

PLEASE

KEEP THIS GASB FOOTNOTE DISCLOSURE STATEMENT FOR THE AUDITORS

**THIS STATEMENT CAN ALSO BE VIEWED AT IMRF.ORG
EMPLOYER DOCUMENT ARCHIVE**

This information is intended to provide your governmental unit with pension information required in the Notes to Financial Statements for your next annual financial report. The following information is patterned after illustration 6 shown on pages 32 and 33 of the Governmental Accounting Standards Board Statement No. 50 for an employer contributing to an agent-multiple-employer defined benefit pension plan.

Employers who have a fiscal year ending other than December 31 will have to adjust the information shown in the three - year trend information to reflect their fiscal year. IMRF has provided a template at www.IMRF.org for employers who have a fiscal year ending after December 31, 2011 or later, and who opted to use the optional phase-in rates to assist in calculating their net pension obligation.

This information should be shared with your auditors. Questions can be directed to Corey Lockwood at (630) 706-4226 or coreylockwood@imrf.org.

Village of Alsip
Elizabeth A. Gonzalez
4500 West 123RD St
Alsip IL 60803

GASB 50 Disclosures

Note X. Pension Plan

Plan Description. The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 used by the employer was 14.93 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 15.30 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For calendar year ending December 31, 2011, the employer's actual contributions for pension cost for the Regular were \$450,098. Its required contribution for calendar year 2011 was \$461,252. (If you made an additional payment toward your unfunded amount, add this payment to your actual contributions and recalculate the percentage of APC contributed.)

Three-Year Trend Information for the Regular Plan

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	461,252	98%	\$0*
12/31/10	493,395	89%	0
12/31/09	408,192	100%	0

*If you utilized the phase-in contribution rate, the net pension obligation will have to be calculated.

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 64.92 percent funded. The actuarial accrued liability for benefits was \$7,846,334 and the actuarial value of assets was \$5,094,069, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,752,265. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$3,014,722 and the ratio of the UAAL to the covered payroll was 91 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

GASB 50 RSI Information for Employers

Village of Alsip
 EMPLOYER NUMBER: 04820R
 REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a) /c)</u>
12/31/11	5,094,069	7,846,334	2,752,265	64.92	3,014,722	91.29%
12/31/10	4,633,689	7,141,226	2,507,537	64.89	3,130,680	80.10%
12/31/09	4,105,809	6,670,414	2,564,605	61.55	3,048,486	84.13%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$4,782,624. On a market basis, the funded ratio would be 60.95%.