

Actuarial GASB Disclosures  
as of April 30, 2015

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ALSIP  
POLICE PENSION FUND

Utilizing Data as of April 30, 2014

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**Submitted by:**

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December 16, 2015

***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 provide general information to assist in the preparation of the Annual Financial Report. The assumptions and methods used in the preparation of this disclosure meet the parameters set for the disclosures presented in the financial section as required by the Governmental Accounting Standards Board. Additional information is also provided solely to assist the auditors in preparation of the required footnote disclosures.

The results in this report are based on information and data submitted by the Alsip Police Pension Fund including studies performed by prior actuaries. We did not prepare the actuarial valuations for the years prior to May 1, 2015. Those Valuations were prepared by other actuaries whose reports have been furnished to us, and our disclosures are based upon those reports. An audit of the information was not performed, but high-level reviews were performed for general reasonableness as appropriate based on the purpose of the valuation. The accuracy of the results is dependent upon the accuracy and completeness of the underlying information. The results of the actuarial valuation and these supplemental disclosures rely on the information provided.

The valuation results summarized involve actuarial calculations that require assumptions about future events. The Alsip Police Pension Fund selected certain assumptions, while others were the result of guidance and/or judgment. We believe that the assumptions used in the valuation are reasonable and appropriate for the purposes for which they have been used.

To the best of our knowledge, all calculations are in accordance with the applicable funding requirements, and the procedures followed and presentation of results conform to generally accepted actuarial principles and practices. The undersigned consultant of Lauterbach & Amen, LLP with actuarial credentials meets the Qualification Standards of the American Academy of Actuaries to render this Actuarial Certification. There is no relationship between the Alsip Police Pension Fund and Lauterbach & Amen, LLP that impairs our objectivity.

Respectfully Submitted,

LAUTERBACH & AMEN, LLP

Todd A. Schroeder, EA



## ANNUAL PENSION COST AND NET PENSION OBLIGATION

	For the Year Ended April 30			
	2012	2013	2014	2015
Annual Required Contribution (ARC)	\$	1,827,374	2,007,930	2,333,349
Interest on Net Pension Obligation (NPO)		340,076	352,245	358,484
Adjustment to ARC		(276,858)	(298,679)	(305,143)
Annual Pension Cost		1,890,592	2,061,496	2,386,690
Employer Contribution		1,716,750	1,973,625	2,214,723
Increase/(Decrease) in NPO		173,842	87,871	171,967
NPO Beginning of Year		4,859,493	5,033,335	5,121,206
NPO End of Year	\$	4,859,493	5,033,335	5,293,173

Information shown for fiscal years 2014 and prior is from the Village of Alsip annual financial report for the fiscal year ended April 30, 2014. The ARC for fiscal year 2015 is based on the April 30, 2014 actuary's report completed by Timothy W. Sharpe, Actuary. Subsequent information was calculated by Lauterbach & Amen, LLP.

NPO is the accumulated difference between the Annual Pension Cost and the Employer Contribution.



## SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date Apr. 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry-Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
2010	\$ 13,897,458	\$ 37,750,857	36.81%	\$ 23,853,399	\$ 2,571,316	927.67%
2011	15,120,768	39,303,606	38.47%	24,182,838	2,642,413	915.18%
2012	15,198,174	41,470,346	36.65%	26,272,172	2,921,239	899.35%
2013	16,003,250	43,899,360	36.45%	27,896,110	2,930,511	951.90%
2014	16,959,987	46,191,707	36.72%	29,231,720	3,184,560	917.92%

Information shown for actuarial valuation dates 2013 and prior is from the Village of Alsip annual financial report for the fiscal year ended April 30, 2014. Information shown for actuarial valuation date 2014 is based on the April 30, 2014 actuary's report completed by Timothy W. Sharpe, Actuary.



## SCHEDULE OF EMPLOYER CONTRIBUTIONS

Year Ended Apr. 30	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
2012				\$ 4,859,493
2013	\$ 1,716,750	\$ 1,827,374	93.95%	5,033,335
2014	1,973,625	2,007,930	98.29%	5,121,206
2015	2,214,723	2,333,349	94.92%	5,293,173

Information shown for fiscal years 2014 and prior is from the Village of Alsip annual financial report for the fiscal year ended April 30, 2014. The ARC for fiscal year 2015 is based on the April 30, 2014 actuary's report completed by Timothy W. Sharpe, Actuary. Subsequent information was calculated by Lauterbach & Amen, LLP.

NPO is the accumulated difference between the Annual Pension Cost and the Employer Contribution.



## ACTUARIAL METHOD AND ASSUMPTIONS

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Contribution Rates	
Employer	61.97%
Employee	9.910%
Actuarial Valuation Date	4/30/2014
Actuarial Cost Method	Entry Age Normal (Level % Pay)
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Market Value
Actuarial Assumptions	
Investment Rate of Return	7.00% per Year Compounded Annually
Projected Salary Increases	5.50% per Year Compounded Annually
Inflation Rate Included	3.00% per Year Compounded Annually
Cost-of-Living Adjustments	3.00% per Year Compounded Annually

The actuarial valuation date shown above was used to determine the ARC for the current fiscal year.



## PLAN MEMBERSHIP

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Retirees and Beneficiaries Currently Receiving Benefits	36
Terminated Employees Entitled to Benefits but not yet Receiving Them	1
Current Employees	
Vested	24
Nonvested	<u>16</u>
Total	<u><u>77</u></u>

For additional information regarding the valuation data and plan provisions please refer to the complete actuarial valuation report.

