kurinec will receive 70.0% of \$97,906.54 which totals \$68,534.58 (\$5,711.22 on a monthly basis, month of August 2011 is prorated and is \$5,526.99).

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

9. APPROVAL - DEPARTMENT OF INSURANCE SECURITY ADMINISTRATOR

Ms. Dittman stated that the security administrator allows the Pension Board to go on-line and complete the Pension Board's annual filing that is required by the Department of Insurance. The Department of Insurance recommended that since Ms. Dittman is the Interim Finance Director that she is by default the pension treasurer.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by President Davi, to accept Carrie Dittman as the Treasurer for the Police Pension Fund of the Village of Willowbrook.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

10. VISITOR'S BUSINESS

Commander Michael Kurinec inquired about the Illinois Retired Officer Concealed Carry applications. Trustee Pec stated that the Department of Homeland Security requires documentation for retired officers to carry off-duty weapons. Part of the application is a retirement/pension verification form that the Pension Board needs to sign which verifies that the officer has over 15 years of service and is retiring in good standing.

Trustee Pec inquired if a motion was required to approve the applications. After discussion, the Board agreed that one was not necessary.

Page 6

Police Pension Fund Board of Trustees - Special Meeting
August 8, 2011

11. ADJOURNMENT

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 3:45 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

President

Minutes transcribed by Cindy Stuchl.

MINUTES OF THE SPECIAL MEETING OF THE BOARD OF TRUSTEES OF THE POLICE PENSION FUND OF THE VILLAGE OF WILLOWBROOK HELD ON AUGUST 24, 2011, AT THE VILLAGE HALL, 7760 QUINCY STREET, WILLOWBROOK, DUPAGE COUNTY, ILLINOIS

1. CALL TO ORDER

The meeting was called to order at the hour of 3:07 p.m. by President Umberto Davi.

2. ROLL CALL

Those present at roll call were Trustees Scott Eisenbeis, Tim Kobler, and Joseph Pec, and President Davi. Also present: Interim Director of Finance Carrie Dittman and Officer Daniel Polfliet.

President Davi stated that this special meeting was called in order to rectify an error that had occurred and was discovered after the previous special meeting held on August 8, 2011. President Davi stated for the record that on behalf of the Willowbrook Police Pension Board to apologize to Commander William Bozek and Officer Daniel Polfliet of the inadvertent error that occurred in the calculations for the military buy back.

President Davi stated that the matters to be discussed today are the correction and reapproval of pension buy back-military time for Commander William Bozek and Officer Daniel Polfliet.

3. APPROVAL - PENSION BUY BACK (REVISION) - MILITARY TIME - COMMANDER WILLIAM D. BOZEK

President Davi reviewed that the Pension Board had met on August 8, 2011 in a special meeting to approve the military buy back. Subsequent to that time, President Davi stated within a few days after that meeting, he was informed by Interim Finance Director Carrie Dittman that an error had been discovered in the computation of the actual amounts that were owed by the two officers involved in the military buy back. President Davi stated that the original numbers were computed by Ms. Dittman, then reviewed by the Pension Actuary Art Tepfer. Error was not made in the haste of the computation and is within the 35 days allowed by statute to make corrections.

Ms. Dittman stated that when she made the original calculations, she used a spreadsheet that had correct mechanisms for the amount of time and amount interest calculations. The error occurred with the normal cost percentage that was used in the calculations. When an officer buys back military time, the employee has to contribute both what the employer and what the employee would have contributed during the time

frame of when their looking to buy back service. In the initial calculations, only what the employer normal cost percentage was used, which were taken from the Department of Insurance tax levys for the fiscal years that the employee is buying back time for. Ms. Dittman stated that for Commander Bozek, it was for 1989 fiscal year actuarial calculation that was used. The percentage that was used in the calculation of Commander Bozek's time was 13.7%, which excluded the employee percentage of 9%. Total percentage should have been 22.7%. The original calculation for buy back was \$6,691.63, the correct amount due was \$11,087.59.

Ms. Dittman stated that she contacted President Davi immediately when the error was discovered. She also contacted Mr. Tepfer to review what was missed.

Trustee Eisenbeis questioned if the outstanding amount due of \$4,395.96 changes based on interest. Ms. Dittman stated that the amount due was correct since speaking with Commander Bozek who stated that he would deliver the check at the Village Board meeting that was held on Monday. Ms. Dittman stated that as of today's date, no check has been received. Trustee Kobler stated that since there was an error in the calculation, Commander Bozek should be given 30 days from today's date to pay the balance without any additional interest.

Ms. Dittman also stated that this has not affected in any way the amount of time that was purchased back or the amount of Commander Bozek's retirement pension. Trustee Kobler questioned on what would happen if he decided not to pay the additional amount. Ms. Dittman stated that Commander Bozek would be refunded the original \$6,691.63 and his pension payments would be adjusted.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Kobler, seconded by Trustee Pec, to approve the revised calculation for the pension military buy back of Commander William Bozek for \$11,087.59 and be given 30 days from today's date to pay the outstanding balance of \$4,395.96 with no additional interest.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

4. APPROVAL - PENSION BUY BACK (REVISION) - MILITARY TIME - OFFICER DANIEL L. POLFLIET

President Davi reviewed the revised calculation information for Officer Daniel Polfliet. The corrected calculation for the buy

back of military time would be \$39,128.66. Ms. Dittman stated that the Village has received a check for the original amount of \$23,630.62 and is being held pending today's meeting.

Trustee Pec questioned Officer Daniel Polfliet on if he will be paying the additional amount owed of \$15,498.04 or did Officer Polfliet want a refund of monies already received. Officer Polfliet stated that he did want to proceed. Ms. Dittman stated that since he is a current employee, Officer Polfliet can pay the amount due over time through a payment plan. Officer Polfliet stated he will be paying the whole amount using his Pepsco retirement plan.

After a brief discussion by the Board, the following motion was made:

MOTION: Made by Trustee Pec, seconded by Trustee Kobler, to approve the revised calculation for the pension military buy back of Officer Daniel Polfliet for \$39,128.66 and be given 30 days from today's date to pay with no additional interest.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

5. ADJOURNMENT

MOTION: Made by Trustee Pec, seconded by Trustee Kobler to adjourn the meeting of the Board of Trustees of the Police Pension Fund at the hour of 3:40 p.m.

UNANIMOUS VOICE VOTE

MOTION DECLARED CARRIED

PRESENTED, READ and APPROVED,

President

Minutes transcribed by Cindy Stuchl.

Police Pension Fund Expenditures – July – September, 2011

Pension Benefits – Bozek	\$ 9,231.39
Pension Benefits – Finlon	10,034.11
Pension Benefits – Foley	19,288.47
Pension Benefits – Kleven (Widow)	9,628.11
Pension Benefits – Konstanty	22,762.41
Pension Benefits – Kurinec	11,238.21
Pension Benefits – Pec	19,672.20
Disability Benefits – Dusek	7,914.27
Disability Benefits – McCarthy	<u>4,862.01</u>
 Benefits Total	 \$114,631.18
 MB Financial Bank/Financial Advisory Fees	 6,161.56
John Broihier/Legal Fees	95.00
IPPPA/NIU/Conference (Davi, Kobler, Pec)	825.00
 Fund Total	 \$ 121,712.74

VILLAGE OF WILLOWBROOK
EXPENDITURE ACCOUNT INQUIRY

RUN: 10/04/11 2:02PM

(JULY THRU SEPTEMBER)

PAGE: 1

MO	JL	POST/CK DATE	REFERENCE NUMBER	DATE	CHECK NUMBER	P.O. NUMBER	ENCUMB. LIQUID.	EXPEND.	EXPENDED BALANCE	PRCT.	UNEXPEND. BALANCE	UNENCUMB. BALANCE	
07-62-401-581 PENSION BENEFITS 07-401-581								APPROP:	497,180.00		BUDGET:	248,590.00	
7	PR	07/29/11	07/29/11	07/29/11				20,574.36	61,723.08	24.8	186,866.92	186,866.92	
			POLICE PENSION BENEFIT										
8	PR	08/26/11	08/26/11	08/26/11				35,576.19	97,299.27	39.1	151,290.73	151,290.73	
			POLICE PENSION BENEFIT										
9	PR	09/23/11	09/23/11	09/23/11				36,076.24	133,375.51	53.7	115,214.49	115,214.49	
			POLICE PENSION BENEFIT										
07-62-401-582 WIDOW'S PENSION 07-401-582								APPROP:	77,026.00		BUDGET:	38,513.00	
			***** BALANCE FORWARD *****						6,418.74	16.7		32,094.26	32,094.26
8	PR	08/10/11	08/10/11	08/10/11				3,209.37	9,628.11	25.0	28,884.89	28,884.89	
			WIDOW PENSION										
8	PR	08/26/11	08/26/11	08/26/11				3,209.37	12,837.48	33.3	25,675.52	25,675.52	
			WIDOW PENSION										
9	PR	09/23/11	09/23/11	09/23/11				3,209.37	16,046.85	41.7	22,466.15	22,466.15	
			WIDOW PENSION										
07-62-401-583 DISABILITY BENEFITS 07-401-583								APPROP:	102,844.00		BUDGET:	51,422.00	
7	PR	07/29/11	07/29/11	07/29/11				4,258.76	12,776.28	24.9	38,645.72	38,645.72	
			POLICE PENSION DISABILITY BENEFIT										
8	PR	08/26/11	08/26/11	08/26/11				4,258.76	17,035.04	33.1	34,386.96	34,386.96	
			POLICE PENSION DISABILITY BENEFIT										
9	PR	09/23/11	09/23/11	09/23/11				4,258.76	21,293.80	41.4	30,128.20	30,128.20	
			POLICE PENSION DISABILITY BENEFIT										
07-62-401-242 LEGAL FEES 07-401-242								APPROP:	6,180.00		BUDGET:	3,090.00	
			***** BALANCE FORWARD *****						399.00	12.9		2,691.00	2,691.00
8	CD	08/09/11	1181	08/01/11	78108			95.00	494.00	16.0	2,596.00	2,596.00	
			LAW OFFICE OF J.C. BROIHIER (2386) LEGAL FEES 07-401-242										
07-62-401-253 FINANCIAL ADVISORY SERVICES 07-401-253								APPROP:	51,500.00		BUDGET:	25,750.00	
			***** BALANCE FORWARD *****						0.00	0.0		25,750.00	25,750.00
8	PS	09/02/11	POLICE PENSION	08/31/11				6,161.56	6,161.56	23.9	19,588.44	19,588.44	
			FINANCIAL ADVISORY FEES										
07-62-401-304 MEETINGS, TRAVEL, CONFERENCES 07-401-304								APPROP:	10,000.00		BUDGET:	5,000.00	
			***** BALANCE FORWARD *****						750.00	15.0		4,250.00	4,250.00
8	CD	08/09/11	IPPFA CONF 2011	07/28/11	78120			825.00	1,575.00	31.5	3,425.00	3,425.00	
			NORTHERN ILL UNIVERSITY (1388) MEETINGS, TRAVEL, CONFERENCES 07-401-304										

October 24, 2011

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Interim Director of Finance e.D.

SUBJECT: 4/30/11 Annual Report to the Village

Attached is the required annual reporting to the Village by the Pension Board for the fiscal year ended 4/30/11, as prepared by the Pension Board's actuary, Art Tepfer.

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.

REQUIRED REPORTING TO MUNICIPALITY BY PENSION BOARD

As of April 30, 2011 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):	\$14,293,653
Actuarial Value of Assets (see item 8 for explanation):	\$14,814,863

2.

Estimated receipts during the next succeeding fiscal year from:

Participant Contributions deducted from payroll:	\$200,865
Employer Contributions and all other sources:	\$581,988

3.

Estimated amount required during the next succeeding fiscal year to:

(a) pay all pensions and other obligations provided in this Article:	\$433,046
(b) meet the annual requirements of the fund as provided in Sections 3-125 and 3-127:	\$782,853

4.

Total Net Income received from investment of net assets:	\$1,443,849
--	--------------------

Assumed Investment Return:	7.50%
Actual Investment Return:	11.20%

Total Net Income received from investment of net assets (FYE April 30, 2010):	\$1,944,659
---	--------------------

Assumed Investment Return (FYE April 30, 2010):	7.50%
Actual Investment Return (FYE April 30, 2010):	18.59%

5.

Total number of Active Employees that are financially contributing to the fund:	24
---	-----------

6.

Disbursements to:

(i) Annuitants in receipt of a regular retirement pension:	
Total number of annuitants:	3
Total amount that was disbursed in benefits:	\$263,409
(ii) Recipients being paid a disability pension:	
Total number of annuitants:	2
Total amount that was disbursed in benefits:	\$ 50,730
(iii) Survivors and children in receipt of benefits:	
Total number of annuitants:	1
Total amount that was disbursed in benefits:	\$ 10,663

7. Funded ratio of the fund: **82.67%**
8. Unfunded Actuarial Accrued Liability: **\$3,105,534**

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 _____, 2011.

Umberto Davi
President of Willowbrook Police Pension Board

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

VILLAGE OF WILLOWBROOK, ILLINOIS

Statement of Fiduciary Net Assets

April 30, 2011

	Police Pension Trust Fund	Agency Fund
Assets		
Cash and Equivalents	\$ 142,097	\$ 40
Investments, at Fair Value		
Money Market Account	343,034	-
Certificates of Deposit	102,260	-
Mutual Funds	6,334,681	-
State and Local Obligations	1,382,807	-
U.S. Government Obligations	5,895,412	-
Receivables		
Accrued Interest	93,362	-
Total Assets	14,293,653	40
Liabilities		
Due to Bondholders	-	40
Net Assets Held in Trust for Pension Benefits	\$ 14,293,653	\$ -

See accompanying Notes to the Financial Statements.

WILLOWBROOK POLICE PENSION FUND INVESTMENT POLICY

PURPOSE AND OBJECTIVE

The investment of pension funds is the responsibility of the members of the Board of Trustees of the Willowbrook Police Pension Fund (Pension Board). The purpose of this investment policy is to indicate a conscious, formal effort by the Pension Board to develop, implement and monitor the investment of pension funds. It shall be considered an important means to communicate the Pension Board's policy views on management of pension funds to the public, participants, and beneficiaries of the Willowbrook Police Pension Fund (Fund).

The Pension Board has a fiduciary responsibility to discharge their duties with respect to the pension fund solely in the interest of the participants and beneficiaries as set forth in the Illinois Pension Code at 40 ILCS 5/1-109.

Safety of principal is the foremost objective of the Pension Fund. Each investment transaction shall seek to first ensure that large capital losses are avoided whether they are from securities defaults or erosion of market value. The Pension Board seeks to attain market rates of return on its investments consistent with constraints imposed by its safety objectives, cash flow considerations and Illinois state laws that restrict the placement of public funds.

All participants in the investment process shall seek to act prudently as custodians of pension funds. Investment officials shall avoid any transactions that might reasonably impair Fund participant's confidence in the Pension Board's ability to manage the Fund.

The assets shall be sufficiently liquid to meet the Fund's disbursement requirements for the payment of operating expenses and benefits.

RESPONSIBILITY

Management of the investment program is the responsibility of the Pension Fund Board of Trustees. No person may engage in an investment transaction except as provided under terms of this policy established by the Pension Board. The Pension Board may appoint an investment manager (as defined in 40 ILCS 5/1 - 101.4) to assist in the management of the investment program. Any such appointment shall be made in accordance with the requirements of Section 1-113.5 of the Illinois Pension Code (40 ILCS 5/1-113.5). The investment manager shall acknowledge, in writing, that it is a fiduciary with respect to the Pension Fund. Any such written agreement shall be attached to this policy.

The Pension Board will meet with the investment manager at least quarterly to review market conditions, review the investment portfolio, and determine investment strategy. The Treasurer of the Pension Fund is responsible for ensuring that all investment transactions undertaken are consistent with the Fund's investment strategy.

PRUDENCE

Investments shall be made with judgment and care, under circumstances prevailing, which person of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return. The standards of prudence to be used by investment officials shall be the “Prudent Person” and shall be applied in the context of managing the portfolio.

PROHIBITED TRANSACTIONS

A Fiduciary with respect to the Fund shall not:

1. Deal with the assets of the Fund in their own interests or for their own account.
2. In their individual or other capacity act in any transaction involving the Fund on behalf of a party whose interests are adverse to the interests of the Fund or the interests of its participants or beneficiaries.
3. Receive any consideration for their own personal account from any party dealing with the Fund in connection with a transaction involving the assets of the Fund.

INVESTMENT INSTRUMENTS

The Fund may invest in any type of investment instrument permitted by Illinois law, as described in Chapter 40 of the Illinois Compiled Statutes, 40 ILCS 5/1-113.1 through 113.4. Permitted investment instruments include, but are not limited to:

1. Interest bearing direct obligations of the United States of America.
2. Interest bearing obligations to the extent that they are fully guaranteed or insured as to payment of principal and interest by the United States of America.
3. Interest bearing bonds, notes, debentures, or other similar obligations of agencies of the United States of America. For the purposes of this section, “Agencies of the United States of America” include:
 - a. The Federal National Mortgage Association and the Student Loan Marketing Association
 - b. Federal Land Banks, Federal Intermediate Credit Banks, Federal Farm Credit Banks, and any other entity authorized to issue direct debt obligations of the United States of America under the Farm Credit Act of 1971 or amendments to that Act

- c. Federal Home Loan Banks and the Federal Home Loan Mortgage Corporation
 - d. Any agency created by Act of Congress that is authorized to issue direct debt obligations of the United States of America.
4. Interest bearing savings accounts or certificates of deposit, issued by federally chartered banks or savings and loan associations, or by State of Illinois chartered banks or savings and loan associations, to the extent that the deposits are insured by agencies or instrumentalities of the federal government.
 5. Interest bearing bonds of the State of Illinois.
 6. Pooled interest bearing accounts managed by the Illinois Public Treasurer's Investment Pool in accordance with the Deposit of State Moneys act, interest bearing funds or pooled accounts of the Illinois Metropolitan Investment Funds, and interest bearing funds or pooled accounts managed, operated, and administered by banks, subsidiaries of banks, or subsidiaries of bank holding companies in accordance with the law of the State of Illinois.
 7. Interest bearing bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois.
 8. Direct obligations of the State of Israel.
 9. Money Market Mutual Funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies; provided that the portfolio of the money market mutual fund is limited to:
 - a. Bonds, notes, certificates of indebtedness, treasury bills, or other securities that are guaranteed by the full faith and credit of the United States of America as to principal and interest.
 - b. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.
 - c. Short term obligations of corporations organized in the United States with assets exceeding \$400,000,000, provided that i) the obligations mature no later than 180 days from the date of purchase, ii) at the time of purchase, the obligations are rated by at least 2 standard national rating services at one of their 3 highest classifications, and iii) the obligations held by the mutual fund do not exceed 10% of the corporation's outstanding obligations.
 10. Separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:

- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
- b. The mutual fund must have been in operation for at least 5 years.
- c. The mutual fund must have total net assets of \$250,000,000 or more.
- d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

If the pension fund has assets less than \$2,500,000, the investment in item #10 is not to exceed 10% of the portfolio of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

11. Corporate bonds, managed through an investment advisor, and the bonds meet the following requirements:
 - a. The bonds must be rated as investment grade by one of the two largest rating services at the time of purchase.
 - b. If subsequently downgraded below investment grade, the bonds must be liquidated from the portfolio within 90 days after being downgraded by the manager.
12. A pension fund with net assets of \$2,500,000 or more, may invest in separate accounts that are managed by life insurance companies authorized to transact business in Illinois and are comprised of diversified portfolios consisting of common or preferred stock, bonds or money market instruments or mutual funds that meet the following requirements:
 - a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
 - b. The mutual fund must have been in operation for at least 5 years.
 - c. The mutual fund must have total net assets of \$250,000,000 or more.
 - d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.
13. A pension fund with net assets of \$5,000,000 or more and has appointed an investment adviser under Section 1-113.5, may invest in common and preferred stocks that meet the following requirements:
 - a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.

- b. The securities must be of a corporation in existence for at least 5 years.
- c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.
- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

14. If the Fund has net assets of \$10,000,000 or more and has appointed an investment adviser under Sections 1-101.4 and 1-113.5, it may, through that investment adviser, invest an additional portion of its assets in common and preferred stocks and mutual funds that meet all of the following requirements:

These stocks must meet all of the following requirements:

- a. The common stocks must be listed on a national securities exchange or board of trade (as defined in the Federal Securities Exchange Act of 1934 and set forth in paragraph G of Section 3 of the Illinois Securities Law of 1953) or quoted in the National Association of Securities Dealers Automated Quotation System National Market System.
- b. The securities must be of a corporation in existence for at least 5 years.
- c. The market value of stock in any one corporation may not exceed 5% of the cash and invested assets of the pension fund, and the investments in the stock of any one corporation may not exceed 5% of the total outstanding stock of that corporation.
- d. The straight preferred stocks or convertible preferred stocks must be issued or guaranteed by a corporation whose common stock qualifies for investment by the board.

These mutual funds must meet the following requirements:

- a. The mutual fund must be managed by an investment company registered under the Federal Investment Company Act of 1940 and registered under the Illinois Securities Law of 1953.
- b. The mutual fund must have been in operation for at least 5 years.
- c. The mutual fund must have total net assets of \$250,000,000 or more.
- d. The mutual fund must be comprised of a diversified portfolio of common or preferred stocks, bonds, or money market instruments.

The Fund's total investment in the items authorized under Sections 10, 12, 13 & 14 shall not exceed 45% prior to June 30, 2011, 50% effective July 1, 2011 and 55% effective July 1, 2012 of the market value of the pension fund's net present assets stated in its most recent annual report on file with the Illinois Department of Insurance.

The Board of Trustees may register the investments of the Fund in the name of the Pension Fund, in the nominee name of a bank or trust company authorized to conduct trust business in Illinois, or in the nominee name of the Illinois Public Treasurer’s Investment Pool.

PERFORMANCE MEASUREMENTS

Performance will be calculated using professional standards as established by the Association for Investment Management Research. The Pension Board shall utilize the following benchmarks for evaluating the Fund’s performance:

<u>Application</u>	<u>Benchmark</u>
Cash Equivalents	90 - day U.S. Treasury Bills
Fixed Income (excludes Corporate Bonds)	B of A Merrill Lynch Treasury/Agency Index
Corporate Bond	B of A Merrill Lynch 1-10 Year Corporate
Large Capitalization Equities	Standard & Poor’s 500 Stock Index
Mid Capitalization Equities	Standard & Poor’s 400 Stock Index
Small Capitalization Equities	Russell 2000 Stock Index
International Equities (includes developed and emerging markets)	Morgan Stanley Capital International Europe/Australia/Far East Index

CONTROLS

The Fund maintains its books and records in conformance with generally accepted accounting principles. The internal controls shall be established by the Treasurer and reviewed by the Pension Board and an independent auditor. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets or imprudent actions by employees and officers of the Pension Board.

DIVERSIFICATION / STRATEGY

Fixed Income:

The average maturity/duration of the portfolio will be managed based upon the current existing interest rate environment. Under most circumstances the maturity/modified duration of the portfolio will be maintained at approximately 5.0 years and will range from 2.0 years to 7.0 years. This type of strategy will result in increasing the maturity/duration of the portfolio when interest rates are rising and decreasing the maturity/duration of the portfolio if interest rates are

declining. The investment manager may change the duration of the portfolio as the market conditions permit.

The allocation guidelines, by asset class, for the fixed income investments are as follows:

	<u>Target Allocation</u> 3	<u>Range of Allocation</u>
Cash, Money Market, IPTIP accounts: 1	0%	0 - 10%
Bank Certificates of Deposit: 2	0%	0 - 10%
U.S. Treasury Securities:	10%	0 - 40%
U.S. Government Agency Securities:	50%	0 - 75%
U.S. Government Agency MBS's:	0%	0 - 20%
Taxable Municipal Securities:	10%	0 - 20%
Corporate Bonds:	30%	0 - 50%

Notes:

1. Cash will be maintained to manage cash flow of the Fund or as a transition asset.
2. Bank certificates of deposit will only be used if market returns are favorable. They will be used as a substitute for the Treasury and Agency portion of the portfolio.
3. Under normal market conditions the structure of the portfolio will be within these limits; however the portfolio manager may diverge from the above suggestions due to abnormal market conditions.

Equities:

Once the fund reaches the equity allocation approved by the Board and permitted by law, normal asset allocation range for equity portfolio allocation weightings should be:

	<u>Target Allocation</u>	<u>Range of Allocation</u>
U.S. Large Company Stocks	55%	0-75%
U.S. Mid-Sized Company Stocks	10%	0-15%
U.S. Small Company Stocks	10%	0-20%
Foreign Stocks	15%	0-25%
Real Estate	5%	0-10%
Alternative Investment	5%	0-20%

Portfolio allocations should be rebalanced at least annually at the end of the fiscal year or when the portfolio allocation to equities rises above the limit established and confirmed at each board meeting.

COLLATERALIZATION - It is the policy of the Fund to require that all deposits in excess of FDIC insurable limits (applies to bank Certificates of Deposit) be secured by collateral in order to protect deposits from default.

1. Eligible collateral instruments and collateral ratios (market value divided by deposit) are as follows:

- | | | |
|----|--|--------|
| a. | U.S. Government Securities | = 110% |
| b. | Obligations of Federal Agencies | = 115% |
| c. | Obligations of the State of Illinois | = 115% |
| d. | Local and Municipal Bonds rated "A" or better by Moody's | = 115% |

The ratio of fair market value of collateral to the amount of funds secured shall be reviewed at least quarterly and additional collateral shall be requested when the ratio declines below the level required.

2. Safekeeping of collateral

- a) Third party safekeeping is required for all collateral. To accomplish this, the securities can be held at the following locations:
1. A Federal Reserve Bank or branch office.
 2. At another custodial facility - generally in a trust department through book-entry at the Federal Reserve, unless physical securities are involved. If physical securities are involved, at a third party depository in a suitable vault and insured against loss by fire, theft and similar causes.
- b) Safekeeping of collateral shall be documented by a written agreement approved by the Treasurer. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement.
- c) Substitution or exchange of securities held in safekeeping as collateral may occur without prior written notice to the Treasurer provided that the market value of the replacement securities are equal to or greater than the market value of the securities being replaced. The Treasurer shall be notified in writing within two days of all substitutions.

CUSTODY AND SAFEKEEPING OF INVESTMENTS

1. Third party safekeeping is required for all securities owned by the Fund. To accomplish this, the securities shall be held in a trust department through book-entry at the Depository Trust Company.
2. Safekeeping shall be documented by an approved written agreement. The agreement may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody

agreement. Fees for this service shall be mutually agreed upon by the Pension Board and the safekeeping bank.

ETHICS AND CONFLICTS OF INTEREST

Any fiduciary with respect to the Fund shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

INDEMNIFICATION

Pension Board members, investment officers, and the Treasurer acting in accordance with this Investment Policy and such written procedures as have been or may be established, in relation thereto, and exercising due diligence, shall be relieved of personal liability for an individual security's credit risk or market changes.

REPORTING

On a monthly basis, the Treasurer shall submit to the Pension board an investment report which shall describe the portfolio in terms of investment securities, maturity, cost, transactions and earnings for the current period. The Treasurer shall also submit a comprehensive annual report on the investment program and activity.

MEETING SCHEDULE

The Board shall schedule periodic meetings for the purposes of portfolio and investment performance review. Special meetings may be called as needed to conduct the business of the pension Board.

AUDIT

The Fund is subject to periodic examination by the Illinois Department of Insurance.

DEFINITIONS

Beneficiary - person eligible for or receiving benefits from a pension fund.

Book Entry Security - securities that can be transferred from institution to institution using the federal electronic wire system, thus eliminating the physical transfer of certificates. Records are maintained on a computer system at the Federal Reserve.

Collateral - the pledging of a security to guarantee performance of an obligation.

Commercial Paper - unsecured promissory notes of corporations issued for 270 days or less.

Fiduciary - person entrusted with the control of assets for the benefit of others.

Investment Manager - an individual or organization that provides investment management services for a fee, either on a discretionary or nondiscretionary basis. Under Illinois law, an investment manager is considered a fiduciary with respect to the Fund.

IL Funds (also known as the Illinois Public Treasurers' Investment Pool) - a short-term money market fund for public funds in Illinois.

Market Value - the present price of a given security.

B of A Merrill Lynch Corporate 1-10 Year Index - benchmark index based upon publicly issued intermediate corporate debt securities.

B of A Merrill Lynch Treasury Index - benchmark index that quantifies the price and yield performance of all U.S. Treasury obligations with a maturity of at least one year and an outstanding par value of at least \$100 million. The securities comprising the index are rebalanced on a daily basis.

B of A Merrill Lynch US Treasury/Agency Index: The U.S. Government/Agency Index tracks the performance of the combined U.S. Treasury and U.S. Agency Markets. It includes U.S. dollar- denominated U.S. Treasury and U.S. Agency Bonds, issued in the U.S. domestic bond market, having at least one year remaining term to maturity, a fixed coupon schedule and a minimum amount outstanding of \$1 Billion for U.S. Treasuries and \$150 Million for U.S. Agencies. The index is re-balanced on the last calendar day of the month.

Morgan Stanley Capital International (EAFE) - Indices are based on the share prices of approximately 1,600 companies listed on stock exchanges in the twenty-two countries that make up the MSCI National Indices.

Return - the profit or interest as payment for investment.

Russell 2000 Stock Index - is comprised of the smallest 2000 companies in the Russell 3000 Index, representing approximately 11% of the Russell 3000 total market capitalization. The Index was developed with a base value of 135.00 as of December 31, 1986.

Security - any note, stock, bond, certificate of interest or certificate of deposit.

Separate Account - term used of variable annuities. Because the risk is borne by the investor in a variable annuity, the issuer may not commingle funds invested in the variable annuity with the general funds of the issuer.

Standard & Poor's 400 Midcap Stock Index – is comprised of 400 stocks chosen for market size, liquidity and industry group representation. All stocks within the S & P 500 are not eligible for inclusion.

Standard & Poor's 500 Stock Index - is a capitalization-weighted index of 500 stocks designed to measure performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries. The index was developed with a base level of 10 for the 1941-43 base period.

Treasury Bill - short-term debt obligation of U.S. government which will mature within ten years at the time of original issuance.

Treasury Bond - longer debt obligations of U.S. government which will mature in ten years or longer at the time of original issuance.

Yield - percentage measured by taking annual interest from an investment and dividing by current market value.

AMENDMENT

The Board shall review this Policy periodically to ensure its effectiveness in meeting the Pension Fund's needs for safety, liquidity, rate of return, and diversification, and its general performance. Any changes shall be presented to the Pension Board for its approval. Whenever this policy is amended, the Board shall file a copy of the new policy with the Illinois Department of Insurance within thirty (30) days.

CONFLICT

In the event of any conflict between this Policy and the Illinois Compiled Statutes or case decisions of the State of Illinois, the Statutes and case law decisions shall govern.

FILING OF POLICY; PUBLIC AVAILABILITY

The Board shall file this policy with the Illinois Department of Insurance within thirty (30) days of its adoption. The Board shall make a copy of this Policy available to the public at the main administrative office of the Pension Fund.

ADOPTION

Adopted by the Willowbrook Police Pension Fund Board of Trustees, as amended, on this day of _____, 2011.

President

Trustee

Secretary

Trustee

Treasurer

Trustee

04/2011

October 24, 2011

MEMO TO: Village of Willowbrook Police Pension Board

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

SUBJECT: 4/30/11 annual Dept of Insurance report

Attached is the annual filing of the police pension fund for the fiscal year ended 4/30/11 as prepared by the Village's independent auditors. I reviewed the report and submitted to the Dept of Insurance (DOI) on October 18. Additionally, the required certification form will be signed by board officers and submitted to DOI by their October 31, 2011 deadline.

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

**ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND**

Fiscal Year 5/1/2010 Through 4/30/2011
State of Illinois, City of Willowbrook, County of DuPage
Established 6/30/1983

Pension Fund Number - 3315 Federal Employer Identification Number (FEIN) - 366097046

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: 7760 Quincy Street
Street Address 2:
City, State, Zip: Willowbrook, IL 60527-5594
Fax Number: (630)323-0787
Email Address: N/A

Location of Member Records

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)323-8215

Annual Statement Contact Person

Name (Last, First MI): Dittman, Carrie
Job Title: Interim Director of Finance
Phone Number: (630)323-8215
Fax Number: (630)323-0787
Email Address: dirfin@willowbrook.il.us

Location of Financial Records

Name (Last, First MI): Dittman, Carrie
Job Title: Interim Director of Finance
Street Address 1: 7760 Quincy Street
Street Address 2:
City, State, Zip: Willowbrook, IL 60527-5594
Phone Number: (630)323-8215

Pension Board Role: Vice President

Name: Kobler, Timothy
SSN:
Occupation: Police Officer
Reason On Board: Elected Active
Term Expires: 4/30/2012 12:00:00 AM

Street Address 1:
Street Address 2:
City, State, Zip:
Phone Number:
Email:

Pension Board Role: Vice President

Name: Kobler, Timothy
SSN:
Occupation: Police Officer
Reason On Board: Elected Active
Term Expires: 4/30/2012 12:00:00 AM

Street Address 1:
Street Address 2:
City, State, Zip:
Phone Number:
Email:

Revenues Statement

<u>From Investments</u>		
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):	\$162,783.98
6.9	Income from Other Investment Assets (from detail):	\$0.00
6.10	Unrealized Gains/Losses:	\$910,077.00
6.11	Income/Dividends from Mutual Funds (Sum of Total Income/Dividends from Schedule K2 and Total Income/Dividends from Schedule K3):	\$82,677.98
6.12	Income/Dividends from Common and Preferred Stocks (Sum of Total Income/Dividends from Schedule J2 and Total Income/Dividends from Schedule J3):	\$0.00
7.0	Total Income from Investments (Sum of Lines 6.1 through 6.12):	\$1,443,848.71
<u>From Other Sources</u>		
8.0	Donations:	\$0.00
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):	\$2,196,862.71
11.0	Amount Carried Forward (Sum of the Beginning of Year Balance and Line 10.0):	\$14,654,166.71

Expenses Statement

<u>Insurance</u>		
16.4	Liability:	\$0.00
16.5	Property:	\$0.00
17.0	Total Insurance Expense (Sum of Lines 16.1 through 16.5):	\$0.00
 <u>Professional Services</u>		
18.1	Actuarial:	\$1,600.00
18.2	Auditing:	\$3,600.00
18.3	Accounting and Bookkeeping:	\$0.00
18.4	Medical:	\$0.00
18.5	Legal Expense:	\$0.00
18.6	Public Stenographer/Court Reporter:	\$0.00
19.0	Total Professional Services (Sum of Lines 18.1 through 18.6):	\$5,200.00
 <u>Investment Expense</u>		
20.1	Investment Manager/Adviser Fee:	\$25,507.00
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):	\$25,507.00
 <u>Electronic Data Processing (EDP)</u>		
22.1	Equipment Purchases:	\$0.00
22.2	Supplies:	\$0.00
22.3	Professional Services:	\$0.00

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):	\$485,131.00	
	<u>Investments</u>		<u>Market Value:</u>
32.1	Certificates of Deposit (Total Balance End of Year from Schedule B):	\$102,269.00	\$102,269.00
32.2	State and Local Obligations (Total Value from Schedule C3):	\$1,348,524.00	\$1,382,807.45
32.3	U.S. Government and Agency Obligations (Total Value from Schedule D3):	\$5,596,441.10	\$5,895,412.01
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):	\$6,334,670.56	\$6,334,670.56
33.0	Total Investments (Sum of Lines 32.1 through 32.8):	\$13,381,904.66	\$13,715,159.02
	<u>Receivables</u>		
34.1	Taxes Receivable:	\$0.00	
34.2	Accrued Past Due Interest:	\$93,362.98	
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):		\$93,362.98
36.0	Equipment:	\$0.00	
37.0	Other Assets (from detail):	\$0.00	
			<u>Market Value:</u>
38.0	Total Assets (Sum of Lines 31.1, 31.2, 33.0, 35.0, 36.0, and 37.0):	\$13,960,398.64	\$14,293,653.00

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
<hr/>							
10103 Savings							
Community Bank of Willowbrook		4/1/2000	N	0.650 %	1,771.00	142,097.00	300.33
				Totals:	\$1,771.00	\$142,097.00	\$300.33
<hr/>							
10104 Bank Money Market Accounts							
MB Financial Bank		6/30/1998	N	0.000 %	152,697.00	343,034.00	118.05
				Totals:	\$152,697.00	\$343,034.00	\$118.05
<hr/>							
				Totals:	\$154,468.00	\$485,131.00	\$418.38

Schedule C - Part 1

Investments in State & Local 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									
Cook Cnty SD#214 (AH)	215633LB2	7/14/2010	12/1/2017	N	3.900 %	100,000.00	101,469.00	0.00	520.00
Cook Cnty SD#225	215777JL8	6/24/2010	12/1/2025	N	5.700 %	50,000.00	50,000.00	0.00	0.00
Fox River Grove Build Ame	351539BM2	5/3/2010	12/15/2023	N	5.750 %	100,000.00	103,199.00	0.00	175.69
Will Cnty, IL Fst Presv D	968661GL6	10/22/2010	12/1/2033	N	5.150 %	100,000.00	106,684.00	0.00	2,016.67
					Totals:	\$350,000.00	\$361,352.00	\$0.00	\$2,712.36
					Totals:	\$350,000.00	\$361,352.00	\$0.00	\$2,712.36

Schedule C - Part 3

Investments in State & Local 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	Book Value	Accrual of Discount	Amortization of Premium
10203 Municipal Bonds												
Aisip IL Build America	021177KV1	8/27/2009	1/1/2016	N	4.250 %	50,000.00	50,000.00	51,662.50	2,125.00	50,000.00	0.00	0.00
Aurora IL Build America S	051645YL7	9/1/2009	12/30/2016	N	4.000 %	25,000.00	25,078.00	26,451.00	1,000.00	25,078.00	0.00	0.00
Bedford Park IL Ref Taxab	076383FC7	5/3/2004	12/15/2011	N	5.000 %	50,000.00	50,722.00	51,452.50	2,500.00	50,722.00	0.00	0.00
Collinsville, ILL	195054HC8	10/31/2007	12/15/2013	N	5.200 %	20,000.00	20,260.00	21,331.40	1,040.00	20,260.00	0.00	0.00
Crystal Lake, IL Bid Amer	229255FQ2	9/29/2009	1/1/2020	N	4.650 %	25,000.00	25,000.00	25,311.25	1,162.50	25,000.00	0.00	0.00
Fox River Grove Build Ame	351539BM2	5/3/2010	12/15/2023	N	5.750 %	100,000.00	103,199.00	105,191.00	5,718.06	103,199.00	0.00	0.00
Hoffman Estates IL	434452HT8	4/3/2006	12/1/2033	N	5.400 %	15,000.00	13,986.00	13,917.60	810.00	13,986.00	0.00	0.00
Mattoon IL Taxable Ser A	577166FK2	7/9/2007	12/15/2013	N	4.350 %	20,000.00	19,213.00	20,000.00	1,005.34	19,213.00	0.00	0.00
Moline IL Taxable Corp Pu	608557QE7	8/28/2003	11/1/2015	N	5.300 %	100,000.00	100,000.00	102,961.00	5,300.00	100,000.00	0.00	0.00
Morton Grove, IL Series	619262EP9	10/7/2009	6/1/2015	N	3.250 %	50,000.00	50,064.00	50,734.50	1,625.00	50,064.00	0.00	0.00
Palatine, IL Build Amer	696089WY3	10/5/2009	12/1/2018	N	4.300 %	50,000.00	50,000.00	51,685.50	2,149.99	50,000.00	0.00	0.00
Round Lake Beach, IL	779120DR2	8/12/2009	1/1/2016	N	4.500 %	75,000.00	75,618.00	80,259.00	3,375.00	75,618.00	0.00	0.00
Tinley Park, IL Bid Amer	887547MG9	2/1/2010	12/1/2015	N	2.850 %	50,000.00	49,406.00	49,399.00	1,425.00	49,406.00	0.00	0.00
						Totals:	\$630,000.00	\$650,356.25	\$29,235.89	\$632,546.00	\$0.00	\$0.00
10249 Other State and Local Government Securities												
Chicago, IL Transit Auth	167725AE0	1/13/2009	12/1/2021	N	6.330 %	75,000.00	76,739.00	79,506.00	4,725.00	76,739.00	0.00	0.00
Cook Cnty Sch Dist #162	215291JF3	11/23/2007	12/1/2017	N	5.250 %	25,000.00	24,750.00	26,552.75	1,312.50	24,750.00	0.00	0.00
Cook Cnty Sch Dist #214	215633LB2	7/14/2010	12/1/2017	N	3.900 %	100,000.00	101,469.00	102,941.00	3,055.00	101,469.00	0.00	0.00
Cook Cnty Sch Dist #225	215777JL8	6/14/2010	12/1/2025	N	5.700 %	50,000.00	50,000.00	50,534.00	2,327.50	50,000.00	0.00	0.00

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
10284 Federal Farm Credit Banks									
Federal Farm Credit Bank	31331KDX5	3/7/2011	3/9/2018	N	3.125 %	100,000.00	99,532.00	0.00	0.00
Federal Farm Credit Bank	31331GVH9	9/29/2010	5/7/2019	N	3.875 %	50,000.00	52,279.50	0.00	769.62
					Totals:	\$150,000.00	\$151,811.50	\$0.00	\$769.62
10285 Federal Home Loan Mortgage Corporation (Freddie Mac)									
Federal Home Loan Mtge Co	3128X8J60	6/21/2010	12/15/2016	N	2.500 %	100,000.00	100,150.00	0.00	48.61
					Totals:	\$100,000.00	\$100,150.00	\$0.00	\$48.61
10286 Federal Home Loan Banks									
Federal Home Loan Bank	3133XVRJ2	1/10/2011	12/9/2016	N	3.500 %	100,000.00	105,217.60	0.00	311.11
Federal Home Loan Bank	313372C36	3/2/2011	12/8/2017	N	3.125 %	100,000.00	100,758.00	0.00	585.94
Federal Home Loan Bank	313372C36	3/30/2011	12/8/2017	N	3.125 %	75,000.00	75,161.25	0.00	546.87
Federal Home Loan Bank	3133XSR59	7/23/2010	12/14/2018	N	3.750 %	100,000.00	105,060.00	0.00	437.50
Federal Home Loan Bank	3133XU3G6	3/7/2011	7/1/2019	N	4.375 %	100,000.00	104,900.00	0.00	814.24
Federal Home Loan Bank	3133XYKJ3	1/10/2011	6/1/2022	N	4.600 %	200,000.00	202,218.75	0.00	1,022.22
Federal Home Loan Bank	313372HF4	1/25/2011	2/16/2023	N	2.000 %	200,000.00	199,600.00	0.00	0.00
					Totals:	\$875,000.00	\$892,915.60	\$0.00	\$3,717.88
10290 Federal National Mortgage Association (FNMA)									
Federal Nat'l Mtg Assn No	3136FPBY2	8/24/2010	8/24/2017	N	1.500 %	100,000.00	100,000.00	0.00	4.17
Federal Nat'l Mtg Assn No	3136FJ4U2	9/29/2010	2/24/2020	N	4.125 %	150,000.00	156,285.00	0.00	618.75
					Totals:	\$250,000.00	\$256,285.00	\$0.00	\$622.92
						Par Value of Security	Cost Excluding Interest and Charges	Investment Handling Charges	Accrued Interest Purchased
						\$1,375,000.00	\$1,401,162.10	\$0.00	\$5,159.03

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
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	624.21	644.01	27,638.53	0.00	5/17/2010	624.21	-19.80
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	563.91	581.80	27,638.53	0.00	6/15/2010	563.91	-17.89
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	226.11	233.28	27,638.53	0.00	7/15/2010	226.11	-7.17
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	217.38	224.28	27,638.53	0.00	8/16/2010	217.38	-6.90
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	219.98	226.96	27,638.53	0.00	12/15/2010	219.98	-6.98
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	223.03	230.10	27,638.53	0.00	1/18/2011	223.03	-7.07
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	473.86	488.89	27,638.53	0.00	2/15/2011	473.86	-15.03
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	221.15	228.16	27,638.53	0.00	4/15/2011	221.15	-7.01
GNMA Pool #623180 36291BJZ1	36291BJZ1	2/25/2004	12/15/2018	222.70	229.76	27,638.53	0.00	3/16/2011	222.70	-7.06
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	355.95	353.45	55,159.92	0.00	3/15/2011	355.95	2.50
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	358.50	355.98	55,159.92	0.00	4/15/2011	358.50	2.52
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	351.45	348.98	55,159.92	0.00	2/15/2011	351.45	2.47
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	2,452.74	2,435.49	55,159.92	0.00	1/19/2011	2,452.74	17.25
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	1,537.25	6,086.55	55,159.92	0.00	12/16/2010	6,129.65	43.10
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	3,433.53	3,409.39	27,638.53	0.00	8/16/2010	3,433.53	24.14
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	429.73	426.71	55,159.92	0.00	7/15/2010	429.73	3.02
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	441.95	438.84	55,159.92	0.00	5/17/2010	441.95	3.11
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	434.25	431.20	55,159.92	0.00	6/15/2010	434.25	3.05
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	430.36	427.33	55,159.92	0.00	11/15/2010	430.36	3.03
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	413.44	410.53	55,159.92	0.00	10/15/2010	413.44	2.91
GNMA Pool #628927 36291HVU5	36291HVU5	8/4/2004	6/15/2019	435.30	432.24	55,159.92	0.00	9/15/2010	435.30	3.06
				Totals:	\$19,077.41	\$1,235,738.29	\$0.00		\$23,669.81	\$13.76
10284 Federal Farm Credit Banks										
Federal Farm Credit Bank	31331QMX2	8/10/2007	8/10/2017	75,000.00	74,953.13	76,031.25	1,227.19	8/10/2010	75,000.00	46.87
Federal Farm Credit Bank	31331QMX2	12/20/2002	12/20/2010	100,000.00	100,000.00	104,812.50	4,909.72	10/26/2010	100,620.00	620.00
Federal Farm Credit Bank	31331QMX2	12/20/2002	12/20/2010	100,000.00	100,000.00	100,000.00	0.00	12/20/2010	100,000.00	0.00

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
FNMA Pool #303725 31373ULE5		9/3/1998	2/1/2016	134.47	135.22	4,709.19	0.00	5/25/2010	134.47	-0.75
Totals:				\$151,062.27	\$151,068.21	\$207,119.64	\$3,545.62		\$151,062.27	(\$5.94)
Totals:				\$900,139.68	\$907,504.59	\$2,085,001.94	\$17,596.72		\$905,597.08	(\$2,393.53)

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	Book Value (Amortized Cost)	Accrual of Discount	Amortization of Premium
Federal Farm Credit Bank	31331SS46	4/8/2009	3/21/2017	N	4.625 %	100,000.00	105,720.00	111,336.50	4,624.99	105720.00	0.00	0.00
Federal Farm Credit Bank	31331XEK4	11/21/2006	11/21/2017	N	5.000 %	25,000.00	25,000.00	28,350.05	1,250.00	25000.00	0.00	0.00
Federal Farm Credit Bank	31331YPN4	2/6/2008	1/17/2018	N	4.700 %	200,000.00	202,900.00	212,387.40	9,400.00	202900.00	0.00	0.00
Federal Farm Credit Bank	31331YVR8	4/17/2009	2/27/2018	N	4.670 %	50,000.00	52,400.00	55,645.25	2,335.00	52400.00	0.00	0.00
Federal Farm Credit Bank	31331SLJ0	11/23/2007	9/10/2018	N	4.950 %	25,000.00	24,969.00	27,996.60	1,237.50	24969.00	0.00	0.00
Federal Farm Credit Bank	31331THC8	10/22/2007	10/22/2018	N	5.340 %	50,000.00	51,340.00	57,828.30	2,670.00	51340.00	0.00	0.00
Federal Farm Credit Bank	31331SJR5	10/16/2006	12/16/2019	N	4.950 %	75,000.00	72,869.00	83,622.60	3,712.50	72869.00	0.00	0.00
Federal Farm Credit Bank	31331KDX5	3/7/2011	3/9/2018	N	3.125 %	100,000.00	99,532.00	101,726.50	451.39	99532.00	0.00	0.00
Federal Farm Credit Bank	31331GVH9	9/29/2010	5/7/2019	N	3.875 %	50,000.00	52,279.50	50,337.40	1,135.59	52279.50	0.00	0.00
Totals:						\$1,090,000.00	\$1,097,253.50	\$1,180,499.10	\$44,841.97	\$1,097,253.50	\$0.00	\$0.00
10285 Federal Home Loan Mortgage Corporation (Freddie Mac)												
FHLMC	3134A4FM1	6/19/2001	6/15/2011	N	6.000 %	200,000.00	200,116.00	201,426.00	12,000.00	200116.00	0.00	0.00
FHLMC	3128X23A1	4/7/2008	4/2/2014	N	4.500 %	50,000.00	51,782.00	54,657.95	2,250.00	51782.00	0.00	0.00
Totals:						\$250,000.00	\$251,898.00	\$256,083.95	\$14,250.00	\$251,898.00	\$0.00	\$0.00
10286 Federal Home Loan Banks												
Federal Home Loan Bank	3133XVRJ2	1/1/2011	12/9/2016	N	3.500 %	100,000.00	105,217.60	104,756.80	1,069.45	105217.60	0.00	0.00
Federal Home Loan Bank	313372C36	3/2/2011	12/8/2017	N	3.125 %	175,000.00	175,919.25	177,432.50	705.30	175919.25	0.00	0.00
Federal Home Loan Bank	3133XSR59	7/23/2010	12/14/2018	N	3.750 %	100,000.00	105,060.00	104,408.00	2,864.58	105060.00	0.00	0.00
Federal Home Loan Bank	3133XU3G6	3/7/2011	7/1/2019	N	4.375 %	100,000.00	104,900.00	108,121.80	644.09	104900.00	0.00	0.00
Federal Home Loan Bank	3133XYKJ3	1/10/2011	6/1/2022	N	4.600 %	200,000.00	202,218.75	200,637.80	2,811.11	202218.75	0.00	0.00
Federal Home Loan Bank	313372HF4	1/25/2011	2/16/2023	N	2.000 %	200,000.00	199,600.00	197,496.80	833.33	199600.00	0.00	0.00

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	Book Value (Amortized Cost)	Accrual of Discount	Amortization of Premium
FNMA	3136FJ4U2	9/29/2010	2/24/2020	N	4.125 %	150,000.00	156,285.00	152,892.15	3,626.56	156,285.00	0.00	0.00
FNMA #303725	31373JUL5	9/3/1998	2/1/2016	N	7.000 %	3,209.23	3,227.98	3,547.64	256.17	4,272.00	0.00	0.00
Totals:						\$423,209.23	\$427,927.98	\$434,975.39	\$13,045.23	\$428,972.00	\$0.00	\$0.00
Totals:						\$5,507,125.09	\$5,568,917.61	\$5,895,412.01	\$205,304.29	\$5,596,441.10	\$0.00	\$0.00

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
						\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Totals:						\$0.00	\$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
----------------------	--------------	--------	------------	-------------------------------	------	-------------	--------------------

	Commissions / Fees
Totals:	\$0.00

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	
Totals:							\$0.00	\$0.00	\$0.00	\$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										
Baron Small Cap Fund Inst	068278803	1692.232	4/29/2011	13.61	0.00	4/29/2011	13,759.26	45,622.57	277,303.00	0.00
DFA Emerging Markets Valu	233203587	607.214	4/29/2011	12.29	0.00	4/29/2011	2,855.53	22,855.53	10,270.00	1,163.38
DFA Real Estate Securitie	233203835	9785.207	4/29/2011	13.45	0.00	4/29/2011	17,067.28	239,052.61	187,573.00	4,588.22
Fidelity Advisor New Insi	316071604	1298.600	4/29/2011	16.13	0.00	4/29/2011	4,464.74	27,932.89	912,718.00	0.00
Lazard Emerging Markets E	52106N889	2544.820	4/29/2011	25.31	0.00	4/29/2011	6,673.14	56,673.14	20,597.00	719.89
Royce Premier Fund-I	780905683	1681.453	4/29/2011	12.88	0.00	4/29/2011	13,445.73	38,858.38	269,447.00	0.00
Royce Total Return Fund-I	780905717	1314.893	4/29/2011	79.95	0.00	4/29/2011	6,549.26	18,710.93	270,801.00	0.00
RS Global Natural Resourc	74972H705	617.589	3/30/2011	16.09	0.00	3/30/2011	11,888.85	25,000.00	921,499.00	0.00
RS Global Natural Resourc	74972H705	1240.192	4/20/2011	16.09	0.00	4/20/2011	23,030.89	49,359.64	921,499.00	0.00
T Rowe Price Int'l Discov	77956H302	13.464	4/29/2011	21.37	0.00	4/29/2011	151.22	636.98	177,384.00	0.00
William Blair Intl Growth	093001774	11854.623	4/29/2011	15.00	0.00	4/29/2011	59,993.81	277,279.63	233,053.00	5,698.87
Totals:					\$0.00		\$159,879.71	\$801,982.30	\$4,202,144.00	\$12,170.36

Commissions / Fees	Profit or Loss on Sale	Total Proceeds	Market Value Beginning of Year	Dividends / Income
\$0.00	\$159,879.71	\$801,982.30	\$4,202,144.00	\$12,170.36

Schedule P

Active - Member currently receiving a salary

Name (Last, First, MI) Allobella, Mark J SSN Status Active Birth Date 1962 Age 48 Sex M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
10/16/1986	24 Yrs	\$194,828.00	\$79,560.00

Name (Last, First, MI) Barnacle, John S SSN Status Active Birth Date 1962 Age 49 Sex M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
10/17/1983	27 Yrs	\$159,274.00	\$94,515.00

Name (Last, First, MI) Biggs, Darren D SSN Status Active Birth Date 1970 Age 40 Sex M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
9/10/2001	9 Yrs	\$56,517.00	\$79,560.00

Name (Last, First, MI) Bozek, William D SSN Status Active Birth Date 1960 Age 50 Sex M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
12/19/1988	22 Yrs	\$129,816.00	\$94,515.00

Name (Last, First, MI) Chavez-Jimenez, J SSN Status Active Birth Date 1969 Age 41 Sex M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
3/5/2001	10 Yrs	\$60,654.00	\$79,560.00

Name (Last, First, MI) Kobler, Timothy J SSN Status Active Birth Date 1970 Age 40 Sex M

Service Entry Date 10/27/1994 Creditable Service 16 Yrs Accumulated Contributions \$92,674.00 Current Salary \$79,560.00

Name (Last, First, MI) Kolodziej, Theodore A SSN Status Active Birth Date 1954 Age 56 Sex M

Service Entry Date 1/11/1988 Creditable Service 23 Yrs Accumulated Contributions \$120,770.00 Current Salary \$79,560.00

Name (Last, First, MI) Kurinec, Michael J SSN Status Active Birth Date 1954 Age 57 Sex M

Service Entry Date 5/9/1983 Creditable Service 27 Yrs Accumulated Contributions \$155,222.00 Current Salary \$94,515.00

Name (Last, First, MI) Long, Mark SSN Status Active Birth Date 1960 Age 50 Sex M

Service Entry Date 10/7/1985 Creditable Service 25 Yrs Accumulated Contributions \$127,862.00 Current Salary \$79,560.00

Name (Last, First, MI) Oggerino, Paul M SSN Status Active Birth Date 1962 Age 49 Sex M

Service Entry Date 12/9/1983 Creditable Service 27 Yrs Accumulated Contributions \$137,810.00 Current Salary \$104,000.00

Name (Last, First, MI) Pelliccioni, Andrew D SSN Status Active Birth Date 1959 Age 51 Sex M

Service Entry Date 1/7/1985 Creditable Service 26 Yrs Accumulated Contributions \$130,871.00 Current Salary \$79,560.00

Name (Last, First, MI) Volek, Nicholas SSN Birth Date 1984 Age 26 Sex M Status Active

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
12/23/2008	2 Yrs	\$13,611.00	\$61,266.00

Terminated - Terminated active service leaving accumulated contribution in the fund.

Name (Last, First, MI) Willey, Frederick D SSN _____ Status Terminated Birth Date 1953 Age 57 Sex M

Service Entry Date	Creditable Service	Accumulated Contributions	Current Salary
11/27/1978	12 Yrs	\$18,620.00	\$0.00

Termination Date	Refund Date	Refund Amount	Return Date	Repaid Amount	Repaid Date
7/19/1991		\$0.00		\$0.00	

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2011

Actuarial Interrogatory Statement

* = Required Entry

***A01. Does the municipality levy a property tax for the purpose for financing the pension fund per the amount suggested by the actuarial report?**

No

A01a. If no, or for only a portion of the suggested amount, what are the other source monies turned over to the pension fund?

General Fund revenues

***A02. What is the fiscal year end of the actuarial valuation report on which the tax levy or other funding amounts are based?**

4/30/2010

A03. What was the amount of the latest tax levy per the actuarial valuation report?

\$552,139.00

A04. What was the amount of the tax levy requested by the pension fund from the municipality?

\$552,139.00

***A05. Was the latest tax levy based on the suggested tax levy of the Illinois Department of Insurance, Pension Division?**

No

A05a. If a consulting actuary was retained, indicate the name(s) and address(es) of the actuarial firm(s).

Art Tepfer - Actuary
Tepfer Consulting Group
155 Revere Dr.
Northbrook, IL 60062
Phone: (847) 509-7740 Fax: (847) 509-7745
Email: atepfer@tepferconsulting.com

A05b. If a consulting actuary was retained, has the consulting actuary's actuarial valuation been submitted to the Illinois Department of Insurance, Pension Division? (The fund is required to submit this within 9 months of the end of the fund's fiscal year).

Yes

A05b1. If no, explain why the actuarial valuation has not been submitted to the Illinois Department of Insurance, Pension Division.

A05c. If a consulting actuary was retained, what funding method was used?

Entry age normal

A05c1. What interest rate assumption was used?

7.50%

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2011

Actuarial Interrogatory Statement

* = Required Entry

- *A08. What is the Funded Ratio per the most recent actuarial report used for funding purposes?**
80.80%
- *A09. What is the unfunded liability carried by the pension fund per the most recent actuarial report used for funding purposes?**
\$3,184,717.00
- *A10. Give the actuarial explanation of the unfunded liability per 40 ILCS 5/3-143(a)(8) (or 40 ILCS 5/4-134(a)(9)).**
The excess of the actuarial accrued liability over the actuarial value of assets.

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2011

Investment Interrogatory Statement

* = Required Entry

- *107. Has the fund provided to the Illinois Department of Insurance, Pension Division a copy of all valid servicer certifications?**
Yes
- *108. Does the fund have the most current written investment policy on file with the Illinois Department of Insurance, Pension Division?**
Yes
- *109. What was the assumed investment return during the most recently completed fiscal year?**
7.50%
- *110. What was the actual investment return during the most recently completed fiscal year?**
11.20%
- *111. What was the assumed investment return during the preceding fiscal year?**
7.50%
- *112. What was the actual investment return during the preceding fiscal year?**
18.59%

ANNUAL STATEMENT
WILLOWBROOK POLICE PENSION FUND
For Fiscal Year Ending: 4/30/2011

Management Interrogatory Statement

* = Required Entry

M08b. If yes, list services for which the board member(s) or treasurer receives salary.

***M09.** Was a certified annual audit of accounts conducted to verify the assets and liabilities of the fund as required by the state statutes?

Yes

M09a. If yes, submit information for the independent CPA firm that conducted the annual audit of the pension fund.

John Deland - Partner
Wolf & Company
2100 Clearwater Dr
Oak Brook, IL 60523
Phone: (630) 545-4500 Fax: (630) 545-4793

M09b. If no certified annual audit was conducted, please explain.

M09c. What was the date of the last certified annual audit?

4/30/2011

***M10.** Who supervised the completion of this annual statement?

Carrie Dittman - Interim Director of Finance
Village of Willowbrook
7760 Quincy St
Willowbrook, IL 60527
Phone: (630) 323-8215 Fax: (630) 323-0787
Email: dirfin@willowbrook.il.us

M10a. If line 1.3 on the annual statement, adjustment to the beginning balance, is greater than \$10.00, please explain why?

***M11.** Is the municipal treasurer serving as custodian of the fund and a required signer for all assets of the fund?

No

M11a. If no, explain why the municipal treasurer is not serving as custodian of the fund and is not a required signer for all assets of the fund.

No municipal treasurer is employed by the Village, the position is outsourced to an outside contractor

***M12.** Does the Pension Board retain an attorney?

Yes

M12a. If yes, submit information for each attorney.

John Broihier - Attorney
Phone: (630) 369-3535

October 24, 2011

MEMO TO: Village of Willowbrook Police Pension Board

FROM: Carrie Dittman, Interim Director of Finance *e.D.*

SUBJECT: 2011 Audited Financial Statements & Management Letter

Attached are the Police Pension Fund financial statements from the April 30, 2011 audit. The Village (including the Police Pension Fund) received an unqualified, or clean opinion, as a result of the audit. (A)

Also enclosed is the report on internal controls from the Village's independent auditors relating to the April 30, 2011 annual audit. (B) There is one comment noted for the Police Pension Fund related to compliance with the investment policy. The auditors will evaluate this comment at April 30, 2012 to determine if it has been corrected at that time.

Please let me know if you have any questions.

(A)

VILLAGE OF WILLOWBROOK, ILLINOIS

Statement of Fiduciary Net Assets

April 30, 2011

	Police Pension Trust Fund	Agency Fund
Assets		
Cash and Equivalents	\$ 142,097	\$ 40
Investments, at Fair Value		
Money Market Account	343,034	-
Certificates of Deposit	102,260	-
Mutual Funds	6,334,681	-
State and Local Obligations	1,382,807	-
U.S. Government Obligations	5,895,412	-
Receivables		
Accrued Interest	93,362	-
Total Assets	14,293,653	40
Liabilities		
Due to Bondholders	-	40
Net Assets Held in Trust for Pension Benefits	\$ 14,293,653	\$ -

See accompanying Notes to the Financial Statements.

VILLAGE OF WILLOWBROOK, ILLINOIS

Statement of Changes in Fiduciary Net Assets

April 30, 2011

	<u>Police Pension Trust Fund</u>
Additions	
Contributions	
Village Contributions	\$ 552,139
Police Contributions	<u>200,875</u>
	<u>753,014</u>
Investment Income	
Interest Income	370,988
Net Appreciation in Fair Value of Investments	<u>1,072,861</u>
	1,443,849
Less Investment Expense	<u>(22,509)</u>
Net Investment Income	<u>1,421,340</u>
Total Additions	<u>2,174,354</u>
Deductions	
Administration	13,203
Benefits and Refunds	<u>324,802</u>
Total Deductions	<u>338,005</u>
Change in Net Assets	1,836,349
Net Assets	
May 1	<u>12,457,304</u>
April 30	<u>\$ 14,293,653</u>

See accompanying Notes to the Financial Statements.

③

**Village of Willowbrook,
Illinois**

Report on Internal Controls

**For the Year Ended
April 30, 2011**

Wolf & Company LLP
Certified Public Accountants



The Honorable President
Members of the Board of Trustees
Village of Willowbrook, Illinois

In planning and performing our audit of the financial statements of Village of Willowbrook, Illinois (the Village) as of and for the year ended April 30, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered Village of Willowbrook, Illinois' internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The comments that accompany this letter summarize the control deficiencies identified during the audit and suggestions regarding those matters. This letter does not affect our report dated October 17, 2011, on the financial statements of the Village of Willowbrook. Responses to our communication of the above matters have been prepared by management of the Village and are included in the comments that accompany this letter. Accordingly, we do not express an opinion on management's responses to our communications.

This communication and the accompanying comments and recommendations are intended solely for the information and use of the Village President, Board of Trustees, and management and are not intended to be nor should be used by anyone other than these specified parties.

Wolf & Company LLP

Oakbrook Terrace, Illinois
October 17, 2011

CONTROL DEFICIENCIES

Police Pension Investment Allocations

Comments:

The Village's Police Pension Board has formally adopted an investment policy which stipulates the allowed and targeted investment allocations for various fixed income securities and equities. At fiscal year end, it was noted that the Police Pension's investment balance in fixed income agencies exceeded the allowable maximum allocation of 55%. The percentage at fiscal year end was 1.27% greater, which equates to \$181,529 of the plan's \$14,293,653 of net present assets.

Recommendations:

We recommend the Village take steps to ensure compliance with the Police Pension Board approved investment policy. Per the policy, rebalancing is to take place annually or at the end of any quarter in which allocations rise above maximum allowed thresholds.

Management's Response:

The Village will forward this recommendation to the Police Pension Board.