# CITY OF BLOOMINGTON, ILLINOIS
# POLICE PENSION FUND

**A FIDUCIARY COMPONENT UNIT OF**
**THE CITY OF BLOOMINGTON**

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

**For the Fiscal Years Ended April 30, 2024 and 2023**

**CITY OF BLOOMINGTON, ILLINOIS**
**POLICE PENSION FUND**
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# INDEPENDENT AUDITOR’S REPORT

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# INDEPENDENT AUDITOR'S REPORT

Members of the Board of Trustees
of the Police Pension Fund
City of Bloomington, Illinois

## Opinions

We have audited the accompanying financial statements of the Police Pension Fund (the Plan), a fiduciary component unit of the City of Bloomington, Illinois (the City) as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Plan as of April 30, 2024, and the respective changes in financial position for the years ended in accordance with accounting principles generally accepted in the United States of America.

The financial statements of the Plan, as of April 30, 2023, were audited by Sikich LLP, whose report dated October 20, 2023, expressed an unmodified opinion of those financial statements. Effective as of April 30, 2024, Sikich LLP reorganized and transferred its attest practice to Sikich CPA LLC, a Virginia limited liability company.

## Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for twelve months beyond the financial statements date, including any currently known information that may raise substantial doubt shortly thereafter.

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for a reasonable period of time.

We are required to communicate to those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

**Other Matters**

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Plan has not presented the management’s discussion and analysis that governmental accounting principles generally accepted in the United States require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Sikich CPA LLC

Springfield, Illinois
October 23, 2024

# BASIC FINANCIAL STATEMENTS

**CITY OF BLOOMINGTON, ILLINOIS**
**POLICE PENSION FUND**
**(A Fiduciary Component Unit of the City of Bloomington)**

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **ASSETS** | | |
| Cash and Cash Equivalents | $ 153,901 | $ 3,586,506 |
| Investments, at Fair Value | | |
| U.S. Government agencies | 256 | 439 |
| Certificates of Deposit | 753,027 | - |
| Investments held in the Illinois Police Officers' Pension Investment Fund | 113,672,895 | 102,704,976 |
| Total Investments, at Fair Value | 114,426,178 | 102,705,415 |
| Receivables | | |
| Accrued Interest | 19 | - |
| Contributions | 58,530 | 51,089 |
| Total Receivables | 58,549 | 51,089 |
| Prepaids | 1,335 | 2,848 |
| Total assets | 114,639,963 | 106,345,858 |
| **LIABILITIES** | | |
| Accounts Payable | 2,280 | 8,491 |
| Total Liabilities | 2,280 | 8,491 |
| **NET POSITION RESTRICTED FOR PENSION BENEFITS** | $ 114,637,683 | $ 106,337,367 |

See accompanying notes to financial statements.

**CITY OF BLOOMINGTON, ILLINOIS**
**POLICE PENSION FUND**
**(A Fiduciary Component Unit of the City of Bloomington)**

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Years Ended April 30, 2024 and 2023

| | 2024 | 2023 |
|---|---|---|
| **ADDITIONS** | | |
| Contributions | | |
| Employer Contributions | $ 6,701,080 | $ 6,662,124 |
| Participant Contributions | 1,252,012 | 1,247,708 |
| Other Sources | 127,167 | 80,718 |
| Total Contributions | 8,080,259 | 7,990,550 |
| Investment Income | | |
| Interest and Dividends | 64,536 | 135,650 |
| Net Change in Fair Value | 9,863,529 | (233,946) |
| Total Investment Income | 9,928,065 | (98,296) |
| Less Investment Expenses | (45,610) | (107,045) |
| Net Investment Income | 9,882,455 | (205,341) |
| Total Additions | 17,962,714 | 7,785,209 |
| **DEDUCTIONS** | | |
| Administration | 85,821 | 97,648 |
| Benefits and Refunds | | |
| Benefits | 9,449,633 | 8,811,754 |
| Refunds | 126,944 | 17,589 |
| Total Deductions | 9,662,398 | 8,926,991 |
| **NET INCREASE (DECREASE)** | 8,300,316 | (1,141,782) |
| **NET POSITION RESTRICTED FOR PENSION BENEFITS** | | |
| Beginning of Year | 106,337,367 | 107,479,149 |
| End of Year | $ 114,637,683 | $ 106,337,367 |

See accompanying notes to financial statements.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Police Pension Fund (the Plan) of the City of Bloomington, Illinois (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Plan's accounting policies are described below.

### A. Reporting Entity

The Plan is a blended fiduciary component unit reported as a pension trust fund of the City pursuant to GASB Statement No. 61 and 84.

### B. Fund Accounting

The Plan uses funds to report on its net position and the changes in its net position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts. The fund is classified in this report as a fiduciary fund.

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). When pension plan assets are held under the terms of a formal trust agreement, a pension trust fund is used.

### C. Measurement Focus and Basis of Accounting

The pension trust fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of this fund are included on the statement of net position. Pension trust fund operating statements present increases (e.g., additions) and decreases (deductions) in net position.

The accrual basis of accounting is utilized by the pension trust fund. Under this method, additions are recorded when earned and deductions are recorded at the time liabilities are incurred.

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Cash and Cash Equivalents

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand and demand deposits.

E. Investments

Investments are generally reported at fair value. Short-term investments include investments with a maturity of less than one year at the time of purchase and are reported at cost, which approximates fair value. For investments, the Pension Fund categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

F. Receivables

Pension Fund receivables consist of accrued interest from cash and investments and participant contributions due as of fiscal year end but not yet received.

G. Prepaids

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in the financial statements. Prepaids are valued at cost and are recorded as expenditures when consumed rather than when purchased.

## 2. PLAN DESCRIPTION

A. Plan Administration

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The City accounts for the Fund as a pension trust fund.

## 2. PLAN DESCRIPTION (Continued)

### B. Plan Membership

At April 30, 2024 and 2023, the Plan's membership consisted of:

| | 2024 | 2023 |
|---|---|---|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 124 | 122 |
| Inactive Plan Members Entitled to, but not yet Receiving Benefits | 4 | 3 |
| Active Plan Members | 126 | 123 |
| TOTAL | 254 | 248 |

### C. Benefits Provided

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Under Illinois Public Act 096-1495 and Public Act 101-0610, the retirement benefits were revised for new officers hired on or after January 1, 2011. The normal retirement age for this tier of officers is 55, with an early retirement age of 50. Officers who enter into early retirement receive a 6% reduction for each year they retire prior to age 55. The salary used for retirement will be computed using an average salary representing the highest earning four consecutive years during the last five years of service. The salary amount is also limited to a ceiling of $106,800 with annual increases based on the consumer price index-u. Annual cost of living adjustments will be equal to the lesser of 3% or the annual unadjusted percentage increase of the consumer price index-u. Survivor benefits will be limited to two-thirds of the deceased pensioner's benefits at his or her date of death.

## 2. PLAN DESCRIPTION (Continued)

### D. Contributions

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The City is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, Illinois Compiled Statutes requires the City to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90% of the past service cost by the year 2040. The City has chosen to use the entry age normal actuarial cost method funding 100% of the past service cost by the year 2040 to fund its pension plan above and beyond the state minimum. For the years ended April 30, 2024 and 2023, the City's contribution was 53.04% and 52.91% of covered payroll respectively.

## 3. DEPOSITS AND INVESTMENTS

### A. Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/ 22B-105. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory.

### B. Deposits with Financial Institutions

At April 30, 2024, the carrying amount of the Plan's deposits totaled $868,143; the bank balances totaled $897,782. At April 30, 2023, the carrying amount of the Plan's deposits totaled $3,549,559; the bank balances totaled $3,569,994. In addition, the Pension Fund had $38,785 and $36,947 invested in the Illinois Metropolitan Investment Fund at April 30, 2024 and 2023, respectively. Available cash is determined to be that amount which is required for the current expenditures of the Plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Plan.

## 3. DEPOSITS AND INVESTMENTS (Continued)

C. Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that in the event of failure of the counterparty to a transaction, the Plan will not be able to recover the value of its deposits that are in the possession of an outside party. In the case of deposits, this is the risk that in the event of a bank failure, the Plan's deposits may not be returned to it. The Plan's investment policy does not require pledging collateral for all bank balances in excess of federal depository insurance, since flowthrough FDIC insurance is available for the Plan's deposits with financial institutions. As of April 30, 2024 and 2023, all of the Plan's deposits with financial institutions and money market funds were insured by the FDIC.

D. Investments

Investments of the Plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

E. Custodial Credit Risk - Investments

Custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Plan's investment policy does not mitigate custodial credit risk for investments; however, in practice investments are held at a third-party custodian in the name of the Plan, with the exception of $256 and $439 of Government National Mortgage Association securities held by the Police Pension Fund as of April 30, 2024 and 2023, respectively.

F. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the Plan's investment policy, the Plan investment portfolio will remain sufficiently liquid to enable the Plan to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated. The Plan's investment policy does not specifically provide limitations on the maturities of investments.

## 3. DEPOSITS AND INVESTMENTS (Continued)

### F. Interest Rate Risk (Continued)

At April 30, 2024 the Plan has the following investments and maturities:

| | | Investment Maturities - in Years | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. Government Agencies | $ 256 | $ - | $ - | $ - | $ 256 |
| Total | $ 256 | $ - | $ - | $ - | $ 256 |

At April 30, 2023 the Plan has the following investments and maturities:

| | | Investment Maturities - in Years | | | |
|---|---|---|---|---|---|
| Investment Type | Fair Value | Less Than 1 | 1-5 | 6-10 | More Than 10 |
| U.S. Government Agencies | $ 439 | $ - | $ - | $ - | $ 439 |
| Total | $ 439 | $ - | $ - | $ - | $ 439 |

The Plan assumes any callable securities will not be called.

### G. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pension Fund's investment policy limits the Pension Fund's investment in conventional mortgage pass-through securities to those having not less than an "A" rating from at least one national securities rating service; investments made in contracts and agreements of Life Insurance Companies licensed to do business in the State of Illinois shall be rated at least A+ by A.M. Best Company, Aa rated by Moody's and AA+ rated by Standard & Poor's rating services. Securities issued by the State of Illinois, or any county, township or municipal corporation of the State of Illinois, may be held in the portfolio as long as the said security is not rated less than Aa by Moody's or AA+ by Standard and Poor's. Investments in corporate bonds must be rated investment grade by at least one of the two largest rating services at the time of purchase.

## 3. DEPOSITS AND INVESTMENTS (Continued)

G. Credit Risk (Continued)

Corporate bonds downgraded to less than investment grade by any rating service must be sold within 90 days of the downgrade.

As of April 30, 2024, the Plan's investments were rated as follows:

| Investment Type | Moody's Investors Services | Standard & Poor's | A.M. Best Company |
|---|---|---|---|
| U.S. Government Agencies | | | |
| Government National Mortgage | Aaa | AA+ | N/A |

As of April 30, 2023, the Plan's investments were rated as follows:

| Investment Type | Moody's Investors Services | Standard & Poor's | A.M. Best Company |
|---|---|---|---|
| U.S. Government Agencies | | | |
| Government National Mortgage | Aaa | AA+ | N/A |

H. Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund assets in any type of security object to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertain exclusively to Article 3 participating police pension funds. IPOPIF shall not be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and person with disabilities.

I. Investment Rate of Return

For the year ended April 30, 2024, and 2023, the annual money-weighted rate of return on pension Plan investments, net of pension Plan investment expense, was 6.10% and (2.23)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

## 4. FAIR VALUE MEASUREMENT

The Plan categorizes its fair value measurements within the fair value hierarchy established by GAAP. The framework uses a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

Valuation Techniques

Following is a description of the valuation techniques used for assets and liabilities measured at fair value on a recurring basis.

- U.S. Government and U.S. Government agency securities: Valued by a pricing service using models that incorporate market observable data such as reported sales of similar securities, broker quotes, yields, bids, offers and reference data.
- Corporate bonds and fixed annuity: The investment grade corporate bonds held by the Plan generally do not trade in active markets on the measurement date. Therefore, these securities are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.
- Mutual funds: Valued at the closing quoted price in an active market.

The Plan has the following recurring fair value measurements as of April 30, 2024:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| Investments by Fair Value Level | April 30, 2024 | Quoted Prices in Active Markets for Identical Assets (Level1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| U.S. Agencies | $ 256 | $ - | $ 256 | $ - |
| Total Investment by Fair Value Level | 256 | $ - | $ 256 | $ - |
| Investments Measured at the Net Asset Value | | | | |
| IPOPIF | 113,672,895 | | | |
| Total Investments Measured at Fair Value | $ 113,673,151 | | | |

## 4. FAIR VALUE MEASUREMENTS (Continued)

Valuation Techniques (Continued)

The Net Asset Value (NAV) of the Plan's pooled investment in IPOPIF was $113,672,895 at April 30, 2024. The pooled investments consist of the investments as noted in the target allocation table which can be found on IPOPIF's website (www.ipopif.org). Investments in IPOPIF are valued at IPOPIF's share price, which is the price investment could be sold. There are no unfunded commitments at April 30, 2024.

The Plan may redeem shares with a seven calendar day notice. IPOPIF may, at is sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

The Plan has the following recurring fair value measurements as of April 30, 2023:

| | | Fair Value Measurements Using | | |
|---|---|---|---|---|
| Investments by Fair Value Level | April 30, 2023 | Quoted Prices in Active Markets for Identical Assets (Level1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| U.S. Agencies | $ 439 | $ - | $ 439 | $ - |
| Total Investment by Fair Value Level | 439 | $ - | $ 439 | $ - |
| Investments Measured at the Net Asset Value | | | | |
| IPOPIF | 102,704,976 | | | |
| Total Investments Measured at Fair Value | $ 102,705,415 | | | |

## 5. PENSION LIABILITY OF THE CITY

### A. Net Pension Liability

The components of the net pension liability of the Plan as of April 30, 2024 were as follows:

| | |
|---|---|
| Total Pension Liability | $ 195,460,041 |
| Plan Fiduciary Net Position | 114,637,683 |
| City’s Net Pension Liability | $ 80,822,358 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 58.65% |

The components of the net pension liability of the Plan as of April 30, 2023 were as follows:

| | |
|---|---|
| Total Pension Liability | $ 187,964,908 |
| Plan Fiduciary Net Position | 106,337,367 |
| City’s Net Pension Liability | $ 81,627,541 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 56.57% |

See the Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios in the required supplementary information for additional information related to the funded status of the Fund.

### B. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2024 and April 30, 2023 using the following actuarial methods and assumptions:

| | 2024 | 2023 |
|---|---|---|
| Actuarial Cost Method | Entry-Age Normal | Entry-Age Normal |
| Actuarial Valuation Method | Fair Value | Fair Value |
| Actuarial Assumptions | | |
| Interest Rate | 7.00% | 7.00% |
| Salary Increases | 3.50% to 14.15% | 3.50% to 14.15% |
| Cost of Living Adjustments | 2.25% | 2.25% |
| Inflation | 2.50% | 2.50% |

## 5. PENSION LIABILITY OF THE CITY (Continued)

B. Actuarial Assumptions (Continued)

Mortality rates were updated in fiscal year 2023. Mortality rates are based on the PubS-2010 Study, improved fully generationally using MP-2021 improvement rates. Retirement rates, termination rates and disability rates were updated in fiscal year 2023 based on an assumption study performed in 2022.

C. Discount Rate

The discount rate used to measure the total pension liability was 7.00%, the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all project future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability.

D. Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate at April 30, 2024 and April 30, 2023, respectively. The table below presents the pension liability of the City calculated using the discount rate of 7.00% as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

| April 30, 2024 | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Net Pension Liability | $ 108,749,648 | $ 80,822,358 | $ 58,071,585 |

| April 30, 2023 | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|---|---|---|
| Net Pension Liability | $ 108,604,303 | $ 81,627,541 | $ 59,668,185 |

## 6. CONTINGENT LIABILITIES

The Police Pension Fund is subject to a program compliance audit by the Illinois Department of Insurance. The compliance audit by the Illinois Department of Insurance for the year ended April 30, 2024 has not yet been conducted. Accordingly, the Police Pension Fund’s compliance with applicable requirements will be established at some future date. The amount of any adjustments to be made by the Illinois Department of Insurance cannot be determined at this time; however, the Police Pension Fund expects such adjustments, if any, to be immaterial.

# REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BLOOMINGTON, ILLINOIS**
**POLICE PENSION FUND**
**(A Fiduciary Component Unit of the City of Bloomington)**

SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years

| **MEASUREMENT DATE APRIL 30,** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
|---|---|---|---|---|---|---|---|---|---|---|
| **TOTAL PENSION LIABILITY** | | | | | | | | | | |
| Service Cost | $ 2,726,173 | $ 2,518,445 | $ 2,481,510 | $ 2,655,216 | $ 2,699,824 | $ 2,739,948 | $ 2,901,009 | $ 2,894,068 | $ 2,526,891 | $ 2,780,353 |
| Interest | 7,598,217 | 7,961,798 | 8,806,662 | 9,486,867 | 9,908,609 | 10,363,574 | 11,183,498 | 11,382,322 | 11,970,955 | 13,016,988 |
| Changes in Benefit Terms | - | - | - | - | - | 1,049,860 | - | - | - | - |
| Differences Between expected and Actual Experience | - | 3,750,208 | 3,058,467 | 151,124 | 604,653 | 2,811,551 | (103,906) | (3,234,569) | 10,766,369 | 1,147,296 |
| Change of Assumptions | - | 3,392,308 | 1,304,863 | - | - | 2,325,560 | - | - | (1,452,105) | - |
| Contributions - Buy Back | - | - | - | - | - | - | - | - | 80,718 | 127,073 |
| Benefit Payments, Including Refunds of Member Contributions | (4,889,439) | (5,371,307) | (5,735,238) | (6,133,350) | (6,403,290) | (7,023,863) | (7,738,454) | (8,212,168) | (8,829,343) | (9,576,577) |
| Net Change in Total Pension Liability | 5,434,951 | 12,251,452 | 9,916,264 | 6,159,857 | 6,809,796 | 12,266,630 | 6,242,147 | 2,829,653 | 15,063,485 | 7,495,133 |
| Total Pension Liability - Beginning | 110,990,673 | 116,425,624 | 128,677,076 | 138,593,340 | 144,753,197 | 151,562,993 | 163,829,623 | 170,071,770 | 172,901,423 | 187,964,908 |
| **TOTAL PENSION LIABILITY - ENDING** | $ 116,425,624 | $ 128,677,076 | $ 138,593,340 | $ 144,753,197 | $ 151,562,993 | $ 163,829,623 | $ 170,071,770 | $ 172,901,423 | $ 187,964,908 | $ 195,460,041 |
| **PLAN FIDUCIARY NET POSITION** | | | | | | | | | | |
| Contributions - Employer | 3,758,826 | 4,690,359 | 4,947,245 | 5,429,839 | 5,691,552 | 5,859,993 | 5,868,874 | 7,095,231 | 6,662,124 | 6,701,080 |
| Contributions - Members | 998,827 | 1,039,974 | 1,090,131 | 1,125,471 | 1,175,603 | 1,184,785 | 1,167,726 | 1,176,911 | 1,247,708 | 1,252,012 |
| Contributions - Other | - | 118,866 | 23,986 | 56,902 | 51,470 | 63,155 | 152,032 | 82,488 | 80,718 | 127,073 |
| Net Investment Income | 4,683,824 | (245,101) | 7,946,053 | 6,794,179 | 6,240,395 | 19,789 | 29,089,601 | (7,082,355) | (205,341) | 9,882,504 |
| Benefit payments, Including Refunds of Member Contributions | (4,889,438) | (5,371,307) | (5,735,238) | (6,133,349) | (6,403,290) | (7,023,863) | (7,738,454) | (8,212,168) | (8,829,343) | (9,576,577) |
| Administrative Expense | (58,926) | (88,855) | (80,336) | (74,143) | (96,055) | (104,420) | (94,891) | (162,446) | (97,648) | (85,776) |
| Net Change in Plan Fiduciary Net Position | 4,493,113 | 143,936 | 8,191,841 | 7,198,899 | 6,659,675 | (561) | 28,444,888 | (7,102,339) | (1,141,782) | 8,300,316 |
| Plan Fiduciary Net Position - Beginning | 59,449,697 | 63,942,810 | 64,086,746 | 72,278,587 | 79,477,486 | 86,137,161 | 86,136,600 | 114,581,488 | 107,479,149 | 106,337,367 |
| **PLAN FIDUCIARY NET POSITION - ENDING** | $ 63,942,810 | $ 64,086,746 | $ 72,278,587 | $ 79,477,486 | $ 86,137,161 | $ 86,136,600 | $ 114,581,488 | $ 107,479,149 | $ 106,337,367 | $ 114,637,683 |
| **EMPLOYER'S NET PENSION LIABILITY** | $ 52,482,814 | $ 64,590,330 | $ 66,314,753 | $ 65,275,711 | $ 65,425,832 | $ 77,693,023 | $ 55,490,282 | $ 65,422,274 | $ 81,627,541 | $ 80,822,358 |

| MEASUREMENT DATE APRIL 30, | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 54.92% | 49.80% | 52.15% | 54.91% | 56.83% | 52.58% | 67.37% | 62.16% | 56.57% | 58.65% |
| Covered Payroll | 10,408,623 | 10,843,786 | 11,133,837 | 11,309,331 | 11,820,133 | 12,204,287 | 12,200,039 | 11,847,718 | 12,590,394 | 12,633,824 |
| Employer's Net Pension Liability as a Percentage of Covered Payroll | 504.22% | 595.64% | 595.61% | 577.18% | 553.51% | 636.60% | 454.84% | 552.19% | 648.33% | 639.73% |

Year Ended April 30, 2023 - Changes in assumptions related to changes in mortality, retirement, disability, termination rates and inflation. Mortality rates were updated based on the PubS-2010 table and improved using MP-2021 improvement rates. Retirement rates were adjusted by a factor of 1.15 for male retirees and unadjusted for female retirees. Disability rates were adjusted by a factor of 1.08 for male disabled members and unadjusted for female disabled members. Inflation was updated from 2.25% to 2.50%.

Year Ended April 30, 2020 - Changes in assumptions related to changes in individual pay increases, total pay increases, consumer price index, and inflation rate. Mortality rates were updated based on the Pub-2010 table and improved using MP-2019 improvement rates, adjusted for plan status, demographics and Illinois Public Pension Data. Retirement rates, termination rates and disability rates were updated based on a 2020 Assumption Study performed by Lauterbach & Amen. Benefit changes were updated based on PA-101-0610, effective January 1, 2020, which includes changes to the Tier II Plan Provisions.

Year Ended April 30, 2017 - Changes in assumptions related to changes in the morality assumptions which included mortality improvements stated in the most recently released MP-2016 table and the rates were applied on a fully-generational basis.

Year Ended April 30, 2016 - Changes in assumptions related to changes in the salary increases, cost of living adjustments and inflation used since the prior measurement date.

**CITY OF BLOOMINGTON, ILLINOIS**
**POLICE PENSION FUND**
**(A Fiduciary Component Unit of the City of Bloomington)**

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

| **FISCAL YEAR ENDED APRIL 30,** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
|---|---|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $ 5,065,095 | $ 4,667,258 | $ 4,947,245 | $ 5,429,839 | $ 5,691,573 | $ 5,860,038 | $ 5,868,874 | $ 7,095,290 | $ 6,662,156 | $ 6,701,162 |
| Contributions in Relation to the Actuarially Determined Contribution | 3,758,825 | 4,690,359 | 4,947,245 | 5,429,839 | 5,691,552 | 5,859,993 | 5,868,874 | 7,095,231 | 6,662,124 | 6,701,080 |
| Contribution Deficiency (Excess) | $ 1,306,270 | $ (23,101) | $ - | $ - | $ 21 | $ 45 | $ - | $ 59 | $ 32 | $ 82 |
| Covered Payroll | $ 10,408,623 | $ 10,843,786 | $ 11,133,837 | $ 11,309,331 | $ 11,820,133 | $ 12,204,287 | $ 12,200,039 | $ 11,847,718 | $ 12,590,394 | $ 12,633,824 |
| Contributions as a Percentage of Covered Payroll | 36.11% | 43.25% | 44.43% | 48.01% | 48.15% | 48.02% | 48.11% | 59.89% | 52.91% | 53.04% |

Notes to Schedule

The Plan implemented GASB Statement No. 67 in fiscal year 2015. Information prior to fiscal year 2015 is derived from actuarial valuations developed in conformity with GASB Statement No. 25 and 27.

| | |
|---|---|
| Actuarial Cost Method | Entry-Age Normal |
| Amortization Method | Level % Pay (Closed) |
| Remaining Amortization Period | 18 Years |
| Asset Valuation Method | Five-Year Smoothed Market |
| Inflation | 3.00% in 2015, 2.50% through 2021, 2.25% in 2022, 2.50% in 2023, 2.25% in 2024 |
| Salary Increases | 4.00% - 14.00% in 2015, 3.75% - 14.40% through 2021, 3.50% - 14.15% in 2022 |
| Investment Rate of Return | 7.00% |
| Retirement Age | See Notes to the Financial Statements |
| Mortality | PubS-2010(A) Adjusted for Plan Status, Demographics, and Illinois Public Pension Data |

**CITY OF BLOOMINGTON, ILLINOIS**
**POLICE PENSION FUND**
**(A Fiduciary Component Unit of the City of Bloomington)**

SCHEDULE OF INVESTMENT RETURNS

Last Ten Fiscal Years

| **FISCAL YEAR ENDED APRIL 30,** | **2024** | **2023** | **2022** | **2021** | **2020** | **2019** | **2018** | **2017** | **2016** | **2015** |
|---|---|---|---|---|---|---|---|---|---|---|
| Annual Money-Weighted Rate of Return, Net of Investment Expense | 6.10% | (2.23%) | (6.07%) | 33.20% | (1.05%) | 8.48% | 10.05% | 12.67% | (0.45%) | 8.19% |

See independent auditor's report.