

GOLDSTEIN & ASSOCIATES
Actuaries and Consultants

10 SOUTH RIVERSIDE PLAZA SUITE 875
CHICAGO, ILLINOIS 60606
PHONE: (312) 726-5877 FAX: (312) 726-4323

November 20, 2015

Mr. Dallas Whitford
Office of Management and Budget
City of Springfield
Room 210 – Municipal Building
Springfield, Illinois 62701

Re: **Actuarial Valuation of the Springfield Firefighters' Pension Fund**

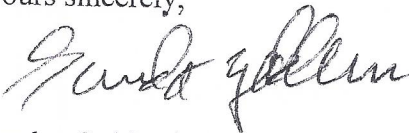
Dear Dallas:

We have performed an actuarial valuation of the Springfield Firefighters' Pension Fund as of February 28, 2015 and have provided you with our actuarial report based on the results of the actuarial valuation. The actuarial valuation was performed using the entry age normal actuarial cost method as that is the cost method that is now required to be used under GASB Statement No. 67.

As requested, we have performed a supplemental actuarial valuation as of February 28, 2015 using the projected unit credit actuarial cost method. The projected unit credit actuarial cost method is the cost method specified in Section 4-118 of the Illinois Pension Code for determining the minimum required employer contribution to the pension fund.

The results of our supplemental actuarial valuation using the projected unit credit actuarial cost method are summarized on the attached pages. If you have any questions regarding results of this supplemental actuarial valuation, please give me a call.

Yours sincerely,



Sandor Goldstein
Consulting Actuary

Springfield Firefighters' Pension Fund

Actuarial Liability as of February 28, 2015
Projected Unit Credit Actuarial Cost Method

1. Actuarial Liability For Members Receiving Benefits	
(a) Retirement Pensions	\$ 149,074,164
(b) Survivor Pensions	13,354,202
(c) Disability Pensions	<u>14,982,092</u>
(d) Total	\$ 177,410,458
2. Actuarial Liability For Inactive Members	173,924
3. Actuarial Liability For Active Members	<u>72,280,577</u>
4. Total Actuarial Liability	<u>\$ 249,864,959</u>
5. Actuarial Value of Assets	<u>119,392,249</u>
6. Unfunded Actuarial Liability	<u>\$ 130,472,710</u>
7. Funded Ratio	47.8%

Springfield Firefighters' Pension Fund

Reconciliation of Change in Unfunded Liability
Over the Period March 1, 2014 to February 28, 2015
Projected Unit Credit Actuarial Cost Method

1. Unfunded Liability as of March 1, 2014	\$ 124,371,491
2. Increase in Unfunded Liability Due to Employer Contribution Less Than Normal Cost Plus Interest on the Unfunded Liability	2,269,325
3. (Decrease) in Unfunded Liability Due to Investment Return Higher Than Assumed	(471,184)
4. (Decrease) in Unfunded Liability Due to Salary Increases Lower Than Assumed	(1,025,317)
5. Increase in Unfunded Liability Due to Change in the Actuarial Assumptions	4,985,019
6. Increase in Unfunded Liability Due to Other Sources	<u>343,376</u>
7. Net Increase in Unfunded Liability for The Year (2 + 3 + 4 + 5 + 6)	<u>\$ 6,101,219</u>
8. Unfunded Liability as of February 28, 2015 (1 + 8)	<u>\$ 130,472,710</u>