

SPRINGFIELD FIREFIGHTERS' PENSION FUND

GASB 67/68 ACTUARIAL VALUATION
AS OF MARCH 1, 2025



FOR THE FEBRUARY 28, 2026
FINANCIAL STATEMENT REPORTING

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GASB Statements 67 and 68 Actuarial Disclosures



Lauterbach & Amen

GASB 67: SPRINGFIELD FIREFIGHTERS' PENSION FUND

Fiscal Year Ending: February 28, 2026

Actuarial Valuation Date: March 1, 2025

Data Date: February 28, 2025

Measurement Date: February 28, 2026

GASB 68: CITY OF SPRINGFIELD, ILLINOIS

Fiscal Year Ending: February 28, 2026

Actuarial Valuation Date: March 1, 2025

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Measurement Date: February 28, 2026

Contact:

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Partner

May 7, 2026

LAUTERBACH & AMEN, LLP



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ACTUARIAL CERTIFICATION

This certification provides supplemental information as required by the Governmental Accounting Standards Board. The enclosed schedules were prepared by the undersigned to assist in the preparation of the Annual Financial Report. The assumptions and methods used in the preparation of this report meet the parameters set for the disclosures presented in the financial section as required by the Governmental Accounting Standards Board. Additional information is provided solely to assist the auditors in the preparation of the required footnote disclosures.

The results in this report are based on the demographic data and financial information submitted by the City of Springfield, Illinois, and may include results from the prior Actuary. We did not prepare the Actuarial Valuations for the years prior to March 1, 2016. If applicable, those valuations were prepared by the prior Actuary whose reports have been furnished to us, and our disclosures are based on those reports. An audit of the prior Actuary's results was not performed, but high-level reviews were completed for general reasonableness, as appropriate, based on the purpose of this valuation. The accuracy of the results is dependent on the precision and completeness of the underlying information.

The valuation results summarized in this report involve actuarial calculations that require assumptions about future events. The City of Springfield, Illinois selected certain assumptions, while others were the result of guidance and/or judgment from the Plan's Actuary or Advisors. We believe that the assumptions used in this valuation are reasonable and appropriate for the purposes for which they have been used.

In preparing the results, our Actuaries used commercially available software (ProVal) developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing Actuarial Valuations. Our Actuaries coded the plan provisions, assumptions, methods, and demographic data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any material weaknesses or limitations in the software, and have determined it is appropriate for performing this valuation.



To the best of our knowledge, all calculations are in accordance with the applicable accounting requirements, while the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned consultants of Lauterbach & Amen, LLP, with actuarial credentials, meet the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the Springfield Firefighters' Pension Fund or the City of Springfield, Illinois and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,
LAUTERBACH & AMEN, LLP

Todd A. Schroeder, ASA, FCA, EA, MAAA



PLAN FIDUCIARY NET POSITION

Statement of Plan Fiduciary Net Position
Statement of Changes in Plan Fiduciary Net Position



STATEMENT OF PLAN FIDUCIARY NET POSITION

	<u>2/28/2025</u>	<u>2/28/2026</u>
Assets		
Cash and Cash Equivalents	\$ 3,526,371	\$ 3,896,357
Total Cash	<u>3,526,371</u>	<u>3,896,357</u>
Receivables:		
Prepays	<u>12,513</u>	<u>12,513</u>
Total Receivables	<u>12,513</u>	<u>12,513</u>
Investments:		
Pooled Investment Accounts	<u>188,501,050</u>	<u>221,071,052</u>
Total Investments	<u>188,501,050</u>	<u>221,071,052</u>
Total Assets	<u>192,039,934</u>	<u>224,979,922</u>
Liabilities		
Payables:		
Expenses Due/Unpaid	<u>7,858</u>	<u>10,546</u>
Total Liabilities	<u>7,858</u>	<u>10,546</u>
Plan Fiduciary Net Position	<u>\$ 192,032,076</u>	<u>\$ 224,969,376</u>

The Plan Fiduciary Net Position shown above is intended to be in accordance with GAAP and the Governmental Accounting Standards Board. The Fair Value of Investments has been provided by the reporting entity, and the results are being audited by an independent auditor. The level of the assets has been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the Fair Value of Investments. The Statement of Plan Fiduciary Net Position for 2026 is based on audited financials.



STATEMENT OF CHANGES IN PLAN FIDUCIARY NET POSITION

	<u>2/28/2026</u>
Additions	
Contributions	
Employer	\$ 16,175,205
Members	<u>2,161,097</u>
Total Contributions	<u>18,336,302</u>
Investment Income	
Net Appreciation in Fair Value of Investments	31,757,454
Interest and Dividends	4,154,368
Less Investment Expense	<u>(447,648)</u>
Net Investment Income	<u>35,464,174</u>
Total Additions	<u>53,800,476</u>
Deductions	
Benefit Payments	20,719,122
Transfers & Refunds of Member Contributions	1,052
Administrative Expense	<u>143,002</u>
Total Deductions	<u>20,863,176</u>
Net Increase in Net Position	<u>32,937,300</u>
Plan Fiduciary Net Position	
Beginning of Year	<u>192,032,076</u>
End of Year	<u>\$ 224,969,376</u>

The changes in Plan Fiduciary Net Position shown above are intended to be in accordance with GAAP and the Governmental Accounting Standards Board. The Plan activity has been provided by the reporting entity, and the results are being audited by an independent auditor. The cash flows have been reviewed for reasonableness, but we make no representation as to the accuracy of the measurement of the Fair Value of Investments. The Statement of Changes in Plan Fiduciary Net Position for 2026 is based on audited financials.



ACTUARIAL PENSION LIABILITY INFORMATION

Statement of Total Pension Liability
Statement of Changes in Total Pension Liability
Statement of Changes in Net Pension Liability
Deferred Outflows and Inflows of Resources
Deferred Outflows and Inflows of Resources – Detail
Pension Expense Development



STATEMENT OF TOTAL PENSION LIABILITY

	<u>2/28/2025</u>	<u>2/28/2026</u>
Active Members	<u>\$ 114,585,668</u>	<u>\$ 108,926,897</u>
Inactive Members		
Terminated Members	2,229,080	2,253,628
Retired Members	244,677,842	245,956,557
Disabled Members	20,927,542	22,198,319
Other Beneficiaries	<u>16,815,002</u>	<u>18,745,331</u>
Total Inactive Members	<u>284,649,466</u>	<u>289,153,835</u>
Total Pension Liability	<u>\$ 399,235,134</u>	<u>\$ 398,080,732</u>

The Total Pension Liability (“TPL”) shown above is dependent on several factors such as Plan Provisions and Actuarial Assumptions used in this report. In addition, the calculation of the TPL may be dependent on the Plan Fiduciary Net Position shown in the prior section of this report. Changes in the Plan Fiduciary Net Position due to any factor, including adjustments on final audit, could change the TPL. The dependence of the TPL on the Plan Fiduciary Net Position is due to the role of the Plan Fiduciary Net Position (and the Plan’s Projected Fiduciary Net Position) on the determination of the Discount Rate used for the TPL.

The TPL has been determined for GASB 67/68 reporting purposes only. The resulting TPL is intended to be used in the financial statement reporting of the Plan and/or Employer. The resulting liability is not intended to be a representation of the Plan liability for other purposes, including but not limited to, determination of cash funding requirements and recommendations. The TPL is based on data as of the *Actuarial Valuation - Data Date* shown in this report. The TPL has been determined as of the Actuarial Valuation Date and based on the assumptions used in this report, and adjusted to the Measurement Date as needed.



STATEMENT OF CHANGES IN TOTAL PENSION LIABILITY

	<u>2/28/2026</u>
Changes in Total Pension Liability	
Service Cost	\$ 6,441,482
Interest	25,779,989
Changes of Benefit Terms	-
Differences Between Expected and Actual Experience	4,095,487
Change in Assumptions	(16,751,186)
Benefit Payments and Refunds	<u>(20,720,174)</u>
Net Change in Total Pension Liability	(1,154,402)
Total Pension Liability - Beginning	<u>399,235,134</u>
Total Pension Liability - Ending (a)	<u><u>\$ 398,080,732</u></u>
 Plan Fiduciary Net Position - Ending (b)	 <u><u>\$ 224,969,376</u></u>
 Employer's Net Pension Liability - Ending (a) - (b)	 <u><u>\$ 173,111,356</u></u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 56.51%
 Covered-Employee Payroll	 \$ 21,651,361
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	799.54%

The Plan Fiduciary Net Position was detailed in the prior section of this report. The Employer's Net Pension Liability is the excess of the Total Pension Liability over the Plan Fiduciary Net Position.

Total Pension Liability may be dependent on the Plan Fiduciary Net Position. Changes in the Plan Fiduciary Net Position could change the determination of the Total Pension Liability. Any changes in the Plan Fiduciary Net Position, including adjustments on final audit, can have an impact on the Employer's Net Pension Liability that extends beyond the dollar-for-dollar change in the Plan Fiduciary Net Position.

Covered-Employee Payroll is estimated based on the prior Covered-Employee Payroll and expected increases for the Plan Members during the Fiscal Year.



A key demographic risk is mortality improvement differing from expected. While the actuarial assumptions reflect small, continuous improvements in mortality experience and these assumptions are refined upon the completion of each actuarial experience study, the risk arises because there is a possibility of a sudden shift in mortality experience.



STATEMENT OF CHANGES IN NET PENSION LIABILITY

The table below illustrates the changes in Net Pension Liability (“NPL”) from the prior Measurement Date to the current Measurement Date. Under Statement 68, the difference between the NPL from the prior Measurement Date to the current Measurement Date should be recognized as a component of Pension Expense, unless permitted to be recognized as a Deferred Outflow or Inflow of Resources.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances Beginning at 3/1/2025	<u>\$ 399,235,134</u>	<u>\$ 192,032,076</u>	<u>\$ 207,203,058</u>
Changes for the Year:			
Service Cost	6,441,482	-	6,441,482
Interest	25,779,989	-	25,779,989
Actuarial Experience	4,095,487	-	4,095,487
Change in Assumptions	(16,751,186)	-	(16,751,186)
Changes of Benefit Terms	-	-	-
Contributions - Employer	-	16,175,205	(16,175,205)
Contributions - Members	-	2,161,097	(2,161,097)
Contributions - Other	-	-	-
Net Investment Income	-	35,464,174	(35,464,174)
Benefit Payments and Refunds	(20,720,174)	(20,720,174)	-
Administrative Expense	-	(143,002)	143,002
Net Changes	<u>\$ (1,154,402)</u>	<u>\$ 32,937,300</u>	<u>\$ (34,091,702)</u>
Balances Ending at 2/28/2026	<u>\$ 398,080,732</u>	<u>\$ 224,969,376</u>	<u>\$ 173,111,356</u>

The changes in Total Pension Liability shown above are described in the *Statement of Changes in Total Pension Liability* section of this report. The Plan Fiduciary Net Position was detailed in the prior section of this report. The Employer’s Net Pension Liability is the excess of the Total Pension Liability over the Plan Fiduciary Net Position.



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The table below shows the cumulative amounts to be shown as Deferred Outflows and Inflows of Resources. Changes in Total Pension Liability related to the differences between expected and actual experience, or changes in assumptions regarding future events, are recognized in Pension Expense over the average future working career of all Members (active and inactive) in the Pension Plan. The net difference in projected and actual earnings on Pension Plan investments over the measurement period are recognized over a 5-year period. Amounts not yet recognized are summarized below:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total Deferred Amounts
Differences Between Expected and Actual Experience	\$ 9,948,123	\$ (3,845,119)	\$ 6,103,004
Change in Assumptions	23,899,135	(25,113,847)	(1,214,712)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,708,812	(26,474,161)	(21,765,349)
Contributions Subsequent to the Measurement Date*	-	-	-
Total	<u>\$ 38,556,070</u>	<u>\$ (55,433,127)</u>	<u>\$ (16,877,057)</u>

*Contributions Subsequent to the Measurement Date may be recognized as a reduction to the Net Pension Liability. The amount is not known as of the date of this report. Subsequent to the Measurement Date, the following amounts will be recognized in Pension Expense in the upcoming years:

Year Ended

February 28:

2027	\$ (5,307,121)
2028	(7,311,922)
2029	(2,935,783)
2030	(874,096)
2031	(448,135)
Thereafter	\$ -



DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES – DETAIL

The table below shows the annual detail amounts that have been summarized on the prior page. Under Statement 68, the level of detail shown on the prior page is sufficient for financial statement reporting. The detail shown below is primarily for tracking purposes.

Pension Expense Source	Date Established	Initial Period	Initial Balance	Remaining Period	2/28/2026 Expense Recognized	2/28/2026 Deferred Balance
Asset Gain	2/28/2026	5.00	\$ (22,110,369)	5.00	\$ (4,422,074)	\$ (17,688,295)
Change in Assumptions Gain	2/28/2026	5.37	(16,751,186)	5.37	(3,119,402)	(13,631,784)
Actuarial Loss	2/28/2026	5.37	4,095,487	5.37	762,661	3,332,826
Asset Gain	2/28/2025	5.00	(6,879,957)	4.00	(1,375,992)	(4,127,973)
Change in Assumptions Loss	2/28/2025	6.07	31,443,271	5.07	5,180,111	21,083,049
Actuarial Loss	2/28/2025	6.07	5,312,010	5.07	875,126	3,561,758
Asset Gain	2/29/2024	5.00	(11,644,737)	3.00	(2,328,948)	(4,657,893)
Change in Assumptions Gain	2/29/2024	6.18	(7,604,291)	4.18	(1,230,468)	(3,912,887)
Actuarial Loss	2/29/2024	6.18	2,436,476	4.18	394,252	1,253,720
Asset Loss	2/28/2023	5.00	23,544,068	2.00	4,708,814	4,708,812
Change in Assumptions Gain	2/28/2023	5.55	(27,102,540)	2.55	(4,883,341)	(7,569,176)
Actuarial Loss	2/28/2023	5.55	6,444,519	2.55	1,161,175	1,799,819
Asset Loss	2/28/2022	5.00	3,195,111	1.00	639,019	-
Change in Assumptions Loss	2/28/2022	5.99	12,376,764	1.99	2,066,238	2,045,574
Actuarial Gain	2/28/2022	5.99	(22,251,631)	1.99	(3,714,797)	(3,677,646)
Change in Assumptions Loss	2/28/2021	6.21	22,785,262	1.21	3,669,125	770,512
Actuarial Gain	2/28/2021	6.21	(4,952,431)	1.21	(797,493)	(167,473)
Change in Assumptions Gain	2/29/2020	6.71	(4,494,064)	0.71	(475,522)	-
Actuarial Loss	2/29/2020	6.71	2,679,231	0.71	283,491	-
Change in Assumptions Loss	2/28/2019	7.17	2,400,265	0.17	56,910	-
Actuarial Loss	2/28/2019	7.17	1,493,791	0.17	35,411	-
Total			\$ (5,584,951)		\$ (2,515,704)	\$ (16,877,057)

Each detail amount shown above was established as of the Fiscal Year End shown and the full amount deferred has been determined as of that time. Any events that occur in subsequent Fiscal Years do not have an impact on the prior Fiscal Year. The bases are established independently each year.



PENSION EXPENSE DEVELOPMENT

The table below displays the Pension Expense development for the current year. The Pension Expense includes items that change the Net Pension Liability from one year to the next, netted out for amounts that are deferred under GASB pronouncement, plus any amounts that are being recognized that were deferred previously.

See below for the Pension Expense development:

	<u>2/28/2026</u>
Pension Expense/(Income) Under GASB 68	
Service Cost	\$ 6,441,482
Interest	25,779,989
Changes of Benefit Terms	-
Contributions - Members	(2,161,097)
Contributions - Other	-
Expected Investment Income	(13,353,805)
Administrative Expense	143,002
Other Changes	-
Initial Pension Expense/(Income)	<u>\$ 16,849,571</u>
Recognition of Outflow/(Inflow) of Resources Due to Liabilities	263,477
Recognition of Outflow/(Inflow) of Resources Due to Assets	<u>(2,779,181)</u>
Total Pension Expense/(Income)	<u>\$ 14,333,867</u>



ACTUARIAL ASSUMPTIONS INFORMATION

Statement of Significant Actuarial Assumptions
Assumption Changes
Actuarial Assumptions (Demographic)
Postemployment Benefit Changes
Expected Return on Pension Plan Investments
Municipal Bond Rate
Discount Rate
Discount Rate Sensitivity
Assessment and Use of Actuarial Models



STATEMENT OF SIGNIFICANT ACTUARIAL ASSUMPTIONS

Actuarial Assumptions (Economic)

Discount Rate Used for the Total Pension Liability	6.91%
Expected Rate of Return on Investments	7.00%
High-Quality 20 Year Tax-Exempt G.O. Bond Rate	4.71%
Projected Individual Pay Increases	4.00% - 15.00%
Projected Total Payroll Increases	3.25%
Consumer Price Index (Urban)	2.50%
Inflation Rate	2.50%

See the *Actuarial Assumptions (Demographic)* section of this report for further details on Demographic Assumptions.

The Actuarial Assumptions (Economic) rates shown above are assumed to be annual rates, compounded on an annual basis. For more information on the selection of the actuarial assumptions, please see the Actuarial Assumption Summary document prepared for the Plan, available upon request.

ASSUMPTION CHANGES

The assumptions were changed from the prior year.

The High-Quality 20 Year Tax-Exempt General Obligation (“G.O.”) Bond Rate assumption was changed from 4.15% to 4.71% for the current year. The underlying index used is The Bond Buyer 20-Bond G.O. Index as discussed in more detail later in this section. The choice of Index is unchanged from the prior year. The rate has been updated to the current Fiscal Year End based on changes in market conditions as reflected in the Index. The change was made to reflect our understanding of the requirements of GASB under Statement 67 and Statement 68.

The Discount Rate used in the determination of the Total Pension Liability was changed from 6.56% to 6.91%. The Discount Rate is impacted by a couple of metrics. Any change in the underlying High-Quality 20 Year Tax Exempt G.O. Bond Rate will impact the blended Discount Rate.

In the current valuation, we have reviewed the projected individual pay increases assumption to reflect the wage schedule between the City of Springfield, Illinois and the Springfield Fire Fighters, Local 37, of the International Association of Fire Fighters, AFL-CIO, CLC, for the period March 1, 2025 through



February 28, 2029. The year over year step increases dictated by the wage schedule did change from the prior wage schedule; therefore, we have updated the projected individual pay increases assumption.

The assumption changes stated above were made to better reflect the future anticipated experience of the Plan.

In addition, there are changes that can be made that impact the projection of the Plan Fiduciary Net Position. For example, changes in the Formal or Informal Funding Policy can impact the Discount Rate. Actual changes in the Plan Fiduciary Net Position from one year to the next can impact the projections as well.



ACTUARIAL ASSUMPTIONS (DEMOGRAPHIC)

Projected Individual Pay Increases*

Projected individual pay increases include a long-term average increase for inflation, average annual increases for promotions, and any additional increases for a step program. Sample rates are as follows:

Service	Rate	Service	Rate
0	9.17%	8	4.00%
1	15.00%	9	5.95%
2	13.61%	10	4.00%
3	4.00%	15	4.00%
4	6.75%	20	4.00%
5	4.00%	25	4.00%
6	4.00%	30	4.00%
7	4.00%	35	4.00%

* Projected individual pay increases for active Members hired at age 40 or older are assumed annual increases at the ultimate rate reduced by 50 basis points, without adjustments in early service years.

Retirement Rates – Tier I

125% of the L&A Assumption Study for Tier I Firefighters 2024 Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	15.00%	58	25.00%
51	12.50%	59	31.25%
52	12.50%	60	31.25%
53	12.50%	61	31.25%
54	18.75%	62	31.25%
55	25.00%	63	31.25%
56	25.00%	64	31.25%
57	25.00%	65	100.00%



Retirement Rates – Tier II

125% of the L&A Assumption Study for Tier II Firefighters 2024
Cap Age 65. Sample rates are as follows:

Age	Rate	Age	Rate
50	3.75%	58	25.00%
51	3.13%	59	31.25%
52	3.13%	60	31.25%
53	3.13%	61	31.25%
54	4.69%	62	31.25%
55	43.75%	63	31.25%
56	43.75%	64	31.25%
57	25.00%	65	100.00%

Termination Rates

100% of the L&A Assumption Study for Firefighters 2024. Sample
rates are as follows:

Age/ Service	0	1	2	3	4	5+
25	12.00%	10.00%	5.00%	3.00%	4.00%	4.00%
30	11.20%	8.00%	4.20%	2.80%	3.60%	3.20%
35	10.20%	5.50%	3.20%	2.55%	3.10%	2.20%
40	4.57%	2.43%	1.57%	1.36%	1.57%	1.43%
45	0.50%	4.00%	5.00%	4.00%	2.00%	1.00%
50	0.50%	4.00%	5.00%	4.00%	2.00%	1.00%

Disability Rates

100% of the L&A Assumption Study for Firefighters 2024. Sample
rates are as follows:

Age	Rate	Age	Rate
25	0.00%	40	0.65%
30	0.06%	45	0.65%
35	0.12%	50	0.65%

75% of active Members who become disabled are assumed to be in
the Line of Duty.



Mortality Rates

Active Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

25% of active Member deaths are assumed to be in the Line of Duty.

Retiree Mortality follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Disabled Mortality follows the Sex Distinct Raw Rates as developed in the PubS-2010 Study for disabled participants improved to 2021 using MP-2021 Improvement Rates. These rates are then improved generationally using MP-2021 Improvement Rates.

Spouse Mortality follows the L&A Assumption Study for Firefighters 2024. These rates are experience weighted with the Sex Distinct Raw Rates as developed in the PubS-2010(A) Study for contingent survivors improved to 2021 using MP-2021 Improvement Rates. For all rates not provided there (ages 45 and younger) the PubG-2010 Study for general employees was used. These rates are then improved generationally using MP-2021 Improvement Rates.

Marital Assumptions

Active Members: 80% of active Members are assumed to be married. Female spouses are assumed to be 3 years younger than male spouses.

Retiree and Disabled Members: Actual spousal data was utilized for retiree and disabled Members.



POSTEMPLOYMENT BENEFIT CHANGES

Eligibility for postemployment benefit increases is determined based on the Illinois Pension Code. Tier I Firefighter retirees are provided with an annual increase of 3.00% of the current retirement benefits by statute when eligible. Tier II Firefighter retirees are provided postemployment benefit increases based on the lesser of 3.00% of the original retirement benefits or one-half of the Consumer Price Index (Urban) for the prior September.

The CPI-U for September 1995 was 153.20. The CPI-U for September 2025 was 324.80. The average increase in the CPI-U for September 1995 through September 2025 was 2.54% (on a compounded basis).



EXPECTED RETURN ON PENSION PLAN INVESTMENTS

The Long-Term Expected Rate of Return is intended to represent the best estimate of future real rates of return and is shown for each of the major asset classes in the investment policy.

The table below illustrates the best estimates of target allocations and Long-Term Expected Rates of Return developed for each of the major asset classes, adjusted for expected inflation. These rates and target allocations were disclosed by Marquette Associates for the Illinois Firefighters' Pension Investment Fund, dated May 15, 2025.

There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. We do not provide an opinion on the reasonableness of the returns provided nor the reasonableness of the approach used in the determination of the rates provided. The information provided is shown below for convenience.

The rates provided in the table below are based on a geometric average. The Investment Policy Statement will provide more detail regarding the Fund's policies on asset allocation targets and acceptable ranges.

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectation	Long-Term Expected Real Rate of Return	Target Allocation
U.S. Equity	7.50%	2.50%	5.00%	25.00%
Developed Market Equity (Non-US)	7.60%	2.50%	5.10%	13.00%
Emerging Market Equity	8.30%	2.50%	5.80%	7.00%
Private Equity	11.40%	2.50%	8.90%	10.00%
Public Credit	5.50%	2.50%	3.00%	3.00%
Private Credit	9.60%	2.50%	7.10%	7.00%
Core Fixed Income	5.10%	2.50%	2.60%	9.00%
Core Plus Fixed Income	5.60%	2.50%	3.10%	9.00%
Short-Term Treasuries	3.60%	2.50%	1.10%	3.00%
Real Estate	6.40%	2.50%	3.90%	10.00%
Infrastructure	6.90%	2.50%	4.40%	4.00%

Long-Term Expected Real Rates of Return under GASB are expected to reflect the period of time that begins when a Plan Member begins to provide service to the employer and ends at the point when all benefits to the Plan Member have been paid. The rates provided above are intended to estimate those figures.

The Long-Term Inflation Expectation is 2.50% and is included in the Long-Term Expected Rates of Return. The Long-Term Inflation Expectation is from the same source as the Long-Term Expected Real



Rates of Return, and is not necessarily reflective of the inflation measures used for other purposes in the report.

Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on a year-to-year basis, the actual realized geometric returns over time will be lower. Higher volatility results in a greater difference.

The Expected Rate of Return on Investments for this valuation is 7.00%. Lauterbach & Amen, LLP does not provide investment advice. We look at a variety of factors when reviewing the Expected Rate of Return on Investments assumption selected by the client. These factors include: historical Rates of Return on Investments, capital market projections performed by the Consolidated Board's investment advisors, the Consolidated Board's investment policy, capital market forward-looking benchmark expected returns by independent investment companies, rates used by comparable pension systems, and other factors identified in the Actuarial Standards of Practice.

Generally speaking, the ideal assumption for Expected Rate of Return on Investments is one that has a 50% chance of being met over the long-term. Recently, we have observed the following factors that impact Expected Rate of Return on Investments:

- Volatility in the market has been high which drags down long-term geometric returns.
- Similar pension systems are looking to reduce future expectations. We generally see about 95% of similar pension systems using an Expected Rate of Return on Investments that is between 6.25% and 7.50%.
- We have reviewed studies conducted by Firms who gather information from multiple investment advisors who provide models and opinions on capital market returns. Those studies help guide us to see if the assumption is expected to have a 50% chance of being met over the long-term. Plans are generally aiming towards 40th to 60th percentile returns, which can help define a range of reasonableness. Specific information regarding the 40th to 60th percentile returns was not available, so we reviewed the 25th to 75th percentile returns.
- When developing the assumption for the Expected Rate of Return on Investments, consideration should be given to the composition of the Plan's assets. In particular, the proportion of assets held in invested vehicles versus balances maintained as locally held cash can materially influence the overall return expectation. For plans that maintain a substantial level of locally held cash - typically earning minimal or short-term interest rates - a lower Expected Rate of Return on Investments may be warranted to appropriately reflect the reduced earnings potential of those assets.



MUNICIPAL BOND RATE

The Municipal Bond Rate assumption is based on the Bond Buyer 20-Bond G.O. Index. The rate shown earlier in this section of the report is the February 26, 2026 rate. The 20-Bond G.O. Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

The indices represent theoretical yields rather than actual price or yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indices would yield if the bond was sold at par value. The indices are simple averages of the average estimated yields of the bonds.

DISCOUNT RATE

The Discount Rate used in the determination of the Total Pension Liability is based on a combination of the Expected Rate of Return on Plan Investments and the Municipal Bond Rate.

Cash flow projections were used to determine the extent to which the Plan's Projected Fiduciary Net Position will be able to cover Projected Benefit Payments. To the extent that Projected Benefit Payments are covered by the Plan's Projected Fiduciary Net Position, the Expected Rate of Return on Plan Investments is used to determine the portion of the Net Pension Liability associated with those payments. To the extent that Projected Benefit Payments are not covered by the Plan's Projected Fiduciary Net Position, the Municipal Bond Rate is used to determine the portion of the Net Pension Liability associated with those payments.

Projected Benefit Payments are determined during the actuarial process based on the assumptions. More details on the assumptions are earlier in this section of the report. The expected contributions are based on the Funding Policy of the Plan. The Funding Policy is discussed in more detail in the *Funding Policy* section of this report.



DISCOUNT RATE SENSITIVITY

The Employer's Net Pension Liability has been determined using the Discount Rate listed in this section of the report. Below is a table illustrating the sensitivity of the Employer's Net Pension Liability to the Discount Rate assumption.

	1% Decrease (5.91%)	Current Discount Rate (6.91%)	1% Increase (7.91%)
Employer's Net Pension Liability	\$224,757,190	\$173,111,356	\$130,508,678

The sensitivity of the Employer's Net Pension Liability to the Discount Rate is based primarily on two factors:

1. The duration of the Plan's Projected Benefit Payments. Younger Plans with benefit payments further in the future will be more sensitive to changes in the Discount Rate.
2. The Percent Funded of the Plan (ratio of the Plan Fiduciary Net Position to the Total Pension Liability). The higher the Percent Funded, the higher the sensitivity to the Discount Rate.



ASSESSMENT AND USE OF ACTUARIAL MODELS

Actuarial Valuations rely upon the use of actuarial modeling software to predict the occurrence of future events, which include specific demographic and financial potential outcomes. Actuarial assumptions are established to provide a guideline to use for such modeling.

- The model used in this Actuarial Valuation is intended to determine the Recommended Contribution, under the selected Funding Policy, to assist in the preparation of the Annual Financial Report. The actuarial assumptions used were developed with this goal in mind.
- There are no known material limitations or inconsistencies among the actuarial assumptions or methods.
- The output from the model is reasonable based on the individual actuarial assumptions and based on the actuarial assumptions in the aggregate.
- The actuarial software used to calculate plan liabilities has been purchased from an outside vendor. We have performed thorough testing of the software, including review of sample participants, to ensure the intended purpose of the model, the operation of the model, sensitivities and dependencies, and strengths and limitations of the model are sufficient for this purpose.
- Demographic data and financial information have been provided by client professionals, financial advisors, and/or auditors, who are known to be experts in their respective fields. We rely on the fact that the information provided by these experts has been given for the intended purpose of this Actuarial Valuation.
- Where applicable, certain actuarial assumptions and Funding Policy may be required as prescribed by law. In such instances, we have followed legal guidance to ensure conformity.
- The Expected Rate of Return on Investments assumption has been chosen using input from several sources; including, but not limited to: client professionals, financial advisors, auditors, and other capital market outlooks. We have relied on the information provided, in the aggregate, to settle on the selected Expected Rate of Return on Investments assumption.



PARTICIPANT DATA

Participant Demographic Data & Average Future Working Career



PARTICIPANT DEMOGRAPHIC DATA & AVERAGE FUTURE WORKING CAREER

The chart below summarizes the Member count, payroll, and average future working career as of:

Actuarial Valuation - Data Date	2/29/2024	2/28/2025
Fiscal Year End for Reporting	<u>(FYE 2/28/2025)</u>	<u>(FYE 2/28/2026)</u>
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	266	278
Inactive Plan Members Entitled to But Not Yet Receiving Benefits	8	12
Active Plan Members	224	227
Total	<u>498</u>	<u>517</u>
Payroll of Active Plan Members	<u>\$ 20,200,088</u>	<u>\$ 20,898,586</u>
Average Future Working Career (In Years)		
Active Plan Members	13.49	12.24
Inactive Plan Members	0.00	0.00
Total	6.07	5.37

Member counts shown above are as of the Actuarial Valuation Date for the two most recent Fiscal Years. Payroll of Active Plan Members is the pensionable salary for active Plan Members as of the Actuarial Valuation – Data Date. For the Fiscal Year Ending February 28, 2026, a beginning of year Actuarial Valuation Date was used along with a rollforward of liabilities to the end of the Fiscal Year based on assumptions and standard rollforward techniques.

The average future working career is measured as of the Actuarial Valuation Date and is based on the demographic assumptions used in the preparation of this report.



FUNDING POLICY

Components of the Actuarially Determined Contributions

Formal Funding Policy

Informal Funding Policy

Funding Policy – Other Considerations





COMPONENTS OF THE ACTUARIALLY DETERMINED CONTRIBUTION

The Actuarially Determined Contribution (“ADC”) includes the determination of the Normal Cost Contribution for active Plan Members, as well as a provision for the payment towards Unfunded Liability.

The actuarial funding method used in the determination of the Normal Cost and the Actuarial Accrued Liability is the Projected Unit Credit Cost Method. The method allocates Normal Cost Contributions by Members over the working career of the Member.

Unfunded Liability is the excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. The Actuarially Determined Contribution includes a payment towards Unfunded Liability existing at the Actuarial Valuation Date. The payment towards Unfunded Liability is set up as a level percent of payroll payment that is expected to increase during the payment period and target 90% funding. The current Employer Contributions are being compared to the Actuarially Determined Contribution as developed in the March 1, 2024 Actuarial Valuation. The equivalent single amortization period as of that valuation is 16 years.

The Actuarial Value of Assets smooths gains and losses on the Fair Value of Assets over a 5-year period.

Under no circumstances will the Actuarially Determined Contribution be less than the amount determined as the Statutory Minimum Contribution under Illinois State Statutes.

FORMAL FUNDING POLICY

There is no Formal Funding Policy that exists between the Pension Board and the City at this time.

INFORMAL FUNDING POLICY

In determining the most appropriate Informal Funding Policy, GASB provides the following guidance in the Statement:

Application of professional judgment should consider the most recent five-year contribution history of the employers and nonemployer contributing entities as a key indicator of future contributions from those sources and should reflect all other known events and conditions.... the amount of projected cash flows for contributions from employers and nonemployer contributing entities should be limited to an average of contributions from those sources over the most recent five-year period and may be modified based on consideration of subsequent events. For this purpose, the basis for the average (for example, percentage of covered payroll contributed or percentage of Actuarially Determined Contributions made) should be a matter of professional judgment.



In our review of the Informal Funding Policy, the following factors are considered and described herein:

1. Five-Year Contribution History of the Employer (with a focus on the average contributions from those sources)
2. Other Known Events and Conditions
3. Consideration of Subsequent Events

Five-Year Contribution History of the Employer

Employer Contributions (under the Informal Funding Policy) should be limited to the average over the most recent five years. In determining the basis for the average, we reviewed three possibilities: (a) the average dollar contribution; (b) the average percent of pensionable pay; and (c) the average percent of the Actuarially Determined Contribution. Please see the table below for a summary of these values:

Fiscal Year End	Employer Contributions	Most Applicable ADC	% of ADC	Covered- Employee Payroll	% of Payroll
2/28/2026	\$16,175,205	\$15,617,293	103.57%	\$21,651,361	74.71%
2/28/2025	\$15,195,370	\$14,631,031	103.86%	\$20,969,842	72.46%
2/29/2024	\$15,169,267	\$13,588,737	111.63%	\$20,150,201	75.28%
2/28/2023	\$16,102,506	\$14,466,233	111.31%	\$19,142,062	84.12%
2/28/2022	\$14,818,690	\$14,159,124	104.66%	\$18,539,527	79.93%

When compared to the other policies reviewed, history suggests that a contribution as a percent of the Actuarially Determined Contribution is the least volatile, and as a result, the most stable contribution method under an Informal Funding Policy.

Other Known Events and Conditions

GASB has a provision for consideration of any other known events or conditions in the most recent five-year history in applying judgement for the Informal Funding Policy. There are no events or conditions that have been considered in the development of the Informal Funding Policy.

Consideration of Subsequent Events

GASB has a provision for modification based on consideration of subsequent events in the development of the Informal Funding Policy. There are no subsequent events that have been considered in the development of the Informal Funding Policy.



Informal Funding Policy – Selected

The Informal Funding Policy that has been determined for future contributions is 107.01% of the Actuarially Determined Contribution. This represents the full future contributions expected to be made.

FUNDING POLICY – OTHER CONSIDERATIONS

Under GASB, the future contribution amount is not intended to include dollars contributed on behalf of future employees. Contributions are only intended to cover contributions towards the Normal Cost of current employees as of the Actuarial Valuation Date as well as payment of Unfunded Liability on behalf of the current employees. Contributions under the Funding Policy have been adjusted as necessary to exclude dollars that would be anticipated to be contributed on behalf of future employees hired after the Actuarial Valuation Date.

The contribution level may not pay off the Unfunded Liability during the active working career of current employees. In that case, contributions will persist beyond the working career of current employees. To the extent that a portion of the above total contribution is anticipated to pay contributions for the Normal Cost of future employees, the amount has been netted out. The remaining amount is anticipated to be paid towards the Unfunded Liability existing for current employees.

The Actuarially Determined Contribution is determined annually based on the parameters previously discussed. The funding methods and procedures are assumed to continue into the future. If applicable, the tax levy in the next December is assumed to be the Actuarially Determined Contribution. Funding is assumed to go into the Plan during the next full Fiscal Year.



SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes in the Net Pension Liability
Schedule of Total Pension Liability and Related Ratios
Schedule of Contributions
Notes to Schedule of Contributions



SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY

	2/28/2026	2/28/2025	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018	2/28/2017
Total Pension Liability										
Service Cost	\$ 6,441,482	\$ 5,354,987	\$ 5,527,534	\$ 6,075,291	\$ 5,643,851	\$ 5,322,103	\$ 5,197,220	\$ 5,205,445	\$ 5,283,043	\$ 4,951,770
Interest	25,779,989	24,347,420	23,227,630	22,101,830	21,259,437	22,140,316	21,253,481	20,465,858	19,736,353	19,481,955
Changes of Benefit Terms	-	-	-	(518,660)	-	-	1,976,795	-	-	-
Differences Between Expected and Actual Experience	4,095,487	5,312,010	2,436,476	6,444,519	(22,251,631)	(4,952,431)	2,679,231	1,493,791	238,569	(2,744,644)
Change in Assumptions	(16,751,186)	31,443,271	(7,604,291)	(27,102,540)	12,376,764	22,785,262	(4,494,064)	2,400,265	(7,907,441)	(3,133,319)
Benefit Payments and Refunds	(20,720,174)	(19,738,156)	(18,760,172)	(17,835,899)	(16,801,355)	(16,317,321)	(16,034,348)	(15,723,823)	(14,928,475)	(14,577,712)
Net Change in Total Pension Liability	\$ (1,154,402)	\$ 46,719,532	\$ 4,827,177	\$ (10,835,459)	\$ 227,066	\$ 28,977,929	\$ 10,578,315	\$ 13,841,536	\$ 2,422,049	\$ 3,978,050
Total Pension Liability - Beginning	399,235,134	352,515,602	347,688,425	358,523,884	358,296,818	329,318,889	318,740,574	304,899,038	302,476,989	298,498,939
Total Pension Liability - Ending (a)	\$ 398,080,732	\$ 399,235,134	\$ 352,515,602	\$ 347,688,425	\$ 358,523,884	\$ 358,296,818	\$ 329,318,889	\$ 318,740,574	\$ 304,899,038	\$ 302,476,989
Plan Fiduciary Net Position										
Contributions - Employer	\$ 16,175,205	\$ 15,195,370	\$ 15,169,267	\$ 16,102,506	\$ 14,818,690	\$ 13,550,355	\$ 12,508,920	\$ 11,916,494	\$ 11,184,141	\$ 10,395,154
Contributions - Members	2,161,097	2,066,718	1,914,012	1,830,917	1,760,624	1,807,386	1,818,701	1,700,670	1,696,447	1,718,845
Contributions - Other	-	-	-	-	-	-	-	-	-	-
Net Investment Income	35,464,174	19,079,398	22,429,652	(11,864,631)	7,942,634	22,177,023	6,097,536	2,271,252	11,568,713	14,904,623
Benefit Payments and Refunds	(20,720,174)	(19,738,156)	(18,760,172)	(17,835,899)	(16,801,355)	(16,317,321)	(16,034,348)	(15,723,823)	(14,928,475)	(14,577,712)
Administrative Expense	(143,002)	(174,028)	(117,286)	(131,848)	(151,998)	(110,520)	(133,450)	(132,495)	(165,250)	(137,137)
Prior Period Audit Adjustment	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	\$ 32,937,300	\$ 16,429,302	\$ 20,635,473	\$ (11,898,955)	\$ 7,568,595	\$ 21,106,923	\$ 4,257,359	\$ 32,098	\$ 9,355,576	\$ 12,303,773
Plan Fiduciary Net Position - Beginning	192,032,076	175,602,774	154,967,301	166,866,256	159,297,661	138,190,738	133,933,379	133,901,281	124,545,705	112,241,932
Plan Fiduciary Net Position - Ending (b)	\$ 224,969,376	\$ 192,032,076	\$ 175,602,774	\$ 154,967,301	\$ 166,866,256	\$ 159,297,661	\$ 138,190,738	\$ 133,933,379	\$ 133,901,281	\$ 124,545,705
Employer's Net Pension Liability - Ending (a) - (b)	\$ 173,111,356	\$ 207,203,058	\$ 176,912,828	\$ 192,721,124	\$ 191,657,628	\$ 198,999,157	\$ 191,128,151	\$ 184,807,195	\$ 170,997,757	\$ 177,931,284

The current year information was developed in the completion of this report.



SCHEDULE OF TOTAL PENSION LIABILITY AND RELATED RATIOS

	2/28/2026	2/28/2025	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018	2/28/2017
Total Pension Liability - Ending (a)	<u>\$ 398,080,732</u>	<u>\$ 399,235,134</u>	<u>\$ 352,515,602</u>	<u>\$ 347,688,425</u>	<u>\$ 358,523,884</u>	<u>\$ 358,296,818</u>	<u>\$ 329,318,889</u>	<u>\$ 318,740,574</u>	<u>\$ 304,899,038</u>	<u>\$ 302,476,989</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 224,969,376</u>	<u>\$ 192,032,076</u>	<u>\$ 175,602,774</u>	<u>\$ 154,967,301</u>	<u>\$ 166,866,256</u>	<u>\$ 159,297,661</u>	<u>\$ 138,190,738</u>	<u>\$ 133,933,379</u>	<u>\$ 133,901,281</u>	<u>\$ 124,545,705</u>
Employer's Net Pension Liability - Ending (a) - (b)	<u>\$ 173,111,356</u>	<u>\$ 207,203,058</u>	<u>\$ 176,912,828</u>	<u>\$ 192,721,124</u>	<u>\$ 191,657,628</u>	<u>\$ 198,999,157</u>	<u>\$ 191,128,151</u>	<u>\$ 184,807,195</u>	<u>\$ 170,997,757</u>	<u>\$ 177,931,284</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.51%	48.10%	49.81%	44.57%	46.54%	44.46%	41.96%	42.02%	43.92%	41.18%
Covered-Employee Payroll	\$ 21,651,361	\$ 20,969,842	\$ 20,150,201	\$ 19,142,062	\$ 18,539,527	\$ 19,050,536	\$ 19,027,608	\$ 19,807,840	\$ 19,991,231	\$ 19,361,967
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	799.54%	988.10%	877.97%	1,006.79%	1,033.78%	1,044.59%	1,004.48%	933.00%	855.36%	918.97%

Covered-Employee Payroll shown above for the current year is estimated based on the prior Covered-Employee Payroll and expected increases for the Plan Members during the Fiscal Year.



SCHEDULE OF CONTRIBUTIONS

	2/28/2026	2/28/2025	2/29/2024	2/28/2023	2/28/2022	2/28/2021	2/29/2020	2/28/2019	2/28/2018	2/28/2017
Actuarially Determined Contribution	\$ 15,617,293	\$ 14,631,031	\$ 13,588,737	\$ 14,466,233	\$ 14,159,124	\$ 13,232,121	\$ 12,508,920	\$ 11,916,494	\$ 11,184,141	\$ 10,395,154
Contributions in Relation to the Actuarially Determined Contribution	16,175,205	15,195,370	15,169,267	16,102,506	14,818,690	13,550,355	12,508,920	11,916,494	11,184,141	10,395,154
Contribution Deficiency/(Excess)	<u>\$ (557,912)</u>	<u>\$ (564,339)</u>	<u>\$ (1,580,530)</u>	<u>\$ (1,636,273)</u>	<u>\$ (659,566)</u>	<u>\$ (318,234)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 21,651,361	\$ 20,969,842	\$ 20,150,201	\$ 19,142,062	\$ 18,539,527	\$ 19,050,536	\$ 19,027,608	\$ 19,807,840	\$ 19,991,231	\$ 19,361,967
Contributions as a Percentage of Covered-Employee Payroll	74.71%	72.46%	75.28%	84.12%	79.93%	71.13%	65.74%	60.16%	55.95%	53.69%

NOTES TO SCHEDULE OF CONTRIBUTIONS

The Actuarially Determined Contribution shown above for the current year is the Alternative Contribution from the March 1, 2024 Actuarial Valuation completed by Lauterbach & Amen, LLP for the December 2024 tax levy, if applicable. The methods and assumptions shown below are based on the same Actuarial Valuation. For more detail on the age-based and service-based rates disclosed below, please see the Actuarial Valuation.

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level % Pay (Closed)
Equivalent Single Amortization Period	90% Funded Over 16 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation (CPI-U)	2.25%
Total Payroll Increases	3.25%
Individual Pay Increases	3.75% - 16.54%
Expected Rate of Return on Investments	7.00%
Mortality Rates	Pub-2010 Adjusted for Plan Status, Demographics, and Illinois Public Pension Data, as Described
Retirement Rates	100% of L&A 2020 Illinois Firefighters Retirement Rates Capped at Age 65
Termination Rates	100% of L&A 2020 Illinois Firefighters Termination Rates
Disability Rates	100% of L&A 2020 Illinois Firefighters Disability Rates



GASB METHODS AND PROCEDURES

GASB Methods and Procedures



GASB METHODS AND PROCEDURES

	Statement 67	Statement 68
	<u>Pension Plan Financials</u>	<u>Employer Financials</u>
Fiscal Year End for Reporting	February 28, 2026	February 28, 2026
Measurement Date	February 28, 2026	February 28, 2026
Actuarial Valuation Date	March 1, 2025	March 1, 2025
Actuarial Valuation - Data Date	February 28, 2025	February 28, 2025
Asset Valuation Method	Fair Value	Fair Value
Actuarial Cost Method	Entry Age Normal (Level %)	Entry Age Normal (Level %)

Methodology Used in the Determination of Deferred Outflows and Inflows of Resources

Amortization Method	Straight Line	Straight Line
Amortization Period		
Actuarial Experience	5.37 Years	5.37 Years
Change in Assumptions	5.37 Years	5.37 Years
Asset Experience	5.00 Years	5.00 Years



SUPPLEMENTARY TABLES

GASB Projections – Summary and Procedure

GASB Projections – Limitations

Projection of Contributions

Notes to Projection of Contributions

Projection of the Pension Plan's Fiduciary Net Position

Notes to Projection of the Pension Plan's Fiduciary Net Position

Actuarial Present Value of Projected Benefit Payments

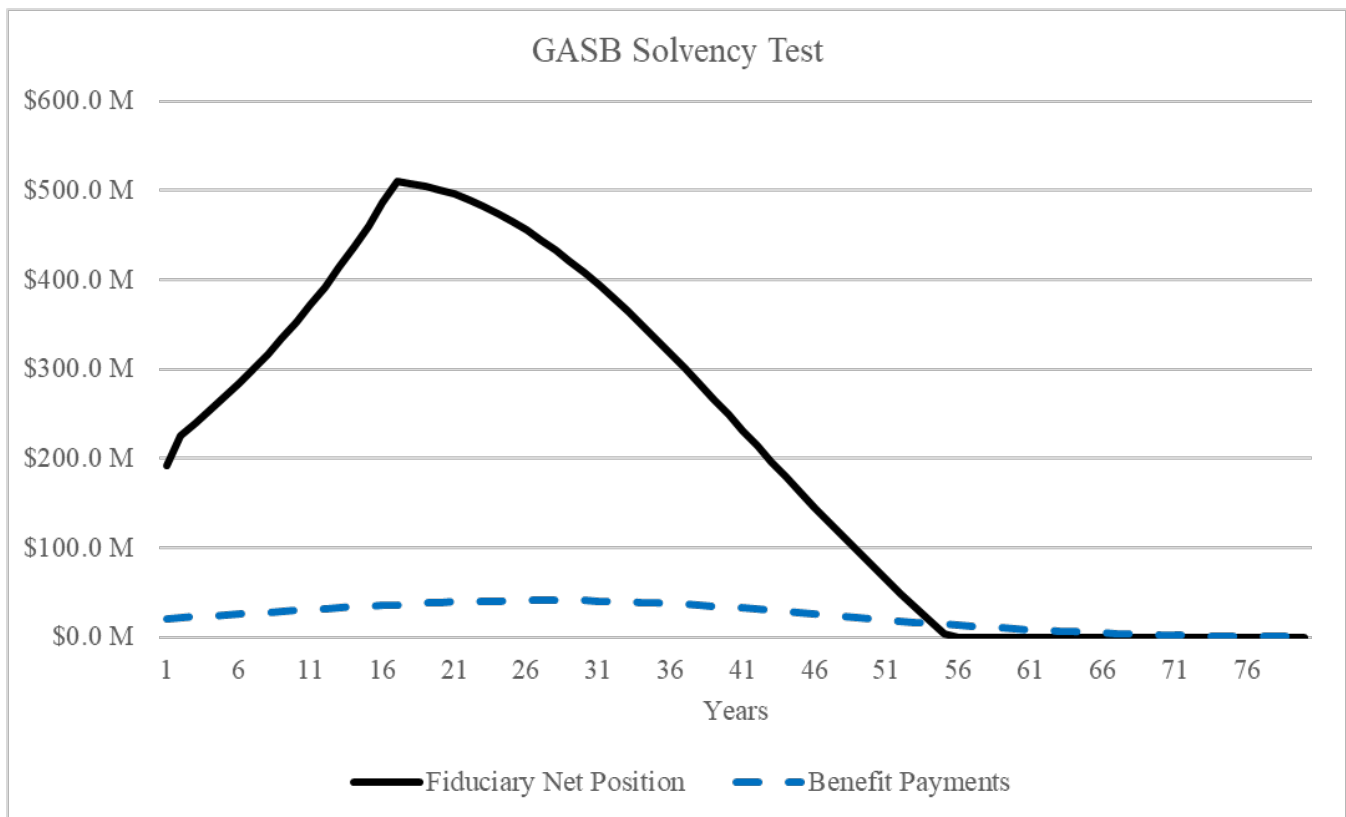
Notes to Actuarial Present Value of Projected Benefit Payments



GASB PROJECTIONS – SUMMARY AND PROCEDURE

GASB requires a solvency test to use in the determination of the Discount Rate each year. The Plan Fiduciary Net Position is projected forward. To the extent that the Plan Fiduciary Net Position is anticipated to be greater than \$0, Projected Benefit Payments are discounted based on the Expected Rate of Return on Plan Investments.

If the Plan Fiduciary Net Position is anticipated to reach \$0 prior to the payment of Projected Benefit Payments for employees who are in the Plan as of the Actuarial Valuation Date, then the remaining Projected Benefit Payments are discounted using the High-Quality Municipal Bond Rate, as described in the *Actuarial Assumptions Information* section of this report. The chart below is a high-level summary of the projections:



The Plan's Projected Fiduciary Net Position is anticipated to cover Projected Benefit Payments in full for the current employees through 2080.



GASB PROJECTIONS – LIMITATIONS

Projections of any type require assumptions about future events. The projections required for GASB reporting are deterministic in nature. That means that values are projected forward under one set of assumptions which can be thought of as the average result. Actual results could vary, and projections of one deterministic assumption set do not necessarily provide a framework for making risk management or Funding Policy decisions. Projections that deal with risk management are outside the scope of this report.

In addition, GASB requirements create results that are specific only to financial statement reporting, and should not be used or interpreted for other purposes. For example, GASB cash flow projections do not entail the total expected cash flows of the Plan, but rather a subset of cash flows specific to employees who are in the Plan as of the Actuarial Valuation Date. While the likely expectation may be that future employees are hired to replace the current employees, cash flows attributable to their benefits are not considered. Under GASB, when the Plan Fiduciary Net Position reaches \$0, that represents the Plan Fiduciary Net Position for the assets attributable to the current employees.

Also, GASB mandates certain assumptions that are made in the projection process. Most notably, Projected Contributions under an Informal Funding Policy. In proposing an Informal Funding Policy, GASB suggests a focus be placed on the average contributions over the past 5 years. Projected Contributions in this section may be based on the five-year average, unless a Formal Funding Policy is in place.

Contributions reflecting an Informal Funding Policy are applied under GASB, whether or not the projected results dictate a need for more or less contributions. This would not be the case with other uses for projections. Any events that are taken into account (past or future) in the Informal Funding Policy are discussed in the *Funding Policy* section of this report.

Projections further into the future are more sensitive to assumption changes. For projections that run out close to 80 years, a small change in an assumption may have a dramatic impact on the projections. If the solvency of the Plan as determined by GASB remains constant, then dramatic changes in the projection results may not necessarily lead to big changes in the determination of the Total Pension Liability.

We recommend the projections are not used for any other purposes, other than providing information for purposes of the financial statement report.

The following pages provide the detail behind the chart shown on the prior page.



PROJECTION OF CONTRIBUTIONS – YEARS 1 TO 30

Year	Projected Pensionable Payroll			Projected Contributions			
	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Contributions from Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Payroll of Future Employees (f) - Notes	Total Contributions (g) = (d) + (e) + (f)
1	\$ 20,898,586	\$ -	\$ 20,898,586	\$ 2,161,097	\$ 16,175,205	\$ -	\$ 18,336,302
2	21,118,395	459,395	21,577,790	1,996,744	18,675,817	-	20,672,561
3	21,083,837	1,195,231	22,279,068	1,993,477	18,166,590	-	20,160,067
4	20,902,205	2,100,933	23,003,138	1,976,303	18,854,115	-	20,830,418
5	20,475,860	3,274,880	23,750,740	1,935,993	19,532,149	-	21,468,142
6	20,091,803	4,430,836	24,522,639	1,899,680	20,183,848	-	22,083,528
7	19,709,039	5,610,585	25,319,625	1,863,490	20,865,463	-	22,728,953
8	19,247,575	6,894,938	26,142,512	1,819,858	21,580,763	-	23,400,621
9	18,682,122	8,310,022	26,992,144	1,766,395	22,282,332	-	24,048,727
10	18,194,809	9,674,579	27,869,389	1,720,319	22,983,183	-	24,703,502
11	17,682,561	11,092,582	28,775,144	1,671,886	23,733,612	-	25,405,498
12	16,946,739	12,763,596	29,710,336	1,602,314	24,525,110	-	26,127,424
13	16,317,550	14,358,372	30,675,922	1,542,824	25,322,732	-	26,865,556
14	15,756,142	15,916,747	31,672,889	1,489,743	26,185,828	-	27,675,571
15	15,080,983	17,621,275	32,702,258	1,425,907	27,121,567	-	28,547,474
16	14,516,139	19,248,943	33,765,082	1,372,501	24,150,819	-	25,523,320
17	13,955,592	20,906,855	34,862,447	-	-	-	-
18	13,179,437	22,816,040	35,995,476	-	-	-	-
19	12,138,347	25,026,982	37,165,329	-	-	-	-
20	11,005,429	27,367,773	38,373,202	-	-	-	-
21	9,828,089	29,792,242	39,620,332	-	-	-	-
22	8,773,983	32,134,009	40,907,992	-	-	-	-
23	7,856,590	34,380,912	42,237,502	-	-	-	-
24	7,087,321	36,522,900	43,610,221	-	-	-	-
25	6,244,121	38,783,432	45,027,553	-	-	-	-
26	5,489,173	41,001,776	46,490,949	-	-	-	-
27	4,765,709	43,236,195	48,001,904	-	-	-	-
28	3,899,212	45,662,754	49,561,966	-	-	-	-
29	3,147,499	48,025,231	51,172,730	-	-	-	-
30	2,397,229	50,438,615	52,835,844	-	-	-	-

Column d – Contributions from current employees to the Plan (employees in the Plan as of the Actuarial Valuation Date).

Column e – Employer Contributions to the Plan excluding contributions for employees hired after the Actuarial Valuation Date.

Column f – Contributions from future employees to the extent that contributions are assumed to be greater than their Normal Cost.



PROJECTION OF CONTRIBUTIONS – YEARS 31 TO 60

Year	Projected Pensionable Payroll			Projected Contributions			
	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Contributions from Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Payroll of Future Employees (f) - Notes	Total Contributions (g) = (d) + (e) + (f)
31	\$ 1,837,521	\$ 52,715,488	\$ 54,553,009	\$ -	\$ -	\$ -	\$ -
32	1,427,675	54,898,307	56,325,982	-	-	-	-
33	1,034,066	57,122,511	58,156,576	-	-	-	-
34	655,030	59,391,634	60,046,665	-	-	-	-
35	430,263	61,567,918	61,998,181	-	-	-	-
36	302,738	63,710,384	64,013,122	-	-	-	-
37	206,945	65,886,604	66,093,549	-	-	-	-
38	129,181	68,112,408	68,241,589	-	-	-	-
39	82,420	70,377,021	70,459,441	-	-	-	-
40	45,582	72,703,790	72,749,373	-	-	-	-
41	28,157	75,085,571	75,113,727	-	-	-	-
42	16,257	77,538,666	77,554,923	-	-	-	-
43	6,655	80,068,803	80,075,458	-	-	-	-
44	-	82,677,911	82,677,911	-	-	-	-
45	-	85,364,943	85,364,943	-	-	-	-
46	-	88,139,303	88,139,303	-	-	-	-
47	-	91,003,831	91,003,831	-	-	-	-
48	-	93,961,455	93,961,455	-	-	-	-
49	-	97,015,203	97,015,203	-	-	-	-
50	-	100,168,197	100,168,197	-	-	-	-
51	-	103,423,663	103,423,663	-	-	-	-
52	-	106,784,932	106,784,932	-	-	-	-
53	-	110,255,442	110,255,442	-	-	-	-
54	-	113,838,744	113,838,744	-	-	-	-
55	-	117,538,503	117,538,503	-	-	-	-
56	-	121,358,505	121,358,505	-	-	-	-
57	-	125,302,656	125,302,656	-	-	-	-
58	-	129,374,993	129,374,993	-	-	-	-
59	-	133,579,680	133,579,680	-	-	-	-
60	-	137,921,019	137,921,019	-	-	-	-

Column d – Contributions from current employees to the Plan (employees in the Plan as of the Actuarial Valuation Date).

Column e – Employer Contributions to the Plan excluding contributions for employees hired after the Actuarial Valuation Date.

Column f – Contributions from future employees to the extent that contributions are assumed to be greater than their Normal Cost.



PROJECTION OF CONTRIBUTIONS – YEARS 61 TO 80

Year	Projected Pensionable Payroll			Projected Contributions			
	Payroll for Current Employees (a)	Payroll for Future Employees (b)	Total Employee Payroll (c) = (a) + (b)	Contributions from Current Employees (d) - Notes	Employer Contributions for Current Employees (e) - Notes	Contributions Related to Payroll of Future Employees (f) - Notes	Total Contributions (g) = (d) + (e) + (f)
61	\$ -	\$ 142,403,452	\$ 142,403,452	\$ -	\$ -	\$ -	\$ -
62	-	147,031,565	147,031,565	-	-	-	-
63	-	151,810,091	151,810,091	-	-	-	-
64	-	156,743,918	156,743,918	-	-	-	-
65	-	161,838,096	161,838,096	-	-	-	-
66	-	167,097,834	167,097,834	-	-	-	-
67	-	172,528,514	172,528,514	-	-	-	-
68	-	178,135,690	178,135,690	-	-	-	-
69	-	183,925,100	183,925,100	-	-	-	-
70	-	189,902,666	189,902,666	-	-	-	-
71	-	196,074,503	196,074,503	-	-	-	-
72	-	202,446,924	202,446,924	-	-	-	-
73	-	209,026,449	209,026,449	-	-	-	-
74	-	215,819,809	215,819,809	-	-	-	-
75	-	222,833,952	222,833,952	-	-	-	-
76	-	230,076,056	230,076,056	-	-	-	-
77	-	237,553,528	237,553,528	-	-	-	-
78	-	245,274,017	245,274,017	-	-	-	-
79	-	253,245,423	253,245,423	-	-	-	-
80	-	261,475,899	261,475,899	-	-	-	-

NOTES TO PROJECTION OF CONTRIBUTIONS

Total Employee Payroll is projected to increase annually at the Projected Total Payroll Increases rate shown in the *Actuarial Assumptions Information* section of this report. Payroll for current employees (employees in the Plan as of the Actuarial Valuation Date) are projected on an employee-by-employee basis, using the Projected Individual Pay Increases and probability of remaining an employee in the future.

Employer Contributions are related to current employees in the Plan as of the Actuarial Valuation Date. To the extent that Projected Contributions under the Funding Policy are made to cover the Normal Cost of benefit payments for future employees, those contributions are excluded for purposes of these projections and this report.

Contributions are based on the Funding Policy as described in the *Funding Policy* section of this report. The contributions do not factor in changes in the Funding Policy based on an assumed Employer decision; if, the projections were to play out in this fashion. The only future events that are considered were outlined in the *Funding Policy* section of this report. Contributions from future employees have not been included. It is assumed that contributions made by future employees will not exceed the Normal Cost of their participation in the Plan. In addition, Employer Contributions on behalf of future employees have not been included per the GASB parameters.



PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 1 TO 30

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a)+(b)-(c)-(d)+(e)
1	\$ 192,032,076	\$ 18,336,302	\$ 20,720,174	\$ 143,002	\$ 35,464,174	\$ 224,969,376
2	224,969,376	20,672,561	21,608,884	144,745	15,710,019	239,598,327
3	239,598,327	20,160,067	22,663,448	146,485	16,679,138	253,627,599
4	253,627,599	20,830,418	23,654,686	148,223	17,649,895	268,305,003
5	268,305,003	21,468,142	24,630,927	149,955	18,665,404	283,657,667
6	283,657,667	22,083,528	25,600,452	151,682	19,727,635	299,716,697
7	299,716,697	22,728,953	26,633,499	153,401	20,838,141	316,496,891
8	316,496,891	23,400,621	27,735,597	155,111	21,997,629	334,004,434
9	334,004,434	24,048,727	28,717,099	156,811	23,211,429	352,390,680
10	352,390,680	24,703,502	29,702,958	158,499	24,486,819	371,719,545
11	371,719,545	25,405,498	30,819,837	160,173	25,825,260	391,970,294
12	391,970,294	26,127,424	31,817,348	161,832	27,233,109	413,351,647
13	413,351,647	26,865,556	32,764,344	163,474	28,722,436	436,011,821
14	436,011,821	27,675,571	33,676,896	165,096	30,305,003	460,150,403
15	460,150,403	28,547,474	34,501,889	166,698	31,996,289	486,025,580
16	486,025,580	25,523,320	35,212,980	168,276	33,676,763	509,844,406
17	509,844,406	-	36,020,828	169,830	34,422,435	508,076,184
18	508,076,184	-	37,019,998	171,356	34,263,636	505,148,466
19	505,148,466	-	37,954,281	172,852	34,025,943	501,047,277
20	501,047,277	-	38,754,587	174,315	33,710,798	495,829,172
21	495,829,172	-	39,395,627	175,744	33,323,044	489,580,846
22	489,580,846	-	39,885,958	177,135	32,868,451	482,386,203
23	482,386,203	-	40,245,208	178,486	32,352,205	474,314,713
24	474,314,713	-	40,546,945	179,794	31,776,594	465,364,568
25	465,364,568	-	40,744,333	181,056	31,143,131	455,582,310
26	455,582,310	-	40,855,712	182,268	30,454,432	444,998,763
27	444,998,763	-	40,990,772	183,428	29,708,816	433,533,379
28	433,533,379	-	40,990,229	184,532	28,906,220	421,264,838
29	421,264,838	-	40,945,719	185,577	28,048,943	408,182,485
30	408,182,485	-	40,726,995	186,558	27,140,800	394,409,731

Column b – Contributions on behalf of current employees in the Plan as of the Actuarial Valuation Date.

Column d – Based on the average Administrative Expense in recent years, and projected to increase in the future.

Column e – Based on the Expected Rate of Return on Plan Investments, and does not factor in allocation changes.



PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 31 TO 60

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a)+(b)-(c)-(d)+(e)
31	\$ 394,409,731	\$ -	\$ 40,376,365	\$ 187,473	\$ 26,188,947	\$ 380,034,840
32	380,034,840	-	39,987,564	188,316	25,196,283	365,055,242
33	365,055,242	-	39,529,723	189,085	24,163,709	349,500,143
34	349,500,143	-	38,935,514	189,774	23,095,625	333,470,480
35	333,470,480	-	38,210,743	190,380	21,998,894	317,068,251
36	317,068,251	-	37,410,690	190,897	20,878,722	300,345,385
37	300,345,385	-	36,547,696	191,322	19,738,311	283,344,679
38	283,344,679	-	35,610,838	191,648	18,581,041	266,123,233
39	266,123,233	-	34,581,298	191,871	17,411,565	248,761,630
40	248,761,630	-	33,474,565	191,985	16,234,985	231,330,065
41	231,330,065	-	32,303,147	191,985	15,055,775	213,890,709
42	213,890,709	-	31,074,830	191,865	13,878,015	196,502,030
43	196,502,030	-	29,797,469	191,619	12,705,524	179,218,466
44	179,218,466	-	28,478,855	191,241	11,541,839	162,090,209
45	162,090,209	-	27,134,541	190,724	10,389,930	145,154,874
46	145,154,874	-	25,775,843	190,061	9,252,035	128,441,004
47	128,441,004	-	24,413,815	189,247	8,129,763	111,967,706
48	111,967,706	-	23,058,452	188,273	7,024,104	95,745,085
49	95,745,085	-	21,718,783	187,132	5,935,449	79,774,619
50	79,774,619	-	20,402,399	185,816	4,863,636	64,050,040
51	64,050,040	-	19,115,184	184,318	3,808,020	48,558,559
52	48,558,559	-	17,861,762	182,628	2,767,545	33,281,714
53	33,281,714	-	16,645,658	180,739	1,740,796	18,196,113
54	18,196,113	-	15,469,359	178,641	726,048	3,274,162
55	3,274,162	-	14,334,106	176,325	-	-
56	-	-	13,240,532	-	-	-
57	-	-	12,188,811	-	-	-
58	-	-	11,178,864	-	-	-
59	-	-	10,210,713	-	-	-
60	-	-	9,284,629	-	-	-

Column b – Contributions on behalf of current employees in the Plan as of the Actuarial Valuation Date.

Column d – Based on the average Administrative Expense in recent years, and projected to increase in the future.

Column e – Based on the Expected Rate of Return on Plan Investments, and does not factor in allocation changes.



PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION – YEARS 61 TO 80

Year	Projected Beginning Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expense (d)	Projected Investment Earnings (e)	Projected Ending Fiduciary Net Position (f) = (a)+(b)-(c)-(d)+(e)
61	\$ -	\$ -	\$ 8,400,893	\$ -	\$ -	\$ -
62	-	-	7,560,094	-	-	-
63	-	-	6,763,126	-	-	-
64	-	-	6,010,706	-	-	-
65	-	-	5,303,695	-	-	-
66	-	-	4,643,190	-	-	-
67	-	-	4,029,989	-	-	-
68	-	-	3,464,983	-	-	-
69	-	-	2,948,980	-	-	-
70	-	-	2,482,209	-	-	-
71	-	-	2,064,631	-	-	-
72	-	-	1,695,608	-	-	-
73	-	-	1,373,712	-	-	-
74	-	-	1,096,954	-	-	-
75	-	-	862,674	-	-	-
76	-	-	667,487	-	-	-
77	-	-	507,692	-	-	-
78	-	-	379,269	-	-	-
79	-	-	278,017	-	-	-
80	-	-	199,785	-	-	-

NOTES TO PROJECTION OF THE PENSION PLAN'S FIDUCIARY NET POSITION

Projected Total Contributions are Employee and Employer Contributions projected to be made under the Funding Policy on behalf of current employees in the Plan as of the Actuarial Valuation Date. The amounts shown are detailed earlier in this section.

Projected Benefit Payments shown represents current employees as of the Actuarial Valuation Date. The Plan will pay benefits in the future on behalf of employees hired after the Actuarial Valuation Date, but those benefit payments are not projected for this purpose.

Projected Investment Earnings are based on the Expected Rate of Return on Plan Investments. Administrative Expense are typically not charged on a per employee basis. Administrative Expenses shown are not projected to distinguish between current and future employees.

The Projected Fiduciary Net Position represents assets held or projected to be held on behalf of current employees in the Plan as of the Actuarial Valuation Date. The Plan will hold assets in the future on behalf of employees hired after the Actuarial Valuation Date, but those assets are not projected for this purpose.



ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS – YEARS 1 TO 30

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments (7.00%)	Present Value of "Unfunded" Benefit Payments (4.71%)	Present Value of Benefit Payments Using the Single Discount Rate (6.91%)
1	\$ 192,032,076	\$ 20,720,174	\$ 20,720,174	\$ -	\$ 20,030,948	\$ -	\$ 20,039,378
2	224,969,376	21,608,884	21,608,884	-	19,523,455	-	19,548,113
3	239,598,327	22,663,448	22,663,448	-	19,136,677	-	19,176,977
4	253,627,599	23,654,686	23,654,686	-	18,666,976	-	18,722,035
5	268,305,003	24,630,927	24,630,927	-	18,165,768	-	18,234,685
6	283,657,667	25,600,452	25,600,452	-	17,645,617	-	17,727,473
7	299,716,697	26,633,499	26,633,499	-	17,156,697	-	17,250,794
8	316,496,891	27,735,597	27,735,597	-	16,697,797	-	16,803,511
9	334,004,434	28,717,099	28,717,099	-	16,157,660	-	16,273,642
10	352,390,680	29,702,958	29,702,958	-	15,619,021	-	15,744,380
11	371,719,545	30,819,837	30,819,837	-	15,146,095	-	15,280,511
12	391,970,294	31,817,348	31,817,348	-	14,613,375	-	14,755,475
13	413,351,647	32,764,344	32,764,344	-	14,063,851	-	14,212,562
14	436,011,821	33,676,896	33,676,896	-	13,509,866	-	13,664,212
15	460,150,403	34,501,889	34,501,889	-	12,935,347	-	13,094,143
16	486,025,580	35,212,980	35,212,980	-	12,338,269	-	12,500,249
17	509,844,406	36,020,828	36,020,828	-	11,795,636	-	11,960,553
18	508,076,184	37,019,998	37,019,998	-	11,329,749	-	11,497,823
19	505,148,466	37,954,281	37,954,281	-	10,855,776	-	11,026,093
20	501,047,277	38,754,587	38,754,587	-	10,359,516	-	10,530,905
21	495,829,172	39,395,627	39,395,627	-	9,841,937	-	10,013,185
22	489,580,846	39,885,958	39,885,958	-	9,312,554	-	9,482,568
23	482,386,203	40,245,208	40,245,208	-	8,781,712	-	8,949,562
24	474,314,713	40,546,945	40,546,945	-	8,268,741	-	8,433,880
25	465,364,568	40,744,333	40,744,333	-	7,765,415	-	7,927,169
26	455,582,310	40,855,712	40,855,712	-	7,277,236	-	7,435,075
27	444,998,763	40,990,772	40,990,772	-	6,823,638	-	6,977,508
28	433,533,379	40,990,229	40,990,229	-	6,377,147	-	6,526,439
29	421,264,838	40,945,719	40,945,719	-	5,953,479	-	6,097,982
30	408,182,485	40,726,995	40,726,995	-	5,534,277	-	5,673,377

The Projected Fiduciary Net Position and Benefit Payments are based on current employees in the Plan as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position is shown in more detail earlier in this section.



ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS – YEARS 31 TO 60

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments (7.00%)	Present Value of "Unfunded" Benefit Payments (4.71%)	Present Value of Benefit Payments Using the Single Discount Rate (6.91%)
31	\$ 394,409,731	\$ 40,376,365	\$ 40,376,365	\$ -	\$ 5,127,693	\$ -	\$ 5,260,998
32	380,034,840	39,987,564	39,987,564	-	4,746,090	-	4,873,574
33	365,055,242	39,529,723	39,529,723	-	4,384,812	-	4,506,383
34	349,500,143	38,935,514	38,935,514	-	4,036,355	-	4,151,756
35	333,470,480	38,210,743	38,210,743	-	3,702,075	-	3,811,124
36	317,068,251	37,410,690	37,410,690	-	3,387,440	-	3,490,157
37	300,345,385	36,547,696	36,547,696	-	3,092,802	-	3,189,268
38	283,344,679	35,610,838	35,610,838	-	2,816,375	-	2,906,664
39	266,123,233	34,581,298	34,581,298	-	2,556,029	-	2,640,193
40	248,761,630	33,474,565	33,474,565	-	2,312,361	-	2,390,512
41	231,330,065	32,303,147	32,303,147	-	2,085,460	-	2,157,757
42	213,890,709	31,074,830	31,074,830	-	1,874,917	-	1,941,548
43	196,502,030	29,797,469	29,797,469	-	1,680,230	-	1,741,407
44	179,218,466	28,478,855	28,478,855	-	1,500,819	-	1,556,773
45	162,090,209	27,134,541	27,134,541	-	1,336,424	-	1,387,416
46	145,154,874	25,775,843	25,775,843	-	1,186,454	-	1,232,761
47	128,441,004	24,413,815	24,413,815	-	1,050,243	-	1,092,153
48	111,967,706	23,058,452	23,058,452	-	927,045	-	964,849
49	95,745,085	21,718,783	21,718,783	-	816,060	-	850,054
50	79,774,619	20,402,399	20,402,399	-	716,447	-	746,920
51	64,050,040	19,115,184	19,115,184	-	627,332	-	654,565
52	48,558,559	17,861,762	17,861,762	-	547,848	-	572,111
53	33,281,714	16,645,658	16,645,658	-	477,147	-	498,699
54	18,196,113	15,469,359	15,469,359	-	414,420	-	433,503
55	3,274,162	14,334,106	3,274,162	11,059,944	81,976	900,323	375,726
56	-	13,240,532	-	13,240,532	-	1,029,349	324,630
57	-	12,188,811	-	12,188,811	-	904,962	279,528
58	-	11,178,864	-	11,178,864	-	792,645	239,797
59	-	10,210,713	-	10,210,713	-	691,431	204,873
60	-	9,284,629	-	9,284,629	-	600,439	174,250

The Projected Fiduciary Net Position and Benefit Payments are based on current employees in the Plan as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position is shown in more detail earlier in this section.



ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS – YEARS 61 TO 80

Year	Projected Beginning Fiduciary Net Position	Projected Benefit Payments	Projected Benefit Payments		Actuarial Present Values of Projected Benefit Payments		
			"Funded" Portion of Benefit Payments	"Unfunded" Portion of Benefit Payments	Present Value of "Funded" Benefit Payments (7.00%)	Present Value of "Unfunded" Benefit Payments (4.71%)	Present Value of Benefit Payments Using the Single Discount Rate (6.91%)
61	\$ -	\$ 8,400,893	\$ -	\$ 8,400,893	\$ -	\$ 518,850	\$ 147,474
62	-	7,560,094	-	7,560,094	-	445,918	124,137
63	-	6,763,126	-	6,763,126	-	380,967	103,873
64	-	6,010,706	-	6,010,706	-	323,353	86,350
65	-	5,303,695	-	5,303,695	-	272,485	71,268
66	-	4,643,190	-	4,643,190	-	227,820	58,360
67	-	4,029,989	-	4,029,989	-	188,839	47,379
68	-	3,464,983	-	3,464,983	-	155,060	38,103
69	-	2,948,980	-	2,948,980	-	126,033	30,333
70	-	2,482,209	-	2,482,209	-	101,312	23,882
71	-	2,064,631	-	2,064,631	-	80,478	18,580
72	-	1,695,608	-	1,695,608	-	63,121	14,273
73	-	1,373,712	-	1,373,712	-	48,838	10,816
74	-	1,096,954	-	1,096,954	-	37,244	8,079
75	-	862,674	-	862,674	-	27,972	5,943
76	-	667,487	-	667,487	-	20,670	4,301
77	-	507,692	-	507,692	-	15,014	3,060
78	-	379,269	-	379,269	-	10,712	2,138
79	-	278,017	-	278,017	-	7,499	1,466
80	-	199,785	-	199,785	-	5,146	985

NOTES TO THE ACTUARIAL PRESENT VALUE OF PROJECTED BENEFIT PAYMENTS

The Projected Fiduciary Net Position and Benefit Payments are based on current employees in the Plan as of the Actuarial Valuation Date. The development of the Projected Fiduciary Net Position is shown in more detail earlier in this section.

The Funded and Unfunded Portion of Benefit Payments are split based on the time that the Projected Fiduciary Net Position is to reach \$0 (based on assets for current employees).

The Present Value ("PV") of the Funded and Unfunded Portion of Benefit Payments are determined separately. The PV of the Funded Portion of Benefit Payments uses the Expected Rate of Return on Plan Investments. The PV of the Unfunded Portion of Benefit Payments are determined using the High-Quality Municipal Bond Rate as of the Measurement Date, as described in the *Actuarial Assumptions Information* section of this report.

The Discount Rate used for GASB purposes is the rate such that when applied to the Total Projected Benefit Payments results in a Present Value that equals the sum of the Present Value of the Funded and Unfunded Portion of Benefit Payments. The Discount Rate is rounded to four decimal places; therefore, the resulting Present Value comparisons may show a slight difference due to rounding.



SUMMARY OF PRINCIPAL PLAN PROVISIONS

Establishment of the Fund
Administration
Member Contributions
Regular Retirement Pension Benefit
Early Retirement Pension Benefit
Surviving Spouse Benefit
Termination Benefit – Vested
Disability Benefit



ESTABLISHMENT OF THE FUND

The Firefighters' Pension Fund is established and administered as prescribed by "Article 4 – Firefighters' Pension Fund – Municipalities 500,000 and Under" of the Illinois Pension Code.

ADMINISTRATION

The Firefighters' Pension Fund is administered by a Board of Trustees whose duties are to manage the Pension Fund, determine applications for pensions, authorize payment of pensions, establish rules, pay expenses, and keep records.

MEMBER CONTRIBUTIONS

Members contribute 9.455% of their pensionable salary. Active members participating in reciprocity (40 ILCS 5/4-109.3) contribute an additional 1% of their pensionable salary.

REGULAR RETIREMENT PENSION BENEFIT

Tier I

Eligibility: Age 50 with at least 20 years of creditable service.

Benefit: 50% of final salary for the first 20 years of service, plus an additional 2.5% of final salary for each year of service beyond 20 years of service, pro-rated monthly, and not to exceed 75% of final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the later of the first day of the month after the pensioner turns age 55 or the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.



REGULAR RETIREMENT PENSION BENEFIT - CONTINUED

Tier II

Eligibility: Age 55 with at least 10 years of creditable service.

Benefit: 2.5% of final average salary for each year of service, and not to exceed 75% of final average salary. "Final average salary" is determined by dividing the total pensionable salary during 48 consecutive months of service within the last 60 months of service in which total pensionable salary was the highest, by the number of months of service in that period (or by dividing the total pensionable salary during 96 consecutive months of service within the last 120 months of service in which total pensionable salary was the highest, by the number of months of service in that period, if greater). Annual salary for this purpose will not exceed the salary cap, indexed by the lesser of 3% or the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st. The salary cap will not decrease.

Annual Increase in Benefit: The initial increase date will be the later of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or $\frac{1}{2}$ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.

EARLY RETIREMENT PENSION BENEFIT

Tier I

None.

Tier II

Eligibility: Age 50 with at least 10 years of creditable service.

Benefit: The regular retirement pension benefit reduced by $\frac{1}{2}$ of 1% for each month that the firefighters' age is between 50 and 55.

Annual Increase in Benefit: The initial increase date will be the later of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or $\frac{1}{2}$ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.



SURVIVING SPOUSE BENEFIT

Tier I

Eligibility: Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner: An eligible surviving spouse is entitled to receive the greater of the pensioner's benefit at the time of death or 54% of the pensioner's final pensionable salary attached to rank held on the last day of service.

Active Member: An eligible surviving spouse is entitled to receive the greater of the firefighter's eligible benefit at the time of death or 54% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: None.

Tier II

Eligibility: Married to an active firefighter, a disabled pensioner at the time of death, or a retired pensioner (at least 12 months prior to the time of death if married post-retirement).

Active Line of Duty Death Benefit: An eligible surviving spouse is entitled to receive 100% of the firefighter's final pensionable salary attached to rank held on the last day of service.

Non-Duty Death Benefit:

Disabled or Retired Pensioner and Active Member: An eligible surviving spouse is entitled to receive the greater of 66⅔% of the firefighter's earned pension benefit at the time of death or 54% of the firefighter's monthly salary at the time of death.

Annual Increase in Benefit: The initial increase date will be the January 1st after the surviving spouse turns age 60. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.



TERMINATION BENEFIT – VESTED

Tier I

Eligibility: Age 60 with at least 10 but less than 20 years of creditable service.

Benefit: An accrual factor times final salary for each year of service. “Accrual factor” is a factor of 1.5% at 10 years of service, increasing ratably up to 2.4% at 19 years of service. “Final salary” is based on the firefighter’s pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 1/12 of 3% of the original monthly benefit for each full month that has passed since the pension began. The initial increase date will be the first day of the month after the benefit date anniversary. Subsequent increases of 3% of the current monthly benefit will be granted every January 1st thereafter.

Tier II

None.



DISABILITY BENEFIT

Tier I

Eligibility: Duty Disability with at least 1 day of creditable service, Non-Duty Disability with at least 7 years of creditable service or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability with at least 1 day of creditable service or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability with at least 7 years of creditable service, a firefighter is entitled to receive 50% of their final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit: A firefighter is entitled to receive an initial increase equal to 3% of the original monthly benefit for each full year that has passed since the pension began. The initial increase date will be the later of the January 1st after following pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases of 3% of the original monthly benefit will be granted every January 1st thereafter.

Tier II

Eligibility: Duty Disability with at least 1 day of creditable service, Non-Duty Disability with at least 7 years of creditable service, or Occupational Disease Disability with at least 5 years of creditable service.

Benefit: For a duty disability with at least 1 day of creditable service or an occupational disease disability with at least 5 years of creditable service, a firefighter is entitled to receive the greater of 65% of final salary or the regular retirement pension benefit at the time of disability. For a non-duty disability with at least 7 years of creditable service, a firefighter is entitled to receive 50% of their final salary. "Final salary" is based on the firefighter's pensionable salary attached to rank held on the last day of service.

Annual Increase in Benefit:

The initial increase date will be the later of the January 1st after the pensioner turns age 60 or the January 1st after the benefit date anniversary. Subsequent increases will be granted every January 1st thereafter. The initial increase and subsequent increases will be the lesser of 3% of the original benefit or ½ of the CPI-U (not less than 0%) for the 12 months ending with the September preceding each November 1st.