CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

A FUND OF THE CITY OF BLOOMINGTON, ILLINOIS

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
APRIL 30, 2012

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

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COMPREHENSIVE
ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
APRIL 30, 2012

Prepared by

Daniel A. Donath, President

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

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POLICE PENSION FUND

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This section includes miscellaneous data regarding the City of Bloomington Police Pension Fund including the list of officers and officials, the table of organization, the certificate of achievement, and the transmittal letter.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Officers and Officials
April 30, 2012

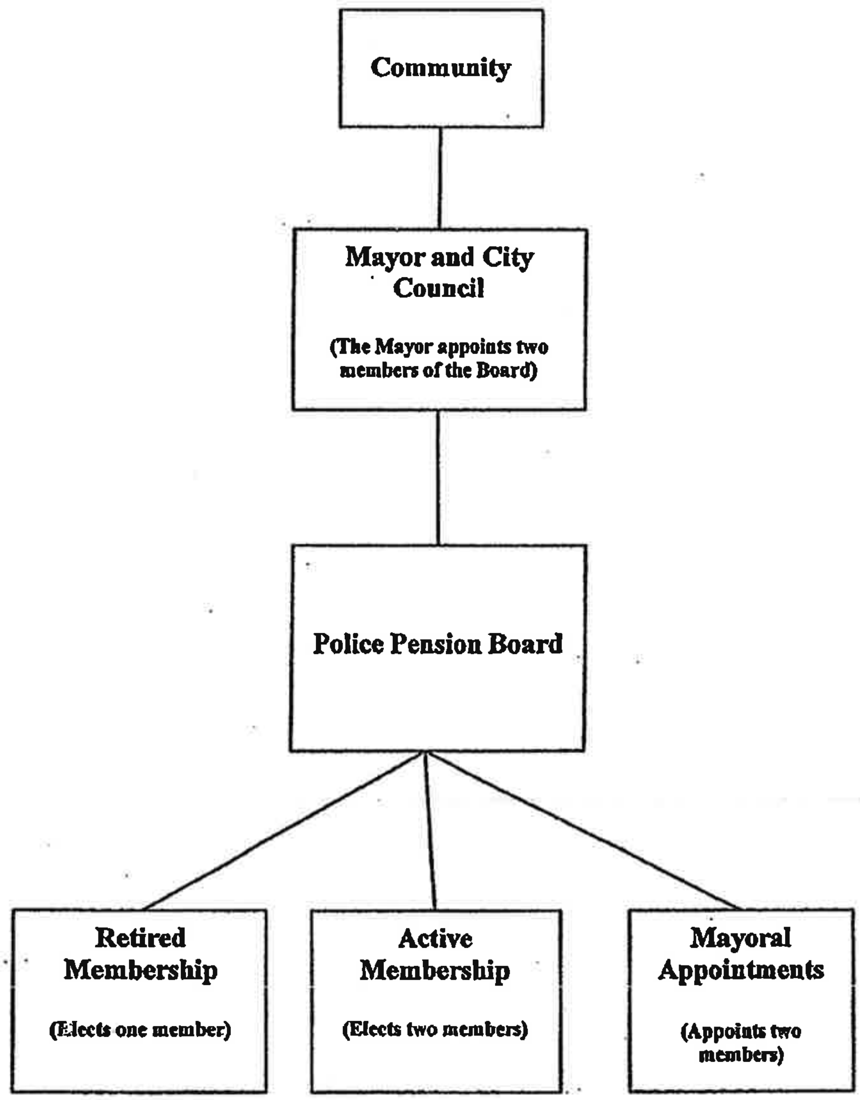
Officers and Officials
April 30, 2012

CONSULTING SERVICES

Tepfer Consulting Arthur Tepfer	Actuary
Insight CPAs & Financial LLC Mark Nicholas, Managing Member	Accountant
Dobrovolny Law Office Wolf Popper, LLP	Legal Counsel
Lauterbach & Amen, LLP Certified Public Accountants	Auditor

City of Bloomington, Illinois
Policemen's Pension Chart

Organizational Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Police Pension Fund, A Pension Trust Fund of the City of Bloomington, Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

Linda C. Davison

President

Jeffrey R. Esser

Executive Director

Police Pension Fund
City of Bloomington

IPPFA Member since 1986

305 South East Street
Bloomington, IL 61702-3157

August 23, 2012

The Honorable Mayor Stockton
Members of the City Council
Citizens of the City of Bloomington

The Comprehensive Annual Financial Report (CAFR) of the Police Pension Fund, a pension trust fund of the City of Bloomington, Illinois, for its fiscal year ended April 30, 2012 is hereby submitted. Responsibility for both the accuracy of the presented data, and the completeness and fairness of the presentation, rests with the Board of Trustees of the Police Pension Fund. We hope that you will find this CAFR helpful in understanding the Police Pension Fund – a fund that continues to maintain a strong and positive financial future.

The Police Pension Fund, a pension trust fund of the City of Bloomington, Illinois, was created in December 1909 and operates under the Board of Trustees in accordance with Chapter 40, Article 3, of the State statutes. The Board of Trustees consists of five individuals, three of whom are elected by active and retired police personnel. The remaining two trustees are appointed by the Mayor of the City to the Police Pension Board as required by State statutes. The Board of Trustees acts for the City as administration agents, as required by State statutes, only for the Pension Fund. The State statutes require the Board of Trustees to administer the Pension Fund pertaining to investments, pay benefits to retired and/or disabled members, and maintain the required accounting and participant records for active and retired police personnel. The Board of Trustees has prepared the comprehensive annual financial report for the last twenty years to establish the appropriate reporting of its financial activities to the employer of the participants of the Pension fund.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The Pension Fund's MD&A can be found immediately following the report of the independent auditors within the Financial Section.

Major Initiatives

Investment decisions that result in the purchase of safe investments while obtaining the highest possible yield continue to be made by the Board of Trustees and their advisors. These investments include US Treasury securities, US Government Agencies, corporation securities, annuities, and mutual funds. The Board of Trustees will continue to ascertain that the City properly funds the Pension Fund as required by law.

Awards and Recognition

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Police Pension Fund, a pension trust fund of the City of Bloomington, Illinois, for its Comprehensive Annual Financial Report for the fiscal year ended April 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. The Board of Trustees believes the current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's requirements, and will be submitted to the GFOA to determine its eligibility for another certificate.

Accounting System Controls

The CAFR was prepared to conform with the principles of governmental accounting and reporting set forth by the Governmental Accounting Standards Board. Transactions of the Police Pension Fund are reported on the accrual basis of accounting. Sufficient internal accounting controls exist to provide reasonable but not absolute assurance in regards to the safekeeping of assets and fair presentation of the financial statements and supporting schedules.

The internal control structure of the Pension Fund is vested with the Board of Trustees. This internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (l) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. The Board of Trustees approves all new participants to the Pension Fund, as well as benefit payments to be made to new retirees or disabled employees. The Board of Trustees approves all investments made by the Secretary and Treasurer and all disbursements that pertains to the administration expenses. The safe deposit box cannot be accessed except by two officers of the Pension Fund. The Board of Trustees has retained an outside data service to provide quarterly financial statements that include statements of plan net assets and changes in plan net assets accompanied by a schedule of cash receipts and disbursements. The investments as reflected in the statement of plan net assets are supported by a detailed schedule of individual investments. The Board of Trustees does not deem budget controls necessary because administrative expenses are nominal and retirement benefits paid remain relatively stable from month to month. Benefits paid to retirees monthly are approved by the Board of Trustees and submitted to an outside payroll service bureau for processing, including direct deposits into the pensioner's bank accounts.

The Board of Trustees believes that the financial statements and related supporting schedules and statistical tables are fairly presented in the comprehensive annual financial report.

Investments

The investments of the Police Pension Fund are governed primarily by an investment authority known as the "prudent person rule." The prudent person rule establishes a standard for all fiduciaries, which includes anyone that has authority with respect to the Pension Fund. The prudent person rule states that fiduciaries shall discharge their duties solely in the interest of the Pension Fund participants and beneficiaries with the degree of diligence, care, and skill which prudent men and women would ordinarily exercise under similar circumstances in a like position. By permitting diversification of assets within a fund, the prudent person standard may enable a fund to reduce overall risk and increase returns. A summary of the asset allocation can be found on page 24 of this report.

The prudent person rule permits the Pension Fund to establish an investment policy based upon certain investment criteria in accordance with the rules and regulations established by the State of Illinois Department of Insurance. For fiscal year 2012, investments provided a 2.36 percent rate of return. The Pension Fund annualized rate of return over the last three years was 10.01 percent and 3.17 percent over the last five years.

Funding

A pension fund is well funded when it has enough money in reserve to meet all expected future obligations to participants. The pension fund's funding objective is to meet long-term benefit promises through contributions that remain approximately level as a percent of member payroll. The greater the level of funding, that larger the ratio of assets accumulated to the actuarial accrued liability and the greater the level of investment potential. The advantage of a well-funded plan is the participants can look at assets that are committed to the payment of benefits. The actuarial accrued liability and actuarial value of assets of the Pension Fund as of May 1, 2011, amounted to $90,608,780 and $52,763,950, respectively. As of May 1, 2011, the funded status of the Police Pension Fund was 58.23 percent as compared to 55.35 percent in May 1, 2010. The difference is due to demographics (new entrants and the rate of death and retirement among participants) and higher than expected pay increases. The City is required under legislation that by the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.. A detailed discussion of funding is provided in the Actuarial Section of this report.

Professional Services

Professional consultants are appointed by the Board of Trustees to perform professional services that are essential to the effective and efficient operation of the Pension Fund. An opinion from the Certified Public Accountants and Actuary are included in this report. The consultants appointed by the Board of Trustees are listed on page ii of this report.

Acknowledgements

The compilation of this report reflects the combined efforts of the Pension Fund's officers under the leadership of the Board of Trustees. It is intended to provide complete and reliable information as a basis to make management decisions, as a means to determine compliance with legal provisions, and as a means to determine responsible stewardship of the funds of the Pension Fund.

On behalf of the Board of Trustees, we would like to take this opportunity to express our gratitude to the advisors and to the many people who have worked so diligently to assure the successful operations of the Police Pension Fund.

Respectfully submitted,

Daniel A. Donath

Daniel A. Donath
President, Board of Trustees

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information

INDEPENDENT AUDITORS' REPORT

Lauterbach & Amen, LLP
CERTIFIED PUBLIC ACCOUNTANTS
27W457 WARRENVILLE RD. • WARRENVILLE, ILLINOIS 60555
PHONE 630.393.1483 • FAX 630.393.2516
www.lauterbachamen.com

INDEPENDENT AUDITORS' REPORT

August 23, 2012

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

We have audited the accompanying statement of plan net assets of the Police Pension Fund, a pension trust fund, of the City of Bloomington, Illinois as of April 30, 2012, and the related statement of changes in plan net assets for the year then ended. These financial statements are the responsibility of the Pension Fund's Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the Police Pension Fund, a pension trust fund of the City of Bloomington, Illinois. These financial statements do no purport to, and do not, present fairly the financial position of the City of Bloomington, Illinois, as of April 30, 2012, and the changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the plan net assets of the Police Pension Fund, a pension trust fund of the City of Bloomington, Illinois, as of April 30, 2012, and the changes in plan net assets for the year then ended in conformity with auditing standards generally accepted in the United States of America.

The Management's Discussion and Analysis and Schedules of Funding Progress and Employer Contributions are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 16 through 18 is presented for additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The accompanying introductory, investment, actuarial and statistical sections as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Lauterbach + Amen LLP

LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

Police Pension Fund
(A Pension Trust Fund of the City of Bloomington, Illinois)

Management's Discussion and Analysis
For Fiscal Year Ended April 30, 2012

This section presents management's discussion and analysis to the Police Pension Fund, a pension trust fund of the City of Bloomington, Illinois, financial statements and the major factors affecting the operations and investment performance on the pension fund during the year ended April 30, 2012, with comparative totals for the year ended April 30, 2011.

The Police Pension Fund is a defined benefit, single-employer public employees' retirement system in accordance with state statutes. It provides services to 116 active employees and 97 benefit recipients as of May 1, 2011. Throughout this discussion and analysis, units of measure (millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

Overview of Financial Statements and Accompanying Information

This discussion and analysis is intended to serve as an introduction to the Police Pension Fund financial reporting which is comprised of the following components:

1. Basic Financial Statements: This information presents the net assets held in trust for pension benefits for the Police Pension Fund as of April 30, 2012. This financial information also summarizes the changes in plan net assets held in trust for pension benefits for the year then ended.

2. Notes to Basic Financial Statements: The notes to the financial statements provide additional information that is essential to achieve a full understanding of the data provided in the basic financial statements.

3. Required Supplementary Information: The required supplementary information consists of schedules and related notes concerning actuarial information, funded status and required contributions for the Police Pension Fund.

4. Other Supplementary Schedules: Other schedules include more detailed information pertaining to the Police Pension Fund, including schedules of revenues by source, cash receipts and disbursements and payments to consultants.

Plan Net Assets

The statements of plan net assets are presented for the Police Pension Fund as of April 30, 2012 and April 30, 2011. These financial statements reflect the resources available to pay benefits to members, including retirees and beneficiaries, at the end of the years reported. A summary of the Police Pension Fund Plan Net Assets is presented below:

Condensed Statements of Plan Net Assets (in Millions)

	2012	2011	Dollar Change	Percent Change
Cash and Equivalents	$ 1.984	$ 1.850	$ 0.134	7.24%
Receivables	0.324	0.222	0.102	45.95%
Investments, at fair value	47.294	45.406	1.888	4.16%
Total Assets	49.602	47.478	2.124	4.47%
Liabilities	0.002	0.007	(0.005)	-71.43%
Total Plan Net Assets	$ 49.600	$ 47.471	$ 2.129	4.48%

Financial Highlights

- The Police Pension Fund net assets increased by $2.129 million (or 4.48 percent) during the fiscal year ended April 30, 2012 (FY12). The increase in net plan assets is primarily due to income from investments as well as the excess of contributions over benefit payments made during the year.

- The Police Pension Fund was actuarially funded at 58.23 percent as of May 1, 2011, compared to 55.35 percent as of May 1, 2010.

- The overall rate of return for the Police Pension Fund was 2.36 percent as of April 30, 2012, compared to 10.56 percent as of April 30, 2011.

Funded Ratio

The funded ratio of the plan measures the ratio of net assets against actuarially determined liabilities and is one indicator of the fiscal strength of a pension fund's ability to meet obligations to its members. An annual actuarial valuation showed the funded status of the Police Pension Fund on May 1, 2011 increased to 58.23 percent from 55.35 percent on May 1, 2010. The unfunded actuarial accrued liability was $37.8 million on May 1, 2011 as compared to $38.8 million on May 1, 2010. This was a decrease of $1.0 million, or 2.4 percent. This decrease is due to the fact the May 1, 2011 actuarial accrued liability increased at a slower rate than the increase in the actuarial value of plan assets.

New legislation was passed effective January 1, 2011 which created a second tier of benefits provided to all officers hired on or after January 1, 2011. Please see the Notes to the Financial Statements section of this report, specifically pages 11 and 12, for the new requirements as defined by the new State Statutes.

As of May 1, 2011, the Police Pension Fund had 116 active participants, 91 inactive participants and 10 terminated members entitled to but not yet receiving benefits, for a total of 213. As of May 1, 2010 the Pension Fund had 124 active participants, 80 inactive participants and 6 terminated members entitled to but not yet receiving benefits, for a total of 210.

Investments

The allocation of investment assets for the Police Pension Fund as of April 30, 2012 and April 30, 2011 are as follows.

Allocation of Investments

	2012	2011
U.S Government Securities	10.86%	18.41%
U.S Government Agencies	26.29%	24.14%
Annuities - Fixed	5.04%	4.98%
Mutual Funds	31.96%	32.57%
Stocks	19.80%	18.32%
Corproate Bonds	6.05%	1.57%
Total:	100.00%	100.00%

Proper implementation of the investment policy requires that a periodic rebalancing of assets be performed to ensure conformance with policy target levels and statutory limits. The Police Pension Fund Board of Trustees performs this function from time to time.

Changes in Plan Net Assets

The statements of changes in plan net assets are presented for the years ended April 30, 2012 and April 30, 2011. These financial statements reflect the changes in the resources available to pay benefits to members, including retirees and beneficiaries.

Condensed Statement of Changes in Plan Net Assets (in Millions)

	2012	2011	Dollar Change	Percent Change
Additions:				
Participant contributions	$0.925	$ 0.899	$ 0.026	2.89%
Employer contributions	4.112	3.868	0.244	6.31%
Other sources	0.099	0.116	(0.017)	-14.66%
Net investment income	1.141	4.376	(3.235)	-73.93%
Total additions:	6.277	9.259	(2.982)	-32.21%
Deductions:				
Benefits	$3.864	$ 3.466	$ 0.398	11.48%
Refunds	0.196	-	0.196	0.00%
Administrative expenses	0.088	0.067	0.021	31.34%
Total deductions:	4.148	3.533	0.615	17.41%
Change in Plan Net Assets	$2.129	$ 5.726	$ (3.597)	-62.82%

Additions

Additions to plan net assets are in the form of employer and participant contributions and investment income or losses. For fiscal year 2012, employer contributions increased by $0.244 million due to higher required contributions from the City as calculated by the statutorily required actuarial report. The contributions from participants increased by $0.026 million from the previous fiscal year.

The investment income and change in fair market value of investments for the fiscal year 2012 was $1.141 million. This increase was substantially less than the increase reported in the prior year as there was nearly a 74% decrease in realized and unrealized gains in asset values and income from assets held during the fiscal year. The rate of return for the total portfolio of the Police Pension Fund as of April 30, 2012 was 2.36 percent while the rate of return as of April 30, 2011 was 10.56 percent. Overall, net investment income was primarily due to income in the form of reinvested dividends as well as interest income. The custom blended benchmark index return was 5.20 percent in fiscal year 2012 and 10.53 percent in fiscal year 2011. The returns of the Police Pension Funds did not meet the index performance for 2012 as equity holdings' underperformance depressed the portfolio return. For more details, see the investment section of the Police Pension Fund.

Deductions

Deductions from plan net assets are primarily benefits payments. During fiscal year 2012 and fiscal year 2011, the Police Pension Fund paid out approximately $3.864 million and $3.466 million. This was an increase of $398 thousand or 11.48 percent from 2011 to 2012. This increase was due to an increase in the benefits received from current members when considering new retirees and deceased members of the fund. Additionally, the increase can also be attributed to the effect of the annual COLA increase of 3 percent as required by statute. The administrative costs of the Police Pension Fund represented approximately 2.1 percent of total deductions in fiscal year 2012 and 1.9 percent of total deductions in 2011.

Future Outlook

Participant contributions are expected to grow in the future, as well as employer contributions for several reasons. First, the rate of growth in payroll due to pay increases will increase at the rate collectively bargained at the negotiating table. Second, currently the state legislature appears willing to approve increases to overall benefit levels for public safety personnel. Third, the City continues to add policemen each fiscal year and expectations are that this trend will continue going forward. This ongoing addition to staff will be reflected in a growing pension obligation to the City in the future. Current legislation requires by the year 2040 the City's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded. The Police Pension Fund will continue to structure its portfolio with the goal of maximizing returns over the long term.

Request for Information

This financial report is designed to provide a general overview of the Police Pension Fund finances for all those with an interest in the pension fund's finances. Questions that concern information provided in this report or requests for additional financial information should be addressed to Police Pension Board, City of Bloomington, 305 S. East Street, Bloomington, Illinois 61701.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Statement of Plan Net Assets
April 30, 2012 and 2011

	2012	2011
Assets		
Cash and Cash Equivalents	$ 1,983,900	1,849,927
Investments, at Fair Value		
U.S. Government Securities	5,133,921	8,361,162
U.S. Government Agencies and Corporations	12,435,360	10,961,314
Annuities - Fixed	2,383,918	2,263,280
Mutual Funds	15,115,636	14,787,704
Equity Securities	9,365,725	8,320,457
Corporate Bonds	2,859,478	712,531
Total Investments, at Fair Value	47,294,038	45,406,448
Receivables		
Accrued Interest	294,502	204,503
Contributions	29,840	17,733
Total Receivables	324,342	222,236
Total Assets	49,602,280	47,478,611
Liabilities		
Accounts Payable	2,429	7,672
Plan Net Assets Held in Trust for Pension Benefits	49,599,851	47,470,939

The notes to the financial statements are an integral part of this statement.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Statement of Changes in Plan Net Assets
For the Years Ended April 30, 2012 and 2011

	2012	2011
Additions		
Contributions - Employer	$ 4,111,770	3,867,939
Contributions - Plan Members	925,210	899,601
Other Sources	98,978	116,042
Total Contributions	5,135,958	4,883,582
Investment Income		
Investment Earnings	1,478,994	1,027,680
Net Change in Fair Value	(293,920)	3,388,137
	1,185,074	4,415,817
Less Investment Expenses	(43,401)	(40,060)
Net Investment Income	1,141,673	4,375,757
Total Additions	6,277,631	9,259,339
Deductions		
Administration	88,121	66,740
Benefits and Refunds		
Benefits	3,864,406	3,465,873
Refunds	196,192	-
Total Deductions	4,148,719	3,532,613
Net Increase	2,128,912	5,726,726
Plan Net Assets Held in Trust for Pension Benefits		
Beginning of Year	47,470,939	41,744,213
End of Year	49,599,851	47,470,939

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Police Pension Fund of the City of Bloomington, Illinois have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. 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 Pension Fund's accounting policies are described below.

REPORTING ENTITY

The Police Pension Fund is a component unit of the City of Bloomington, Illinois. The decision to include the Police Pension Fund in the City's reporting entity was made based upon the significance of their operational or financial relationships with the City.

The City's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the City's Mayor, one elected pension beneficiary, and two elected police employees constitute the pension board. The City and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the City is authorized to approve the actuarial assumptions used in the determination of contribution levels. The PPERS is included in the City's annual financial report as a blended component unit and is reported as a pension trust fund.

BASIS OF PRESENTATION

Pension Trust Funds

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to pay retirement and other related benefits for sworn members of the City's Police Department.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded. Basis of accounting refers to "when" transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

Pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of changes in plan net assets. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Pension trust fund equity is classified as plan net assets.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to plan net assets are recorded when earned and deductions from plan net assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

ASSETS, LIABILITIES AND PLAN NET ASSETS

Investments

Police Pension Fund investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds of the City for goods provided or services rendered. These receivables and payables, if any, which relate to the Police Pension Fund, are classified as "Due from the City" or "Due to the City" on the statement of plan net assets.

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS

DEPOSITS, INVESTMENTS AND CONCENTRATIONS

The deposits and investments of the Pension Fund are held separately from those of other City funds. Statutes authorize the Pension Fund to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS - Continued

DEPOSITS, INVESTMENTS AND CONCENTRATIONS - Continued

companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance. Pension funds with plan net assets of $2.5 million or more may invest up to 55 percent of plan net assets in separate account of life insurance companies and mutual funds. In addition, pension funds with plan net assets of at least $5 million that have appointed an investment advisor, may through that investment advisor invest up to 55 percent of the Pension funds' plan net assets in common and preferred stocks that meet specific restrictions.

Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Pension Fund's deposits totaled $1,983,900; the bank balances totaled $1,983,833.

Investments. At year-end the Pension Fund 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 Securities	$ 5,133,921	-	3,800,282	1,026,971	306,668
U.S. Government Agencies & Corporations	12,435,360	2,022,059	8,769,624	1,068,740	574,937
Annuities - Fixed	2,383,918	2,383,918	-	-	-
Mutual Funds	15,115,636	15,115,636	-	-	-
Equity Securities	9,365,725	9,365,725	-	-	-
Corporate Bonds	2,859,478	-	479,731	2,222,104	157,643
Total	47,294,038	28,887,338	13,049,637	4,317,815	1,039,248

The Pension Fund assumes any callable securities will not be called.

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 Fund's investment policy, the Fund investment portfolio will remain sufficiently liquid to enable the Pension Fund to pay all necessary benefits and meet all operating requirements which might be reasonably anticipated.

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS - Continued

DEPOSITS, INVESTMENTS AND CONCENTRATIONS – Continued

Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

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.

As of April 30, 2012, the Pension Fund's investments were rated as follows:

Investment Type	Moody's Investors Service	Standard & Poor's	A.M. Best Company
Annuities - Fixed			
Prosaver Platinum 8-Year Annuity	Aa3	N/A	A+
Prosaver Platinum 7-Year Annuity	Aa3	N/A	A+
U. S. Government Agencies and Corporations			
Federal Home Loan Mortgage Corporation	Aaa	AA+	A+
Government National Mortgage Association	Aaa	AA+	A+
Federal Home Loan Bank	Aaa	AA+	A+
Federal National Mortgage Association	Aaa	AA+	A+
Federal Farm Credit Bank	Aaa	AA+	A+
Corporate Bonds	Aaa	AAA	N/A
Mutual Funds			
American Funds Europacific Growth Fund	Not Rated	Not Rated	N/A
American Funds Growth Fund of America	Not Rated	Not Rated	N/A
Blackrock Equity Fund	Not Rated	Not Rated	N/A
CGM Realty Fund	Not Rated	Not Rated	N/A
DFA U.S. Small Cap Value Portfolio	Not Rated	Not Rated	N/A
Dodge & Cox Stock Fund	Not Rated	Not Rated	N/A
Oppenheimer Developing Markets Equity Fund	Not Rated	Not Rated	N/A
Royce Special Equity Fund	Not Rated	Not Rated	N/A
Schwab Government Money Fund	Not Rated	Not Rated	N/A

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued

DEPOSITS, INVESTMENTS AND CONCENTRATIONS - Continued

Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

Investment Type	Moody's Investors	Standard & Poor's	A.M. Best Company
Mutual Funds - Continued			
Schwab U.S. Treasury Money Fund	Not Rated	Not Rated	N/A
Sentinel Small Company Fund	Not Rated	Not Rated	N/A
Thornburg Value Fund	Not Rated	Not Rated	N/A
Virtus Real Estate Securities Equity Fund	Not Rated	Not Rated	N/A
William Blair International Growth Fund	Not Rated	Not Rated	N/A
Equity Securities - SPDR Trust Unit SR1 Stock	Not Rated	Not Rated	N/A

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the Pension Fund 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 Fund's deposits may not be returned to it. The Pension Fund's investment policy does not require pledging collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions. As of April 30, 2012, all of the Police Pension Fund's deposits were covered by FDIC insurance.

Custodial Credit Risk – Investments. Custodial credit risk is the risk that in the event of failure of the counterparty to a transaction, the Pension Fund will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Police Pension Fund's investment policy does not mitigate custodial credit risk for investments; however in practice investments are held at a third party custodian with the exception of $7,305 of Government National Mortgage Association securities held by the Police Pension Fund. Therefore, as of April 30, 2012, $7,305 of the Pension Fund's investments of $47,294,038 were exposed to custodial credit risk, as they were uninsured and uncollateralized.

Concentration of Credit Risk. It is the policy of the Pension Fund to invest in a manner that seeks to ensure the preservation of capital. The Pension Fund is to consciously diversify the aggregate fund to ensure that adverse or unexpected results will not have an excessively detrimental impact on the entire portfolio. The Pension Fund has adopted an asset allocation policy as follows:

NOTE 2 – DETAIL NOTES ON FINANCIAL STATEMENTS – Continued

DEPOSITS, INVESTMENTS AND CONCENTRATIONS - Continued

Credit Risk, Custodial Credit Risk, and Concentration Risk – Continued

	Minimum	Target	Maximum
Cash	1.00%	3.00%	10.00%
Fixed Income Securities	29.00%	42.00%	75.50%
Large Cap Domestic Equities	20.00%	42.00%	47.50%
Small Cap Domestic Equities	2.50%	5.00%	10.00%
International Equities	-	5.00%	10.00%
Real Estate	-	3.00%	5.00%

The Pension Fund further requires that the investment in a general account of an insurance company shall not be invested in more than 10 percent of real estate and more than 10 percent of bonds with rating of less than Baa1 by Moody's or BBB+ by Standard & Poor's. Total investments in contracts and agreements of life insurance companies shall not exceed 15 percent of the aggregate market value of the Pension Fund and no more than 5 percent of the Pension Fund assets may be invested in one single insurance company. Up to 5 percent of the assets of the Pension Fund may be invested in nonconvertible bonds, debentures, notes and other corporate obligations; Canadian securities; and direct obligations of Israel. Investments in notes secured by mortgages under Sections 203, 207, 220 and 221 of the National Housing Act are limited to 20 percent of the investment portfolio. Investments in stocks and convertible debt are limited to 50 percent of the investment portfolio.

Investments that represent 5 percent or more of the total Pension Fund's investments are as follows:

SPDR Trust Unit SR1 Stock	$ 9,365,725
Blackrock Equity Dividend	2,505,683

NOTE 3 – OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

The Police Pension Fund is not currently involved with any lawsuits.

NOTE 3 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Compliance Audit

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, 2012 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.

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN

Plan Description, Provisions and Funding Policies

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. The Police Pension Plan provides retirement, disability, and death benefits, as well as automatic annual cost of living adjustments, to plan members and their beneficiaries. Plan members are required to contribute 9.91% of their annual covered payroll. The City is required to contribute at an actuarially determined rate. Although this is a single-employer pension plan the defined benefits and contribution requirements of the plan members and the City are governed by Illinois State Statutes and may only be amended by the Illinois legislature. Administrative costs are financed through investment earnings.

At May 1, 2011, the date of the latest actuarial valuation, the Police Pension Plan membership consisted of the following:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	97
Current Employees	
Vested	77
Nonvested	39
	213

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

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more 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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to

NOTE 3 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Plan Description, Provisions and Funding Policies – Continued

30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of $106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2040 the contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

Funded Status and Funding Progress

The Police Pension Fund funded status for the current year and related information is as follows:

Actuarial Valuation Date	5/1/11
Percent Funded	58.23%
Accuarial Accrued Liability for Benefits	$90,608,780
Actuarial Value of Assets	$52,763,950
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	$37,844,830
Covered Payroll (Annual Payroll of Active . Employees Covered by the Plan)	$8,903,996
Ratio of UAAL to Covered Payroll	425.03%

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

NOTE 3 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLAN – Continued

Trend Information

Year	Annual Pension Cost (APC)	Actual Contributions	Percent of APC Contributed
2012	$ 3,859,645	$ 4,111,770	106.53%
2011	3,843,510	3,867,939	100.64%
2010	3,156,183	3,128,358	99.12%

Actuarial Methods and Assumptions

Valuation Date	5/1/11
Actuarial Cost Method	Entry Age Normal (Level Percentage of Pay) Cost Method
Actuarial Value of Assets	5 Year Smoothed Market
Amortization Method	Level Percent of Payroll - Closed
Remaining Amortization Period	22.167 Years
Actuarial Assumptions:	
Investment Rate of Return	7.5% per year
Projected Salary Increases *	Graded increases varying by age from 1.12% to 4.86%
* Plus an inflation rate of	3.0% per year
Payroll Growth	4.5% per year
Cost-of-Living Adjustments	3.0% per year
Assumed Mortality	RP-2000 Combined Healthy Mortality Table (male)

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Funding Progress and Employer Contributions
- Note to Schedule of Funding Progress and Schedule of Employer Contributions

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2012

Funding Progress

Actuarial Valuation April 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)
2006	$ 38,044,418	$ 65,285,667	58.27%	$ 27,241,249	$ 8,005,324	340.29%
2007	41,082,107	71,842,046	57.18%	30,759,939	8,277,458	371.61%
2008	44,388,369	75,336,945	58.92%	30,948,576	8,041,709	384.85%
2009	44,228,726	82,953,509	53.32%	38,724,783	8,788,202	440.65%
2010	48,078,031	86,863,392	55.35%	38,785,361	9,505,164	408.05%
2011	52,763,950	90,608,780	58.23%	37,844,830	8,903,996	425.03%

Employer Contributions

Fiscal Year	Employer Contributions	Annual Required Contributions	Employer Contributions
2007	$ 1,966,185	$ 1,826,840	107.63%
2008	2,036,942	1,889,809	107.79%
2009	2,528,567	2,392,466	105.69%
2010	3,128,358	3,156,183	99.12%
2011	3,867,939	3,843,510	100.64%
2012	4,111,770	3,859,645	106.53%

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Required Supplementary Information
Note to Schedule of Funding Progress and Schedule of Employer Contributions
April 30, 2012

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	5/1/11
Actuarial Cost Method	Entry Age Normal (Level Percentage of Pay) Cost Method
Actuarial Value of Assets	5 Year Smoothed Market
Amortization Method	Level Percent of Payroll - Closed
Remaining Amortization Period	22.167 Years
Actuarial Assumptions:	
Investment Rate of Return	7.5% per year
Projected Salary Increases *	Graded increases varying by age from 1.12% to 4.86%
* Plus an inflation rate of	3.0% per year
Payroll Growth	4.5% per year
Cost-of-Living Adjustments	3.0% per year
Assumed Mortality	RP-2000 Combined Healthy Mortality Table (male)

Each year, a full actuarial valuation and GASB Statement No. 25 valuation are prepared by the Fund's actuary. The most recent actuarial valuation is as of May 1, 2011.

SUPPLEMENTAL SCHEDULES

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Administrative Expenses
For the Years Ended April 30, 2012 and 2011

	2012	2011
Professional Services		
Actuarial	$ 2,500	2,500
Accounting	23,263	20,086
Audit	13,600	13,600
Legal Counsel	8,386	3,562
Medical Exams	19,916	10,175
Total Professional Services	67,665	49,923
Miscellaneous		
Conference/Seminar Fees	2,875	1,250
Association Dues	775	775
Travel and Lodging	3,009	2,174
State of Illinois Compliance Fee - Department of Insurance	8,000	7,022
GFOA Fee for Audit Report	370	435
Fiduciary Insurance Premium	5,052	4,620
Other	375	541
Total Miscellaneous	20,456	16,817
Total Administrative Expenses	88,121	66,740

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Investment Expenses
For the Years Ended April 30, 2012 and 2011

	2012	2011
Investment Service Fees	$ 43,401	40,060

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Professional Services - by Consultant
For the Years Ended April 30, 2012 and 2011

Consultant	Nature of Service	2012	2011
City of Bloomington	Actuarial	$ 2,500	2,500
Insight CPAs & Financial (HSJ&S)	Accounting	23,797	20,086
Lauterbach & Amen, LLP	Audit	13,600	13,600
Dobrovolny Law Office	Legal	8,386	3,562
City of Bloomington	Medical Exams	10,176	-
Advanced Chiropractic	Medical Exams	-	25
Central Illinois Neurphealth Sciences	Medical Exams	-	15
INSPE Associates	Medical Exams	7,206	-
IOD Incorporated	Medical Exams	-	65
Joshua D. Warach, MD Inc.	Medical Exams	-	1,650
Lakewood Radiologists	Medical Exams	34	-
OCC Health	Medical Exams	-	1,400
Orthopedics & Sports Medical Center	Medical Exams	-	1,200
Safeworks Champaign	Medical Exams	2,500	5,820
Total Professional Services by Consultant		68,199	49,923

INVESTMENT SECTION

Police Pension Fund
City of Bloomington
IPPFA Member since 1986

305 South East Street
Bloomington, IL 61702-3157

August 23, 2012

Report on Investment Activity

To the Honorable Mayor and
City Council

The Police Pension Fund, a pension trust fund of the City of Bloomington, Illinois, has provided financial information of investments at fair value as of April 30, 2012 and 2011. The investment yields at market are reported on page 21 by type of investments for years 2012 and 2011 with a 3-year and 5-year annualized yield prepared using a time-weighted rate of return based on the market rate of return presented for trend information purposes. Investment asset allocations are presented for years 2012 and 2011 as well as investment allocation by types of investment for years 2002, 2007, 2010 and 2012 to provide trend information pertaining to investment allocations.

In addition to the custody of the assets, the officers of the Pension Fund provide various services on behalf of the Board of Trustees pertaining to investment activities. These services are as follows:

1. Receive and deposit monies from contributions (employee and employer), investment income and sale of securities.

2. Purchase securities, pay monthly retirement benefits to retirees and pay all administrative expenses approved by the Board of Trustees.

3. Accept and deliver securities when purchased or sold and/or authorize various investment firms to act on behalf of the Pension Fund.

4. Invest excess cash balances into short-term cash equivalent funds.

5. Employ agents and consultants with the consent of the Board of Trustees.

Timothy L. Ervin
Chief Budget Officer – Treasury Manager

The Board of Trustees administers the Police Pension Fund in accordance with the Illinois Pension Code, Illinois Compiled Statutes Chapter 40, Act 5, Articles 1 and 3, and the Illinois Public Funds Investment Act, Illinois Compiled Statutes Chapter 30, Act 235. The Board of Trustees shall discharge its duties solely in the interest of the Pension Fund, with care, skill, prudence and diligence under the circumstances then prevailing, that a like character with like aims.

The Board of Trustees has the authority to hire qualified investment professionals, including Investment Manager(s), Investment Consultant(s) and Custodian(s). All investment professionals who are hired must observe and operate within all policies, guidelines, constraints and philosophies approved by the Board of Trustees. The Board of Trustees shall regularly evaluate and monitor the performance of all investment professionals.

The investment objectives of the Pension Fund are as follows:

1. The primary objective of the investments is to return a yield that will provide investment income in accordance with the specific investment goals within the boundaries of prudent risk, thereby reducing the need for funding retirement benefits from the taxpayers. The investment policy establishes a five-year investment horizon to meet or exceed the actuarial assumption applicable to investments which is 7.5 percent.

2. Investments are diversified to help reduce market fluctuation risks and to obtain the highest investment yield while investing in safe investments. Preferred asset allocation guidelines are (at market value): equities at 52 percent, fixed income investments at 42 percent, real estate at 3 percent and cash and equivalents at 3 percent of total investments.

3. The investment portfolio shall remain sufficiently liquid to enable the Pension Fund to pay monthly retirement benefits, refund participant contributions and pay administrative expenses.

4. Proxies shall be voted by the Board of Trustees unless Investment Managers, who have discretionary control over assets of the Pension Fund, are employed. Then the Pension Fund's managers in accordance with specified guidelines shall vote all proxies.

5. Performance reports are to be generated by Investment Consultants and Investment Managers and shall be compiled at least quarterly and communicated to the Board of Trustees for review. The investment performance of total portfolios will be measured against commonly accepted performance benchmarks. Investment Consultants and Managers shall be reviewed regularly with regard to performance, goals and guidelines as set forth in the investment policy.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

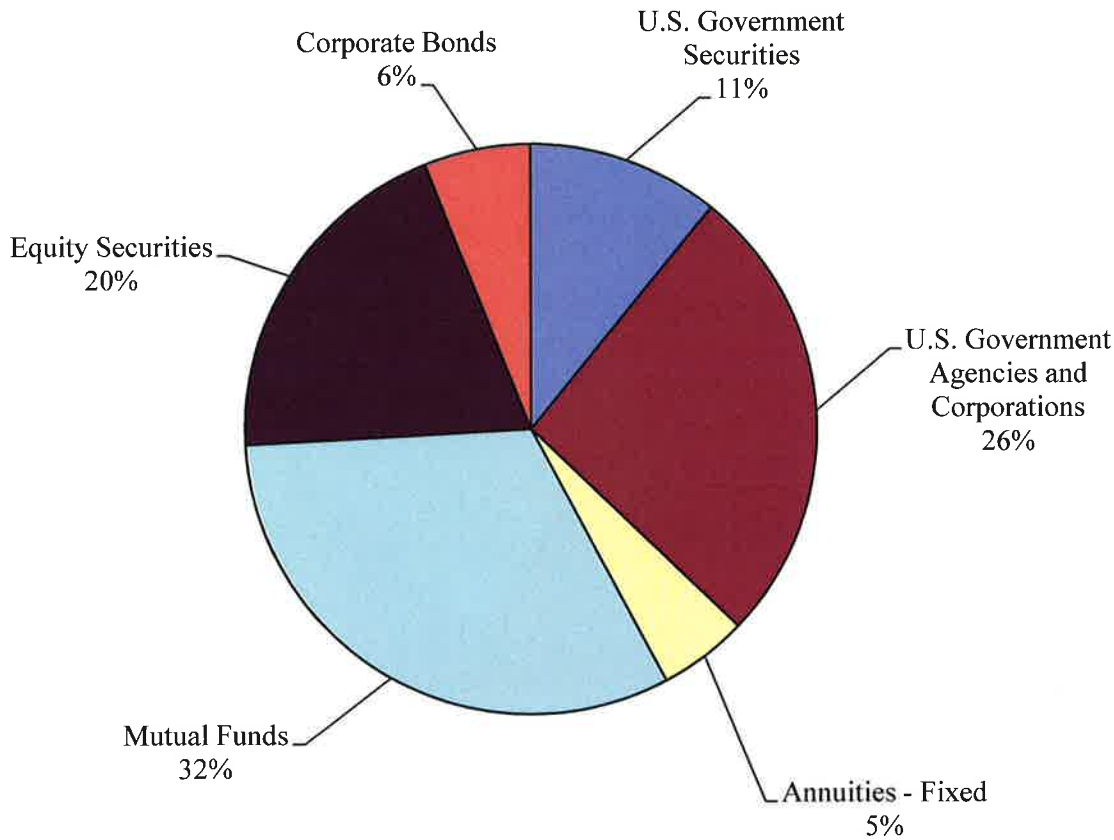
Investment Results
For the Years Ended April 30, 2012 and 2011

	2012	2011	Annualized 3 - Year	Annualized 5 - Year
Total Portfolio	2.36%	10.56%	10.01%	3.17%
Custom Blended Benchmark Index	5.20%	10.53%	10.78%	3.70%
Managed U.S. Government Treasuries and Agencies	5.51%	4.13%	4.05%	5.55%
Passive U.S. Government Treasuries and Agencies	3.55%	3.99%	3.92%	5.84%
Barclays Capital Intermediate Government Index	5.58%	4.11%	3.37%	5.00%
Fixed Annuities	5.76%	5.20%	N/A	N/A
Barclays Capital Intermediate Government Index	6.88%	4.11%	N/A	N/A
Domestic Equities	1.10%	17.41%	18.60%	3.20%
S&P 500	4.45%	17.22%	19.34%	0.95%
Russell 3000	2.99%	18.35%	19.74%	1.17%
International Equities	-9.24%	21.68%	16.18%	-1.01%
MSCI EAFE	-12.82%	19.18%	11.78%	-4.72%

The above returns were prepared using a time-weighted rate of return based on the market rate of return.

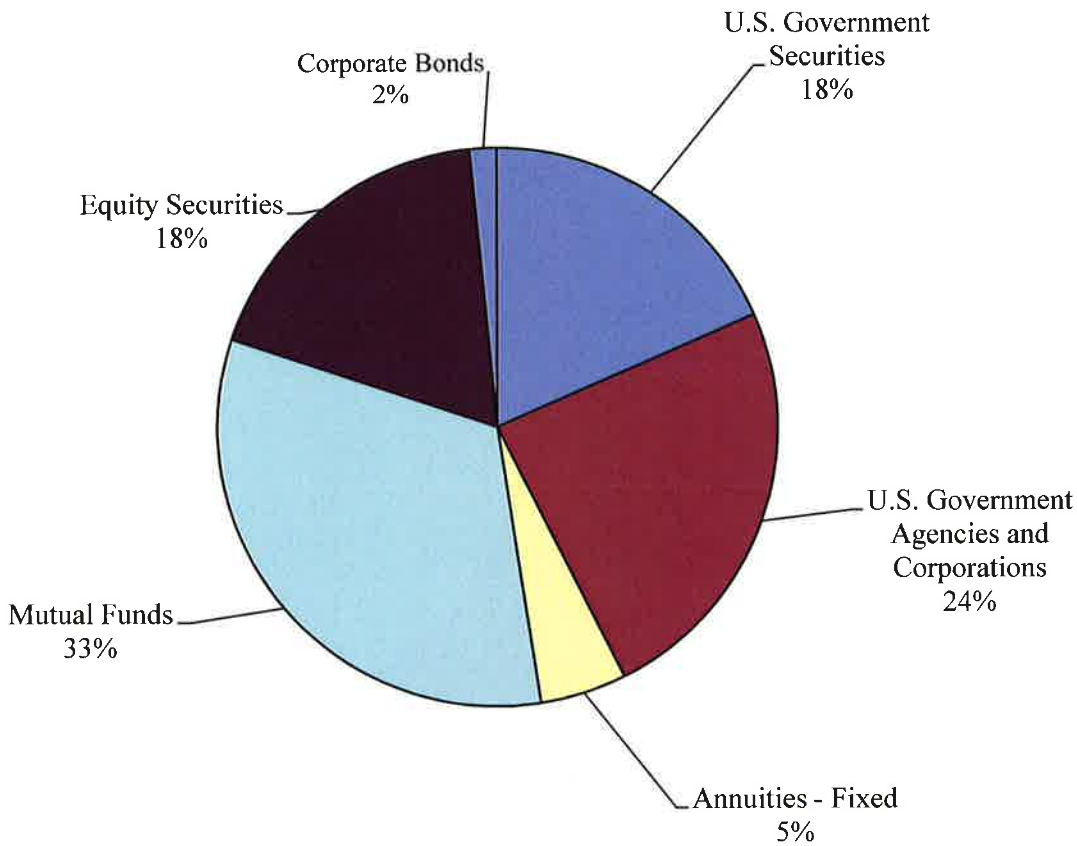
CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Investment Asset Allocation
April 30, 2012



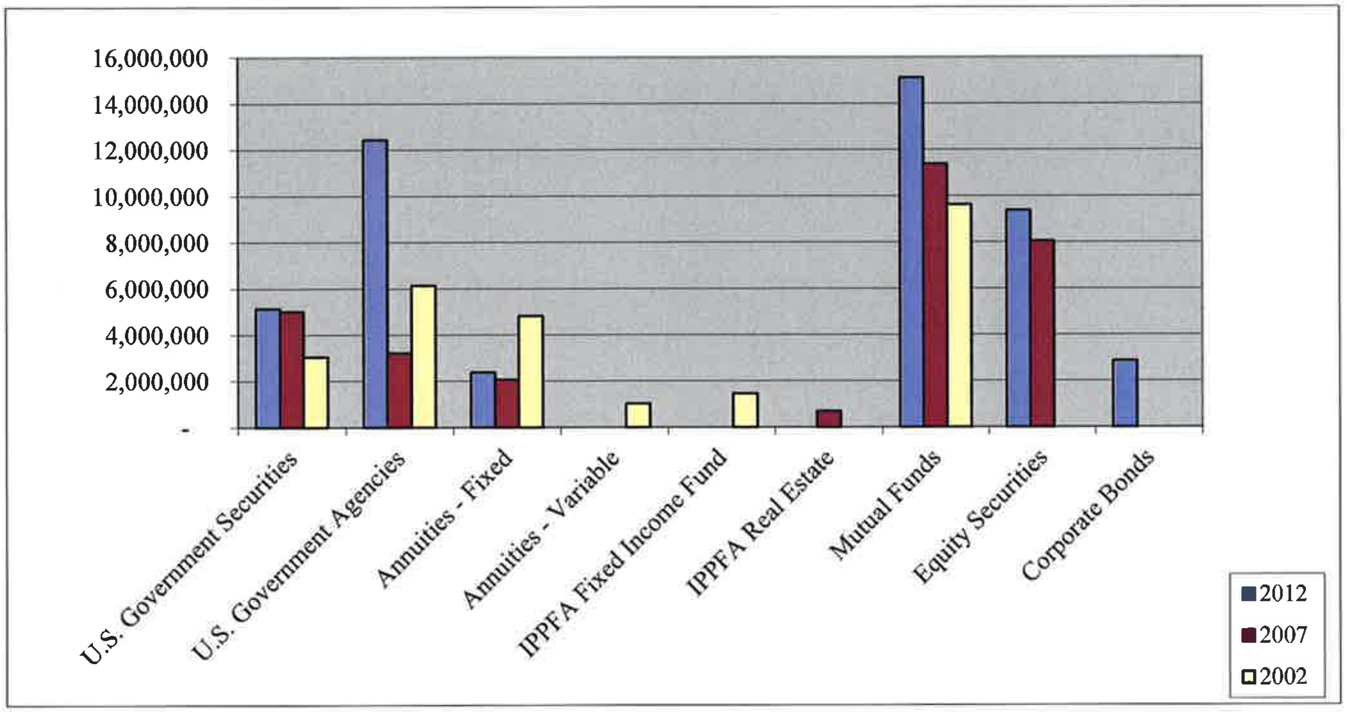
CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Investment Asset Allocation
April 30, 2011



CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Investment Asset Allocation
For the Years Ended April 30, 2012, 2007 and 2002



	2012	2007	2002
U.S. Government Securities	$ 5,133,921	5,016,678	3,047,481
U.S. Government Agencies	12,435,360	3,204,670	6,132,676
Annuities - Fixed	2,383,918	2,060,839	4,818,210
Annuities - Variable	-	-	1,026,673
IPPFA Fixed Income Fund	-	-	1,446,116
IPPFA Real Estate	-	693,993	-
Mutual Funds	15,115,636	11,373,494	9,615,977
Equity Securities	9,365,725	8,036,132	-
Corporate Bonds	2,859,478	-	-
Total Investments	47,294,038	30,385,806	26,087,133

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Largest Investments Held
April 30, 2012

Largest Investment Holdings

	Par	U.S. Government Securities	Fair Value
1)	$ 1,000,000	Federal Home Loan Banks - 4.875%, due 5/17/17	$ 1,194,647
2)	1,000,000	Federal Home Loan Banks - 5.022%, due 12/21/15	1,153,818
3)	1,000,000	Federal Home Loan Banks - 5.50%, due 8/13/14	1,116,876
4)	1,000,000	Federal Home Loan Banks - 2.875%, due 6/12/15	1,070,386
5)	1,000,000	Federal Home Loan Banks - 4.50%, due 9/16/13	1,057,931
6)	1,000,000	Federal Home Loan Banks - 2.125%, due 6/10/16	1,053,132
7)	1,000,000	Federal Home Loan Banks - 3.875%, due 6/14/13	1,040,413
8)	1,000,000	Federal Farm Credit Bank - 4.500%, due 10/17/12	1,019,910
9)	1,000,000	Federal Home Loan Banks - 5.75%, due 5/15/12	1,002,189

	Original Cost	Annuities - Fixed	Fair Value
1)	$ 800,000	Prosaver Platinum 8-Year Annuity issued by Protective Live Insurance Company, guaranteed rate 7.1%	$ 1,756,360
2)	244,495	Prosaver Platinum 7-Year Annuity issued by Protective Live Insurance Company, guaranteed rate 6.25%	627,558

A complete list of investments by type of investment can be obtained from the Secretary of the Board. This information is available on a monthly basis from internal financial statements.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Largest Investments Held - Continued
April 30, 2012

Largest Investment Holdings - Continued

	Original Cash Investments *	Mutual Funds	Fair Value
1)	$ 1,784,496	Blackrock Equity Fund - 127,580.6050 units	$ 2,505,683
2)	1,602,351	American Funds Growth Fund of America Class A - 50,971.6510 units	1,673,909
3)	1,492,953	Dodge and Cox Stock Fund - 14,121.3100 units	1,599,097
4)	1,272,881	Thornburg Value Fund - 43,336.9320 units	1,443,553
5)	1,369,893	American Funds EuroPacific Growth Fund Class A - 32,380.4430 units	1,271,580
6)	621,779	Sentinel Small Company A - 144,454.1810 units	1,158,523

	Original Cash Investments *	Stocks	Fair Value
1)	$ 6,778,092	SPDR Trust Unit SR1 - 60,987 units	$ 9,365,725

A complete list of investments by type of investment can be obtained from the Secretary of the Board. This information is available on a monthly basis from internal financial statements.

* Original cash investments includes original investment plus dividends and capital gains reinvested in mutual funds.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Fees and Commissions
April 30, 2012

	2012		2011	
Consultant	Assets Under Management	Fees	Assets Under Management	Fees
Investment Manager's Fees				
Rockwood Capital Advisors, LLC	$ 5,807,852	6,907	10,421,789	16,011
Garcia Hamilton & Associates	5,227,710	11,150	-	-
Investment Consulting Fees				
Wall and Associates	38,423,941	25,344	33,810,004	24,049

Investment manager's fees and custodian fees paid to Rockwood Capital Advisors, LLC and Garcia Hamilton & Associates, L.P. are wrap fees based on total assets under management.

During the fiscal year, the Pension Fund moved a portion of assets managed by Rockwood Capital Advisors, LLC to Garcia Hamilton & Associates, L.P.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Investment Summary
April 30, 2012

	2012		2011	
Type of Investment	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
U.S. Government Securities	$ 5,133,921	10.86%	$ 8,361,162	18.41%
U.S. Government Agencies and Corporations	12,435,360	26.29%	10,961,314	24.14%
Annuities - Fixed	2,383,918	5.04%	2,263,280	4.98%
Mutual Funds	15,115,636	31.96%	14,787,704	32.57%
Equity Securities	9,365,725	19.80%	8,320,457	18.32%
Corporate Bonds	2,859,478	6.05%	712,531	1.57%
Total Investments	47,294,038	100.00%	45,406,448	100.00%

ACTUARIAL SECTION

CITY OF BLOOMINGTON
POLICE PENSION FUND

ACTUARIAL VALUATION
AS OF MAY 1, 2011 FOR THE
FISCAL YEAR ENDING APRIL 30, 2012

June 14, 2012

June 12, 2012

Board of Trustees of the Bloomington Police Pension Fund
305 South East Street
Bloomington, IL 61702-3157

Subject: Actuarial Certification

Board Members:

At your request, Tepfer Consulting Group, Ltd. was retained by the City of Bloomington and the City of Bloomington Police Pension Fund to perform an independent actuarial valuation for the Police Pension Fund. This valuation is permitted under 40 ILCS 5/22, Section 503.2.

The actuarial valuation was performed as of May 1, 2011 for the year ended April 30, 2012 An actuarial valuation of the plan is performed annually. The valuation was performed to measure the funding status of the Plan and determine the actuarially required contribution for the fiscal year ending April 30, 2012. It also includes information required under Governmental Accounting Standards Board (GASB) Statement No. 25 and Statement No. 27. Information regarding Statement No. 27 is contained in a separate "Auditors Package" which is supplememental to this report and is a part of this report.

The assumption and methods used in the preparation of this report were selected by the actuary and meet gthe parameters set for the discoslusure presented in the financial section by GASB Statement No. 25 and GASB Statement No. 27.

We have provided the supporting schedules for the actuarial section of the Comprehensive annual financial report, including:

- Active Member Valuation Data
- Retirees and Benefiticiary Data
- Analysis of Financial Experience
- Funding Ratios

Our supplemental Auditors Package contains the following financial information

- Scheudle of Funding Progress
- Schedule of Employer Copntributions

The actuarial valuation is based upon:

Data Relative to the Plan – Data utilized for active members and persons receiving benefits from the Plan was provided by the Pension Board. We have tested this data for reasonableness.

Asset Values - The values of assets fo the Plan were provided by the Pension Board. An actuarial valuae of assets was used to develop actuarial results for the GASB Statement No. 25 and Statement No. 27.

TCG Public Consulting, Ltd. is affiliated with Tepfer Consulting Group, Ltd.

Actuarial Method – The actuarial method utilized by the Plan is the Entry Age Normal Actuarial Cost Method. The objective of this method is to recognize the costs of Plan benefits over the entrier career of each member as a level percentage of compensaion. Any Unfunded Actuarial Accrued Liability (UAAL) under this method is separately amortized. All actuarial gains and losses under this method are reflected in the UAAL. Statutory Minimum Contributions have been calculated using the Projected Unit Credit Method as required by Statute.

Actuarial Assumptions – The same actuarial assumptions as last year were used for this valuation. They are set forth in Appendix 2 and separately identified in the Auditors Package.

The funding objective is to provide employer and employee contributions sufficent to provide the benefits of the Plan when due. Sufficient contributions have been consistently made to achieve this objective. Contributions have exceeded the Annual Pension Cost for all years of our retention. Our report indicates a statutorily required contribution in accordance with 40 ILCS 5/3, Section 125 of $3,056,933 or 32.85% of member payroll, a recommended minimum contribution of $4,036,617 or 43.38% of payroll, and an Annual Required Contribution in accordance with paragraph 36f of Statement No. 25 of the Governmental Accounting Standards Board of $3,736,043 or 40.15% of payroll. These contributions are net of contributions made by active member police officers during the fiscal year.

The results shown in this report have been calculated under the supervision of a qualified Actuary as defined in appropriate State statutes. In our opinion, all calculations and procedures are in conformity with generally accepted actuarial principles and practices; and the results presented comply with the requirements of the applicable State statute, Actuarial Standards Board, or Statements of Governmental Accounting Standards, as applicable.

In our opinion, the actuarial assumptions used are reasonable, taking into account the experience of the plan and future expectations, and represent a reasonable and adequate approach to the financing of the retirement program. The costs, actuarial liabilities and other information presented in this report, in our opinion, fully and fairly disclose the actuarial position of the plan.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

TEPFER CONSULTING GROUP, LTD.

Arthur H. Tepfer, A.S.A., M.A.A.A.
Enrolled Actuary #11-02352

VALUATION OBJECTIVES

The **City of Bloomington Police Pension Fund** provides benefits to members when they retire, die, become disabled or terminate employment. As with any plan providing these types of benefits, an appropriate budgeting pattern must be established to enable appropriate funds to be accumulated to meet all payments when due. The actual cost of the plan can best be expressed in the following simplistic manner:

ACTUAL COST EQUALS Benefits Paid

Plus

Expenses Paid

Less

Investment Income Earned

If the actual cost is incurred on a "pay as you go" basis, then the future generations of members will be paying for the benefits of current plan participants. Proper financial planning calls for budgeting the actual cost of the plan over the working lifetime of current plan membership in order to establish an equitable allocation. An actuarial valuation is the procedure used to determine an appropriate amount to be contributed to the pension plan each year in order to attain this equity.

An actuarial valuation is an estimate at a particular point in time of the predicted incidence of the future benefit costs. Since the total actual cost of the plan is essentially unknown, pre-funding (budgeting for future benefit costs) requires certain assumptions about future events. Assumptions are made for such things as salary increases, terminations of participants, disablement of participants, death of participants and anticipated investment earnings. These assumptions, although not affecting the actual costs of the plan, will affect the incidence of predicted future costs. For proper funding, it is required that the Actuary select assumptions which are appropriate in light of the economic, demographic, and legislative environment as they relate to the pension program. The assumptions we have made concerning these future events are described more fully in Appendix 2 of this report. Based on these assumptions, a projection of future benefits was made and a current contribution level sufficient to provide the anticipated benefit payments was determined through the use of an actuarial cost method.

VALUATION OBJECTIVES
(Continued)

Selection of the Actuarial Cost Method

An actuarial cost method, sometimes called a "funding method", therefore, is essentially an approach to budgeting the estimated future costs. There are many actuarial cost methods which are available to the actuary and each method operates differently. However, all funding methods accomplish the same objective—to assign to each fiscal year of the employer the portion assumed to have accrued in that year. The portion of the actuarial value of benefits assigned to a particular year in respect of an individual participant or the fund as a whole is called the ***normal cost.*** All funding methods are described by how the normal cost is calculated.

The actuarial cost method prescribed by the State statutes to determine the ***statutorily minimum required contribution*** for periods on or after January 1, 2011 is the Projected Unit Credit Cost Method. Under this actuarial cost method, the ongoing cost as a percentage of total payroll will increase. In this method, the normal cost is determined by first calculating the projected dollar amount of each participant's accumulated benefit under the plan as of both the first day of the fiscal year and as of the last day of the fiscal year and then determining the difference between these two amounts. The second step in deriving the normal cost for a given participant is to multiply the dollar amount of this difference by the actuarial present value of $1 of benefit.

The actuarial cost method selected by our firm to determine the ***recommended plan contribution*** is the Entry Age Normal Cost Method. Under this actuarial cost method, ideally, the ongoing cost as a percentage of total payroll should remain fairly stable. In this method, the normal cost is determined by assuming each participant covered by the plan entered the plan under the same conditions that will apply to future plan entrants. The annual normal cost assigned to each year of an employee's career is calculated as a level percentage of the employees assumed earnings each year. These normal costs accumulate to the present value of the employee's benefit at retirement age.

Under both the Entry Age Normal Cost Method and the Projected Unit Credit Cost Method, the total funding of projected benefit costs is allocated between an ***unfunded liability***, representing past benefit history, and future normal costs. This allocation is based on the assumption that the municipality will pay the normal cost for each plan year on a regular basis. It should be noted that although the term "unfunded liability" is applied to both funding methods, the resulting amount is different because of the method of calculation. Another feature of these methods is that only the unfunded liability is affected by the experience of the plan, and therefore any adjustments are made in the future amortization payments.

In addition to the methodology changes described above, P.A. 96-1495 also addressed the valuation of pension fund assets—the second component in the determination of the unfunded liability. The statute now provides that the actuarial value of a pension fund's assets be set equal to the market value of the assets on March 30, 2011 and that, in determining the actuarial value of assets after that date, any actuarial gains or losses from investment returns incurred in a fiscal year be recognized in equal amounts over the 5-year period following that fiscal year.

VALUATION OBJECTIVES
(Continued)

The actuarial valuation process is usually repeated each year and is to a certain extent self-correcting. As part of these actuarial cost methods, any deviation of actual experience from the chosen actuarial assumptions will be reflected in future contributions. A complete description of these actuarial cost methods is explained in Appendix 4 of this report.

Appendix 3 of this report contains a summary of the principal provisions of the applicable statute.

Despite the statutory language which requires an application of the Projected Unit Credit method, we feel that funding under this method as a ***level percentage of payroll*** severely undermines the benefit security of the retirement system and transfers the payment for currently earned pensions to future generations of taxpayers. **For these reasons, our valuation report presents a recommended minimum contribution which will operate to maintain the fundamental fiscal soundness of the retirement program**, although a statutorily required contribution has also been calculated. The calculation of the recommended minimum contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a ***level dollar amount*** over 30 years from January 1, 2011, the effective date of P.A. 96-1495. The calculation of the statutorily required contribution is based upon an amortization payment of 90% of any unfunded accrued liabilities as a ***level percentage of payroll*** over 30 years from January 1, 2011, the effective date of P.L. 96-1495.

Although, I do not agree with the statutorily required level percentage of payroll methodology of determining the amortization of the unfunded accrued liability, I would be remiss if I did not advise my funds as to a "statutorily" acceptable calculation under the State law. *I patently consider the calculation methodology under the statute to be actuarially unsound for funding of municipal retirement programs.*

Effective for periods beginning after June 15, 1996, the Governmental Accounting Standards Board has issued Statement No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans". This Statement establishes a financial reporting framework for defined benefit pension plans that distinguishes between two categories of information: (a) current financial information about plan assets and financial activities and (b) actuarially determined information, from a long-term perspective, about the funded status of the plan and the progress being made in accumulating sufficient assets to pay benefits when due. The calculation of the Annual Required Contribution (ARC) is described in paragraph 36f of the Statement and is based upon an amortization payment of any unfunded accrued liabilities as either a level dollar amount or a level percentage of total payroll over a maximum of 40 years from the effective date of the Statement. Any significant increase in the total unfunded actuarial liability resulting from a change in actuarial methodology should be amortized over a period not less than 10 years.

Actuarial experience since the last actuarial valuation

As part of the actuarial valuation process, it is helpful to examine the actual experience of the fund as compared to the experience which is expected by the actuarial assumptions. The measurement of any deviations of actual to expected experience is commonly referred to as a

VALUATION OBJECTIVES
(Continued)

"Gain and Loss Analysis". In performing this analysis, the actuary analyzes each actuarial assumption used in the valuation process. It is highly unlikely that actual experience will follow expected experience on a year-by-year basis. It is hoped that over the long term, if the actuarial assumptions are "reasonable", the total gains and losses will offset each other.

A "gain and loss analysis' is a useful tool to examine whether the actuarial assumptions used to determine the municipal tax levy are suitable. Care must be taken in placing too much credibility in a short-term analysis as the assumptions are more appropriately measured over the long term. Nonetheless, an annual evaluation of the actuarial assumptions will assist in identifying trends which, if unnoticed, can lead to inappropriate conclusions. When these trends are recognized, it is the actuary's responsibility to modify one or more of the assumptions to better anticipate future experience.

Some assumptions are easier to measure than others. In small plans, credible analysis can generally be made regarding the economic (financial) assumptions. These primarily include investment and salary increase assumptions. Unfortunately, it is often impossible to establish credible long term analysis of demographic assumptions (rates of termination, disability, retirement and mortality). Therefore, in choosing demographic assumptions, the actuary generally relies upon standardized tabular assumptions modified only by fund-specific characteristics.

The actuarial gain and loss analysis for the current year is presented in Exhibit 3-C and 3-D of the report. Exhibit 3-C shows the impact of the actuarial gains or losses on the statutorily required contribution through a reconciliation of this contribution from the end of the prior valuation year to the end of the current valuation year. Exhibit 3-D derives the actuarial gain or loss in total as well as separating the individual financial and demographic components.

The overall experience gain (loss) for the year was $1,416,438 or 1.56% of the accrued liability at the beginning of the plan year. The dollar amount for the plan's current statutorily required contribution is 75.33% of the prior year's contribution. When measured as a percentage of payroll, the contribution level has changed from 40.76% to 32.85%.

<u>Factors Influencing the Choice of Actuarial Assumptions</u>

As part of the consulting process, it is our policy to talk with selected members of the Board of Trustees and the Sponsor's representatives for the **City of Bloomington Police Pension Fund** in order to obtain information which will enable the Actuary to properly choose the actuarial assumptions which are most appropriate for the current cost determination for the pension fund.

VALUATION OBJECTIVES
(Continued)

Prior to the meeting, statistics are compiled concerning historical investment returns, salary increases, retirement incidence and other factors which are influential in the actuarial assumption setting process. Based upon an analysis of the specifics as they relate to the **City of Bloomington Police Pension Fund** and a general understanding of the inter-relationships of the actuarial assumptions, the Board, the Sponsor and the Actuary reach a mutual agreement as to the assumptions which will be used in the current actuarial valuation.

Published statistics regarding experience for police and firefighters are available from the State of Illinois Department of Insurance. These statistics form the basis of the actuarial assumptions selected by the State Actuary in the valuation of pension funds covered under the Downstate Pension System. We have found in our consulting, that whenever appropriate, the actuarial assumptions used by the State Actuary are relied upon as a starting point. However, in order to make the calculations more "***Bloomington-sensitive***", the analysis of the actual historical performance is carefully examined.

Experience Analysis

The results of our experience analysis indicates that the fund has experienced small gains overall. Despite the size of the gain, there is no measurable experience present and therefore, we are not recommending a change in actuarial assumptions this year.

Demographic considerations

For this valuation it was noted that the force continues to remain reasonably stable as to its size and demographic composition. In the current valuation, it was observed that the number of inactive participants (87, exclusive of terminated employees who are entitled to a return of contributions) as compared to active participants (116) in the Fund is slightly higher than the State average (43% of the total participants are inactive as compared to a State average of 38%); on a liability basis the Fund is also slightly higher the State averages. Approximately 55%-60% of the Fund's total liability is attributed to inactive participants compared to a State average of about 53%. This means that the fund is in a comparatively equal position to other funds in the State.

The average age and service of the active participating group is slightly above the State average. As of May 1, 2011, there are twelve (12) active officers who are currently eligible to retire, and an additional 14 active officers who will become eligible to retire within the next five years. This represents about 22% of the total active group. For the short term pension payments are generally fixed and overall financial planning can be achieved. Absent a large growth in the active force, with proper funding the fund's position should become more favorable for the foreseeable future. We will continue to monitor closely the retirement patterns which emerge in later years to assure that the appropriate retirement rates are in place for our analysis.

VALUATION OBJECTIVES
(Continued)

However, over 105% of the assets available for investment have been committed to provide benefits for existing pensioners and beneficiaries. . Essentially then, all of the assets in the plan are already dedicated to cover the liabilities for the currently retired participants. This is a potentially dangerous situation We are somewhat concerned given that over $3.5 million is disbursed each year in pension payments. *Despite the adequate funding ratios, the fund is currently not in an overly strong financial situation.*

Financial considerations

In these uncertain times, except for the 2008 year, the fund continues to experience limited short-term investment growth as can be noted in the charts in Section 5B and 5C of this valuation. The rate of return during the 2011 year was 10.32%. Please refer to the chart in Exhibit 2 which illustrates the pattern of growth. The funds continue to earn acceptable rates of return over the long term. As shown in Exhibit 5-C of our report, the composite rate of return for the fund since 2004 is 5.33%. However, if we eliminate the 2009 year, the composite rate jumps to 9.36%. Nevertheless, the inconsistency in the treatment of the receivable contribution makes comparisons difficult.

The actuarial assumptions for salary increases appear to be appropriate; however, we are considering a study of our downstate funds to determine how the current economy is affecting overall salary schedules.

Selection of assumptions

Based mainly upon the comparative rate of funding, as well as a comparison of actual rates of investment return to salary increases, a 7.50% assumed investment return rate was deemed acceptable as a long-term assumption to be used in determining the funding requirements for the 2011 year.

This represents no change in assumption. This rate was chosen to reflect the portfolio composition, investment philosophy and historical performance as compared to other funds in the State. This 7.50% rate includes an inflation component of 3.00%. The actuarial smoothing method used in prior years has also been retained. The actuarial smoothing methodology used in the valuation of assets will be changed for next year as required by State law.

The demographic actuarial assumptions used for this valuation represent no change from those used in the prior valuation performed by our firm. These include, as a result of the publication of a recent independent study analyzing demographic experience among police and fire pension funds in the Downstate System, changes in the retirement, disability and withdrawal assumptions, as well as the use of a more modern mortality table from those used by the State Actuary.

VALUATION OBJECTIVES
(Continued)

Comparison with Other Funds

We are including a comparison to certain State averages which may prove helpful in assessing how the fund compares to similarly situated programs.

	Bloomington (2011)		State*
	EANC	*PUC*	
Funded Ratio	**58.23%**	**63.70%**	56.18%
Percentage of Liability for Inactives	**55.17%**	**60.34%**	52.55%
Percentage of Total Assets for Inactives (market basis)	**105.30%**		93.52%

* Based upon published reports for FYE 2008

Thirty-year Projection of Liabilities

The final section of our report illustrates projected payments from the Trust Fund for a 30-year period commencing with the valuation date. These projections are based upon the actuarial assumptions selected for the fund concerning death, disability and retirement actually occurring. Care should be taken in interpreting or relying on these results—particularly for Funds with fewer than 200 participants. The credibility of this type of projection is rarely realized beyond 10 years. Exhibit 5D presents this projection.

RESULTS OF VALUATION

The following exhibits present the results of our actuarial valuation of the **City of Bloomington Police Pension Fund** for the fiscal year May 1, 2011 through April 30, 2012.

Exhibit 1 indicates that the recommended minimum contribution, calculated using the Entry Age Normal Cost method (EANC), from the City is $4,036,617 or 43.38% of total participating payroll. **Under the Entry Age Normal actuarial cost method selected, this percentage of payroll should remain reasonably level over the lifetime of the plan.**

Exhibit 1 also indicates that the statutory minimum contribution, calculated using the Projected Unit Credit method (PUC), from the City is $3,056,933 or 32.85% of total participating payroll. **Under the Projected Unit Credit actuarial cost method selected, this percentage of payroll should increase over the lifetime of the plan.**

Exhibits 2 and 3 provide specific information used to develop the recommended minimum and statutorily required City contribution.

Exhibit 4 presents a brief description of the demographic characteristics of the current member group.

Exhibit 5 shows information relating to the pension assets.

Appendix 1 provides information in accordance with the Governmental Accounting Standards Board relating to financial disclosure of pension costs in the auditor's report.

GENERAL VALUATION RESULTS FOR FISCAL YEAR
MAY 1, 2011 THROUGH APRIL 30, 2012

Recommended Minimum Contribution

1.	Entry Age Normal Cost:	$ 2,286,587
2.	Unfunded Actuarial Accrued Liability (or Surplus):	37,844,830
3.	Actuarial Value of Assets:	52,763,950
4.	Annual Salaries of Active Police Officers:	8,903,996
5.	Recommended Minimum Contribution from the City:	4,036,617
	Contribution Percentage:	43.38%*

Statutory Minimum Contribution

1.	Projected Unit Credit Normal Cost:	$ 2,578,491
2.	Unfunded Actuarial Accrued Liability (or Surplus):	30,074,105
3.	Actuarial Value of Assets:	52,763,950
4.	Annual Salaries of Active Police Officers:	8,903,996
5.	Statutory Minimum Contribution from the City:	3,056,933
	Contribution Percentage:	32.85%*

* Projected for the fiscal year ending April 30, 2012.

SUMMARY OF SPECIFIC VALUATION RESULTS

	Number	Actuarial Present Value of Projected Benefits	Entry Age Normal Cost	Projected Unit Credit Normal Cost
1. Active Police Officers:	116			
Retirement Pension:		$52,657,936	$1,681,185	$1,950,259
Survivors Pension:		967,964	44,851	50,238
Disability Pension:		7,183,155	411,241	444,004
Withdrawal Pension:		1,867,286	149,310	133,990
TOTAL	116	$62,676,341	$2,286,587	$2,578,491
2. Inactive Police Officers and Survivors:				
Normal Retirees:	57	$39,932,416		
Widows (Survivors):	19	3,583,620		
Children (Survivors):	0	0		
Disabled Retirees:	10	5,674,012		
Deferred Vested:	1	568,132		
Terminated/Separated:	10	226,795		
TOTAL	97	$49,984,975		

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SUMMARY OF SPECIFIC VALUATION RESULTS
(Continued)

		Entry Age Normal (EAN)	Projected Unit Credit (PUC)
3.	Total Actuarial Present Value of Projected Benefits:	$112,661,316	N/A
4.	Actuarial Present Value of Future Normal Costs:	22,052,536	N/A
5.	Actuarial Accrued Liability: [(3) - (4)]	90,608,780	82,838,055
6.	Actuarial Value of Assets:	52,763,950	52,763,950
7.	Unfunded Actuarial Accrued Liability (or Surplus): [(5) - (6)]	37,844,830	30,074,105
8.	Funded Ratio Percentage: [(6) ÷ (5)] x 100	58.23%	63.70%

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HISTORY OF FUNDED PERCENTAGES

For the Year beginning May 1	Valuation Assets	EAN Accrued Liabilities	EAN Funded Percentage	PUC Accrued Liabilities	PUC Funded Percentage
2011	$52,763,950	$90,608,780	58.23%	$82,838,055	63.70%
2010	48,078,031	86,863,392	55.35%	N/A	N/A
2009	44,228,726	82,953,509	53.32%	N/A	N/A
2008	44,388,369	75,336,945	58.92%	N/A	N/A
2007	41,082,107	71,842,046	57.18%	N/A	N/A
2006	38,044,418	65,285,667	58.30%	N/A	N/A
2005	33,939,624	56,756,291	59.80%	N/A	N/A
2004	32,352,495	53,449,052	60.50%	N/A	N/A
2003	28,557,244	49,554,943	57.60%	N/A	N/A
2002	28,841,069	46,529,753	62.00%	N/A	N/A

The chart on the following page presents a progression of these percentages in graphical form.

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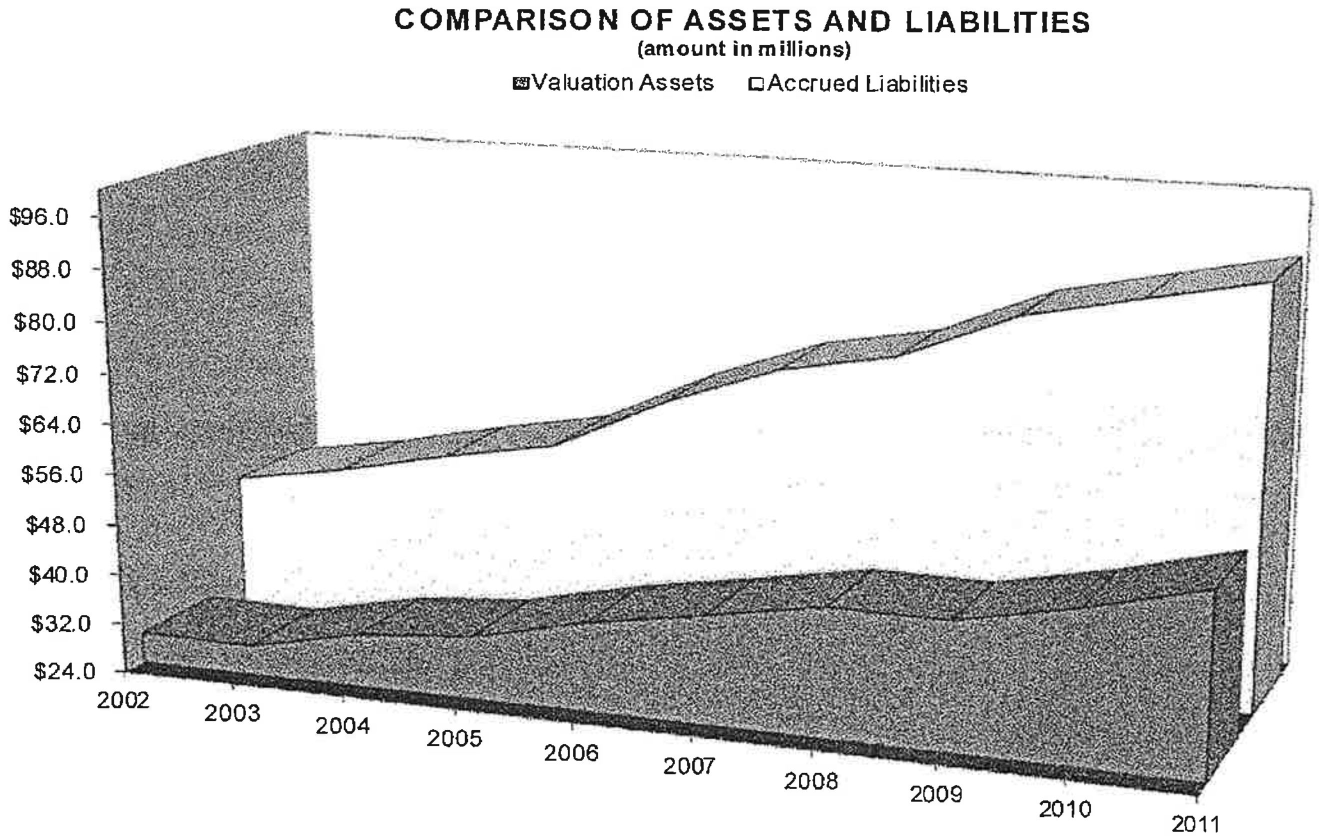

COMPARISON OF ASSETS AND LIABILITIES
(amount in millions)
Valuation Assets
Accrued Liabilities
$96.0
$88.0
$80.0
$72.0
$64.0
$56.0
$48.0
$40.0
$32.0
$24.0
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011

DEVELOPMENT OF RECOMMENDED MINIMUM CITY CONTRIBUTION

		Fiscal Year May 1, 2011 through April 30, 2012
1.	Entry Age Normal Cost:	$2,286,587
2.	Recommended Minimum Payment to Amortize 90 % of the Entry Age Normal Unfunded Accrued Liability as a level dollar amount over 29.00205 Years from May 1, 2011:	2,289,230
3.	Interest on (1) and (2):	343,186
4.	Credit for Surplus:	0
5.	Initial Recommended Minimum Contribution for Fiscal Year 2012: [(1) + (2) + (3) + (4)]	4,919,003
6.	Statutory Minimum Contribution (Exhibit 3B line 5)	3,939,319
7.	Total Recommended Minimum Contribution for Fiscal Year 2012: [Greater of Line 5 and Line 6]	4,919,003
8.	Active Member Contributions (9.91% of Salaries):	882,386
9.	Net Recommended Minimum City Contribution: [(7) - (8)]	4,036,617

DEVELOPMENT OF STATUTORILY REQUIRED CITY CONTRIBUTION

(NOTE THAT THIS CONTRIBUTION CALCULATION IS NOT RECOMMENDED)

		Fiscal Year May 1, 2011 through April 30, 2012
1.	Projected Unit Credit Normal Cost:	$2,578,491
2.	Minimum Payment to Amortize 90% of the Projected Unit Credit Unfunded Accrued Liability as a level percentage of payroll over 29.00205 Years from May 1, 2011:	1,085,992
3.	Interest on (1) and (2):	274,836
4.	Credit for Surplus:	0
5.	Total Statutorily Required Contribution for Fiscal Year 2012: [(1) + (2) + (3) + (4)]	3,939,319
6.	Active Member Contributions (9.91% of Salaries):	882,386
7.	Net Statutorily Required City Contribution: [(5) - (6)]	3,056,933

RECONCILIATION OF THE CHANGE IN THE STATUTORILY REQUIRED CITY CONTRIBUTION

1.	Statutorily Required Contribution for Year ending April 30, 2011:	$4,057,967
2.	Increase in Normal Cost and Amortization Payment due to anticipated pay changes:	191,913
3.	Increase/(Decrease) in Normal Cost resulting from actual pay changes:	(161,681)
4.	Effect of Asset Smoothing:	7,913
5.	Increase/(Decrease) resulting from changes in assumptions:	0
6.	Increase/(Decrease) resulting from other demographic and financial sources (retirements, deaths, new entrants, salary changes, etc.):	(524,446)
7.	Increase/(Decrease) resulting from change in actuarial cost method	$ (514,733)
8.	Statutorily Required Contribution for Year ending April 30, 2012:	$3,056,933

DERIVATION OF EXPERIENCE GAIN(LOSS) AND COST METHOD CHANGE AS OF MAY 1, 2011

1.	EANC Unfunded Actuarial Accrued Liability at May 1, 2010:	$38,785,361
2.	Normal Cost Due at May 1, 2010:	2,435,622
3.	Interest on (1) and (2) to May 1, 2011 (at 7.50% per year):	3,091,574
4.	Contributions made for the prior year with interest to May 1, 2011:	5,051,289
5.	Expected EANC Unfunded Actuarial Accrued Liability at May 1, 2011 Before Assumption Changes [(1) + (2) + (3) - (4)]:	39,261,268
6.	Change in EANC Unfunded Actuarial Accrued Liability due to Assumptions Change at May 1, 2011:	0
7.	Expected EANC Unfunded Actuarial Accrued Liability at May 1, 2011 [(5) + (6)]:	39,261,268
8.	Actual EANC Unfunded Actuarial Accrued Liability at May 1, 2011:	37,844,830
9.	Gain (Loss) for the prior Plan Year [(7) – (8)]:	**$1,416,438**
10.	Actual PUC Unfunded Actuarial Liability at May 1, 2011	$30,074,105
11.	Additional liability resulting from Cost Method change (10) –(8)	$ (7,770,725)

DERIVATION OF EXPERIENCE GAIN(LOSS) AS OF MAY 1, 2011

The experience gain (loss) reported above is the net result of the following:

1.	FINANCIAL SOURCES	
a)	Investment experience (based upon market value of assets):	$ (3,009,497)
b)	Contribution experience:	(166,592)
c)	Benefit Payments experience:	159,235
d)	Salary increases (greater)/lower than expected:	1,050,692
	Total from Financial Sources:	(1,966,162)
2.	DEMOGRAPHIC SOURCES	
	Mortality, retirement, disability, termination, etc.:	641,484
3.	ACTUARIAL ADJUSTMENTS	
	Market value adjustment for asset smoothing, including expenses	2,741,116
4.	GAIN (LOSS) ALL SOURCES	
	Total Gain (Loss) for the prior Plan Year [(1) + (2) + (3)]	$1,416,438

SUMMARY OF DEMOGRAPHIC INFORMATION AS OF MAY 1, 2011

	Number	Projected Annual Salaries (Fiscal Year 2012)
Active Police Officers:	116	$8,903,996

	Number	Total Monthly Benefits
Normal Retirees:	57	$237,355
Survivors (Widows):	19	32,613
Survivors (Children):	0	0
Disabled Retirees:	10	30,500
Deferred Vested:	1	0
Terminated/Separated:	10	226,795 *

* Return of Contributions

The actuarial valuation was performed as of May 1, 2011 to determine contribution requirements for fiscal year 2012.

AGE AND SERVICE DISTRIBUTION

Attained Age	COMPLETED YEARS OF SERVICE											Average Salaries
	0-1	2-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+	Total	
15-19											0	-
20-24		1									1	59,405
25-29		6	2								8	67,538
30-34		11	15								26	70,493
35-39		2	14	9							25	72,179
40-44			4	9	13	1					27	78,903
45-49			1	2	5	7					15	83,853
50-54					2	4	4	1			11	92,727
55-59							2				2	78,017
60-64									1		1	102,723
65+											0	-
TOTAL	0	20	36	20	20	12	6	1	1	0	116	76,759

Age = 39.44 Years

Service = 12.72 Years

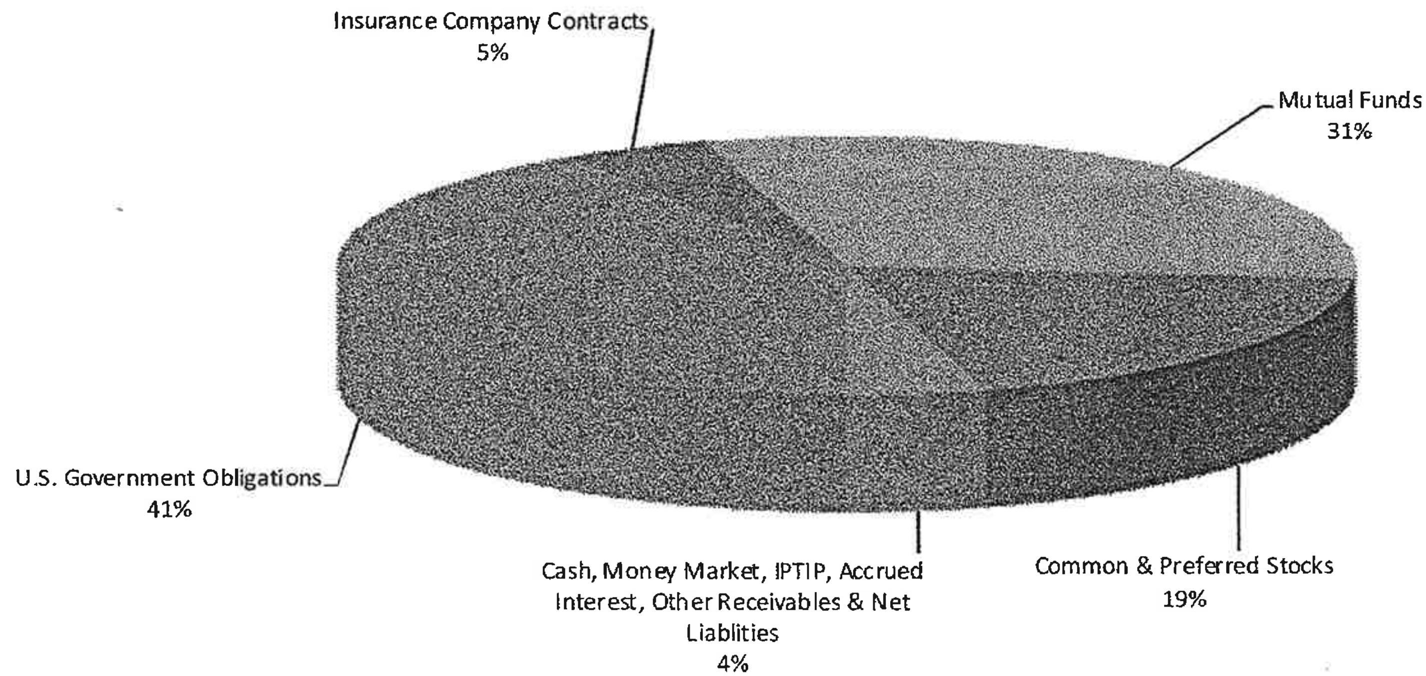
ASSET INFORMATION

Cash, Money Market, IPTIP	$1,849,927
Certificates of Deposit	0
State and Local Obligations	0
U.S. Government Obligations	19,322,478
Insurance Company Contracts	2,263,280
Pooled Investment Accounts	0
Mutual Funds	14,787,703
Common & Preferred Stocks	9,032,987
Taxes Receivable	0
Accrued Interest	204,503
Other Receivables	17,733
Net Liabilities	7,671
Net Present Assets at Market Value	$47,470,940

The chart on the following page shows the percentage of invested assets.

53

ASSET INFORMATION



DEVELOPMENT OF ACTUARIAL VALUE OF ASSETS

1.	Actuarial Value of Assets, May 1, 2010*	$48,078,031
2.	Contributions Received During 2010-2011	4,883,421
3.	Benefit Payments and Expenses Made During 2010-2011	3,572,673
4.	Assumed Interest at 7.50% on (1), (2) and (3)	3,650,909
5.	Preliminary Actuarial Value of Assets: [(1) + (2) - (3) + (4)]	53,039,688
6.	Market Value, May 1, 2011*	47,470,940
7.	Preliminary Adjustment Account:	
	a) Amount: [(5) - (6)]	5,568,748
	b) Percentage: [(7a) ÷ (6) x 100%]	11.73%
8.	Final Adjustment Amount	
	a) Amount	5,293,010
	b) Percentage	11.15%
	c) Taxes receivable	0
9.	Adjusted Actuarial Value of Assets, May 1, 2011: [(6) + (8a) + (8c)]	52,763,950
10.	Final Actuarial Value of Assets for funding purposes May 1, 2011 [Greater of (6) and (9)]:	52,763,950
11.	Final Actuarial Value of Assets for GASB reporting [(10)-(8c)]*	52,763,950

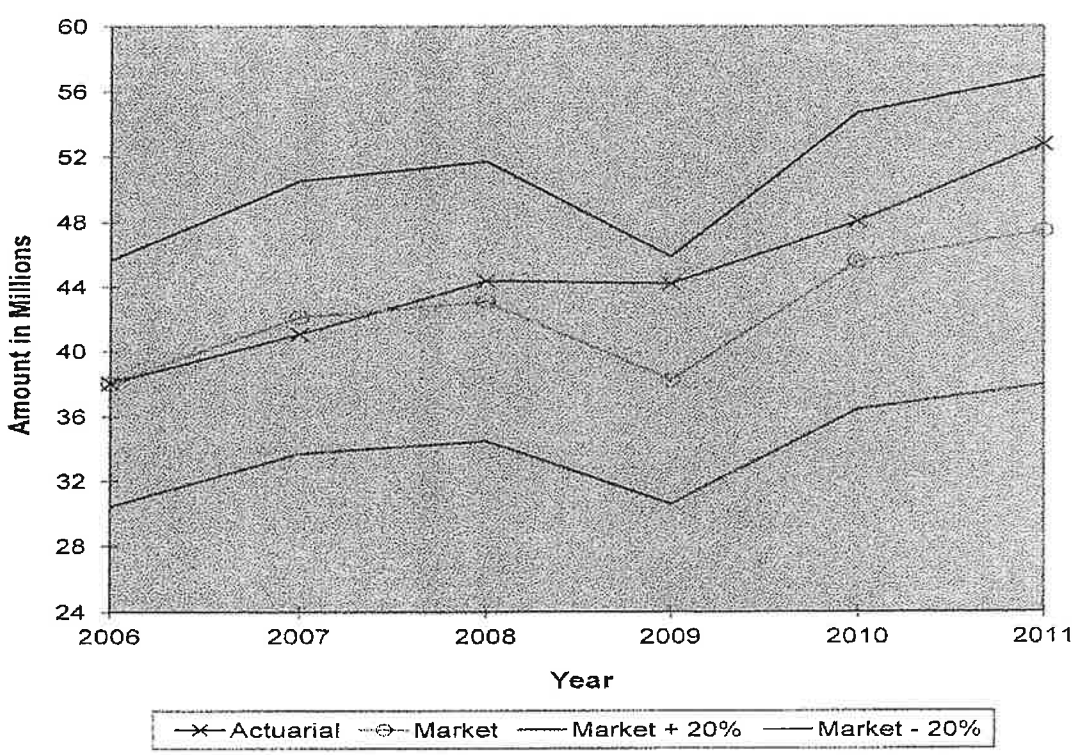
*excluding taxes receivable

ASSET HISTORY

For the Year beginning May 1	Actuarial Value of Assets	Market Value of Assets
2011	$52,763,950	$47,470,940
2010	48,078,031	45,587,724*
2009	44,228,726	38,243,602*
2008	44,388,369	43,124,752
2007	41,082,107	42,123,789
2006	38,044,418	38,044,418

*includes receivable contributions.

The chart below presents a comparison between the Actuarial Value of Assets and the Market Value of Assets for the current year and the five preceding years. The chart also illustrates the corridor 20% above and 20% below the Market Value of Assets.

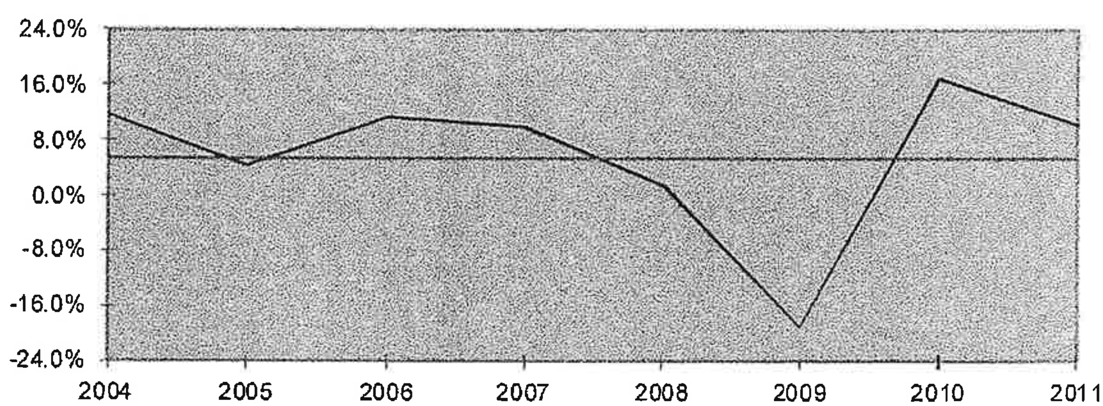


ANALYSIS OF INVESTMENT RETURN

Fiscal Year Ending April 30	Annual Rate of Return
2011	10.32%
2010*	17.04
2009*	-19.00
2008	1.55
2007	9.87
2006	11.29
2005	4.53
2004	11.64
Composite	
2004-2011	5.33%

*includes receivable contributions

The following chart presents a progression of these percentages in graphical form.



THIRTY - YEAR PROJECTION OF PAYMENTS

	Payouts from Active Group Upon					Payouts from		Total
	Termination		Death	Retirement	Disability	Retired Group	Deferred Pensioners	
Year	Lump Sum	Deferred Pension						
2011	20,809	0	13,571	209,275	38,410	3,575,380	263,656	4,121,101
2012	15,779	0	19,575	383,474	74,222	3,595,343	36,797	4,125,190
2013	10,283	0	19,483	536,640	109,683	3,634,539	36,728	4,347,356
2014	5,794	0	25,969	705,346	147,098	3,636,497	36,655	4,557,359
2015	1,606	0	30,925	907,112	187,529	3,633,927	36,577	4,797,676
2016	0	0	37,999	1,209,094	230,084	3,631,798	36,487	5,145,462
2017	0	0	43,534	1,442,011	274,199	3,638,145	36,390	5,434,279
2018	0	0	50,497	1,686,900	319,344	3,622,227	36,284	5,715,252
2019	0	0	56,906	1,916,943	366,360	3,600,348	36,168	5,976,725
2020	0	0	63,974	2,312,289	413,679	3,572,161	37,118	6,399,221
2021	0	0	70,734	2,655,540	460,633	3,537,138	38,071	6,762,116
2022	0	0	77,682	3,003,029	507,749	3,499,121	39,029	7,126,610
2023	0	0	84,663	3,339,854	553,758	3,456,197	39,988	7,474,460
2024	0	0	91,352	3,713,303	599,377	3,398,957	40,943	7,843,932
2025	0	0	98,064	4,165,425	645,556	3,333,045	41,886	8,283,976
2026	0	0	103,970	4,569,955	692,956	3,258,212	42,812	8,667,905
2027	0	0	110,554	4,998,127	732,708	3,198,155	43,710	9,083,254
2028	0	0	115,421	5,571,701	778,624	3,106,179	44,571	9,616,496
2029	0	0	121,538	6,120,067	817,158	3,005,351	45,390	10,109,504
2030	0	0	124,817	6,558,731	865,136	2,949,187	46,156	10,544,027
2031	0	0	130,579	7,117,268	907,620	2,833,509	46,856	11,035,832
2032	0	0	132,599	7,559,143	943,833	2,709,944	47,486	11,393,005
2033	0	0	137,091	7,971,903	970,006	2,579,193	48,036	11,706,229
2034	0	0	138,074	8,324,989	998,134	2,441,948	48,498	11,951,643
2035	0	0	141,291	8,643,591	1,028,147	2,299,261	48,843	12,161,133
2036	0	0	141,243	8,943,531	1,047,069	2,152,257	49,072	12,333,172
2037	0	0	143,115	9,208,080	1,070,750	2,002,206	49,166	12,473,317
2038	0	0	140,916	9,427,066	1,108,966	1,885,561	49,102	12,611,611
2039	0	0	141,521	9,610,075	1,136,081	1,734,446	48,860	12,670,983
2040	0	0	138,964	9,765,770	1,145,834	1,584,630	48,422	12,683,620

GASB STATEMENT NO. 25 DISCLOSURE INFORMATION

DEVELOPMENT OF THE ANNUAL REQUIRED CONTRIBUTION OF THE MUNICIPALITY

		Fiscal Year May 1, 2011 through April 30, 2012
1.	Entry Age Normal Cost	$2,286,587
2.	Actuarial Accrued Liability	90,608,780
3.	Actuarial Value of Assets	52,763,950
4.	Unfunded Actuarial Accrued Liability	37,844,830
5.	Payment to Amortize Unfunded Actuarial Accrued Liability Over 40 Years from Effective Date of Application of GASB 25 (22 years remaining)	2,331,842
6.	Total Annual Required Contribution for Fiscal Year April 30, 2012: [(1) + (5)]	4,618,429
7.	Active Member Contributions (9.91% of Salaries):	882,386
8.	**Annual Required Contribution (ARC) payable at the beginning of the current fiscal year: [(6) - (7)]**	**3,736,043**

GASB STATEMENT NO. 25 DISCLOSURE INFORMATION
(Continued)

NOTES:

- The Annual Required Contribution as of May 1, 2011 has been determined under the Governmental Accounting Standards Board Statement No. 25 and is required disclosure for the fiscal year ending April 30, 2012. The Entry Age Normal Cost and the Actuarial Accrued Liability were determined using the Entry Age Normal Cost Actuarial Cost Method.

- The Entry Age Normal Cost has been determined as a level percentage of projected payroll of the active members of the group. The amortization method for the Unfunded Actuarial Accrued Liability is determined as a level percentage of payroll amount over a closed Amortization Period as permitted in Governmental Accounting Standards Board Statement No. 25.

- All values were determined on the basis of the actuarial assumptions and methods as more fully described in Appendix 2 of this report.

ACTUARIAL ASSUMPTIONS
(Economic)

Investment Return
7.50% per annum, compounded annually (net of expenses).

Salary Increases
Representative values of assumed salary increases are as follows:

Age	Increase %
25	4.8611
30	2.9848
35	2.0341
40	1.5239
45	1.3083
50	1.1846
55	1.1220

An additional inflation allowance of 3.00% per year is added to the above.
Chiefs and Deputy Chiefs loaded an additional 5% at retirement.

Payroll Growth
It was assumed that payroll will grow 4.50% per year.

Actuarial Asset Basis
A preliminary actuarial value of assets is calculated by accumulating the prior year's actuarial value with adjustments for contributions and benefit payments at the valuation interest rate. The market value is subtracted from the preliminary actuarial value. The difference, the preliminary adjustment account, is divided by the market value. Then using the following table, the final actuarial value of assets is calculated by adding the final adjustment account to the market value.

Percentage of Market Value (Plus or Minus)	
Preliminary Adjustment Account	**Final Adjustment Account**
0% to 10%	Preliminary adjustment account
10% to 20%	0% plus 1/3 of the excess over 10%
20% to 30%	16 2/3% plus 1/3 of the excess over 20%
Over 30%	20%

Effective May 1, 2012, a 5-year cumulative analysis of the actuarial value of assets will be made. If the final actuarial value differentiates by more than 10% (plus or minus) from the market value of assets, the final actuarial value of assets will be further adjusted to equal 90% or 110% of the market value of assets.

ACTUARIAL ASSUMPTIONS
(Demographic)

Mortality
Active Lives
RP-2000 Combined Healthy Mortality Table (male and female). Five percent (5%) of deaths amongst active police officers are assumed to be in the performance of their duty.

Non-Active Lives
RP-2000 Combined Healthy Mortality Table (male and female).

Termination
Illustrative rates of withdrawal from the plan for reasons other than death or disability are as follows:

Age	Rate of Withdrawal
25	.0734
30	.0416
35	.0223
40	.0119
45	.0102
50	---

It is assumed that terminated police officers will not be rehired.

Disability Rates
Incidence of disability amongst police officers eligible for disability benefits:

Age	Rate
25	.0013
30	.0026
35	.0044
40	.0071
45	.0108
50	.0159

15% of disabilities amongst active police officers are assumed to be in the performance of their duty.

ACTUARIAL ASSUMPTIONS
(Demographic)

Retirement Rates
Retirements are assumed to occur between the ages of 50 and 69 in accordance with the following table:

Age	Rate of Retirement	Age	Rate of Retirement
50	.36	60	.22
51	.22	61	.30
52	.18	62	.39
53	.19	63	.48
54	.19	64	.57
55	.20	65	.65
56	.20	66	.74
57	.20	67	.83
58	.21	68	.91
59	.21	69	1.00

Marital Status
85% of police officers are assumed to be married.

Spouse's Age
Wives are assumed to be 3 years younger than their husbands.

ACTUARIAL ASSUMPTIONS
(Additional)

Expenses
None assumed.

Actuarial Cost Method:
Projected Unit Credit for statutory minimum
Entry Age Normal for recommended and GASB reporting

SUMMARY OF PRINCIPAL PLAN PROVISIONS

Definitions

Tier 1 – For Police Officers first entering Article 3 prior to January 1, 2011

Tier 2 – For Police Officers first entering Article 3 after December 31, 2010

Police Officer (3-106): Any person appointed to the police force and sworn and commissioned to perform police duties.

Persons excluded from Fund (3-109): Part-time officers, special police officer, night watchmen, traffic guards, clerks and civilian employees of the department. Also, police officers who fail to pay the required fund contributions or who elect the Self-Managed Plan option.

Creditable Service (3-110): Time served by a police officer, excluding furloughs in excess of 30 days, but including leaves of absences for illness or accident and periods of disability where no disability pension payments have been received and also including up to 3 years during which disability payments have been received provided contributions are made.

Pension (3-111)

Normal Pension Age
Tier 1 - Age 50 with 20 or more years of creditable service.

Tier 2 - Age 55 with 10 or more years of creditable service.

Normal Pension Amount
Tier 1 - 50% of the greater of the annual salary held in the year preceding retirement or the annual salary held on the last day of service, plus 2½% of such annual salary for service from 20 to 30 year (maximum 25%)].

Tier 2 - 2½% of Final Average salary for each year of service. Final Average Salary is the highest salary based on the highest consecutive 96 months of the final 120 months of service

Early Retirement at age 50 with 10 or more years of service but with a penalty of ½% for each month prior to age 55.

Annual Salary capped at $106,800 increased yearly by the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.

Minimum Monthly Benefit: $1,000

Maximum Benefit Percentage: 75% of salary

SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)

Termination Retirement Pension Date
Separation of service after completion of between 8 and 20 years of creditable service.

Termination Pension Amount
Commencing at age 60, 2½% of annual salary held in the year preceding termination times years of creditable service or refund of contributions, or for persons terminating on or after July 1, 1987, 2½% of annual salary held on the last day of service times years of credible service, whichever is greater.

Pension Increase

Non-Disabled
Tier 1 - 3% increase of the original pension amount after attainment of age 55 for each year elapsed since retirement, followed by an additional 3% of the original pension amount on each January thereafter. Effective July 1, 1993, 3% of the amount of pension payable at the time of the increase including increases previously granted, rather than 3% of the originally granted pension amount.

Tier 2 - The lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3% increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

Disabled
3% increase of the original pension amount after attainment of age 60 for each year he or she received pension payments, followed by an additional 3% of the original pension amount in each January 1 thereafter.

Pension to Survivors (3-112)

Death of Retired Member
Tier 1 - 100% of pension amount to surviving spouse (or dependent children).

Tier 2 – 66 2/3% of pension amount to surviving spouse (or dependent children), subject to the following increase: the lesser of ½ of the Consumer Price Index- Urban (CPI-U) or 3%.increase of the original pension amount after attainment of age 60, followed by an additional 3% of the original pension amount on each January 1 thereafter.

Death While in Service (Not in line of duty)
With 20 years of creditable service, the pension amount earned as of the date of death.

With between 10 and 20 years of creditable service, 50% of the salary attached to the rank for the year prior to the date of death.

Death in Line of Duty
100% of the salary attached to the rank for the last day of service year prior to date of death.

SUMMARY OF PRINCIPAL PLAN PROVISIONS
(Continued)

Minimum Survivor Pension
$1,000 per month to all surviving spouses.

Disability Pension - Line of Duty (3-114.1)

Eligibility
Suspension or retirement from police service due to sickness, accident or injury while on duty.

Pension
Greater of 65% of salary attached to rank at date of suspension or retirement and the retirement pension available. Minimum $1,000 per month.

Disability Pension - Not on Duty (3-114.2)

Eligibility
Suspension or retirement from police service for any cause other than while on duty.

Pension
50% of salary attached to rank at date of suspension or retirement. Minimum $1,000 per month.

Other Provisions

Marriage After Retirement (3-120)
No surviving spouse benefit available.

Refund (3-124)
At death prior to completion of 10 years of service, contributions are returned without interest to widow.

At termination with less than 20 years of service, contributions are refunded upon request.

Contributions by Police Officers (3-125.1)
Beginning January 1, 2001, 9.91% of salary including longevity, but excluding overtime pay, holiday pay, bonus pay, merit pay or other cash benefit.

GLOSSARY

Actuarial Accrued Liability
See ***Entry Age Normal Cost*** *Method and* ***Projected Unit Credit Cost*** *Method.*

Actuarial Assumptions
The economic and demographic predictions used to estimate the present value of the plan's future obligations. They include estimates of investment earnings, salary increases, mortality, withdrawal and other related items. The *Actuarial Assumptions* are used in connection with the *Actuarial Cost Method* to allocate plan costs over the working lifetimes of plan participants.

Actuarial Cost Method
The method used to allocate the projected obligations of the plan over the working lifetimes of the plan participants. Also referred to as an *Actuarial Funding Method.*

Actuarial Funding Method
See *Actuarial Cost Method*

Actuarial Gain (Loss)
The excess of the actual *Unfunded Actuarial Accrued Liability* over the expected *Unfunded Actuarial Accrued Liability* represents an *Actuarial Loss.* If the expected *Unfunded Actuarial Accrued Liability* is greater, an *Actuarial Gain* has occurred.

Actuarial Present Value
The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of *Actuarial Assumptions.*

Actuarial Value of Assets
The asset value derived by using the plan's *Asset Valuation Method.*

Asset Valuation Method
A valuation method designed to smooth random fluctuations in asset values. The objective underlying the use of an asset valuation method is to provide for the long-term stability of employer contributions.

Employee Retirement Income Security Act of 1974 (ERISA)
The primary federal legislative act establishing funding, participation, vesting, benefit accrual, reporting, and disclosure standards for pension and welfare plans.

GLOSSARY
(Continued)

Entry Age Normal Cost Method
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated on a level basis over the earnings of the individual between entry age and assumed exit age(s). The portion of this *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The portion of this *Actuarial Present Value* not provided for at a valuation date by the *Actuarial Present Value* of future *Normal Costs* is called the *Actuarial Accrued Liability*.

Normal Cost
The portion of the *Present Value of Projected Plan Benefits* that is allocated to a particular plan year by the *Actuarial Cost Method*. See *Entry Age Normal Cost Method* for a description of the Normal Cost under the *Entry Age Normal Cost Method*. See *Projected Unit Credit Cost Method* for a description of the Normal Cost under the *Projected Unit Credit Cost Method*.

Present Value of Future Normal Costs
The present value of future normal costs determined based on the *Actuarial Cost Method* for the plan. Under the *Entry Age Normal Cost Method*, this amount is equal to the excess of the *Present Value of Projected Plan Benefits* over the sum of the *Actuarial Value of Assets* and *Unfunded Actuarial Accrued Liability*.

Present Value of Projected Plan Benefits
The present value of future plan benefits reflecting projected credited service and salaries. The present value is determined based on the plan's actuarial assumptions.

Projected Unit Credit Cost Method
One of the standard actuarial funding methods in which the *Present Value of Projected Plan Benefits* of each individual included in the *Actuarial Valuation* is allocated by a consistent formula to valuation years. The *Actuarial Present Value* allocated to a valuation year is called the *Normal Cost*. The *Actuarial Present Value* of benefits allocated to all periods prior to a valuation year is called the *Actuarial Accrued Liability*.

Statement No. 25 of the Governmental Accounting Standards Board (GASB No. 25)
The accounting statement that established the standards of financial accounting and reporting for the financial statements of defined benefit pension plans.

Unfunded Actuarial Accrued Liability
The excess of the *Actuarial Accrued Liability* over the *Actuarial Value of Assets*.

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CITY OF BLOOMINGTON POLICE PENSION FUND AUDITOR'S PACKAGE

GASB DISCLOSURE

APRIL 30, 2012

(FOR INTERNAL USE ONLY)

Date Issued: June 14, 2012

TCG Public Consulting, Ltd. is affiliated with Tepfer Consulting Group, Ltd.

SUPPLEMENTAL ACTUARIAL CERTIFICATION

This certification provides supplemental information as required by the Governmental Accounting, Auditing and Financial Reporting, GFOA 2005. The enclosed schedules included with this "Auditor's Package" were prepared by the undersigned to provide general information to assist in the preparation of the Comprehensive Annual Financial Report.

Tepfer Consulting Group, Ltd. was retained by the City of Bloomington and the City of Bloomington Police' Pension Fund to perform an **annual** independent actuarial valuation for the Police Pension Fund. This valuation is permitted under 40 ILCS 5/1A, Section 111. The Actuarial Valuation Report includes additional disclosures which are made a part hereto.

An actuarial valuation was performed to calculate the Annual Required Contribution in accordance with paragraph 36f of Statement No. 25 of the Governmental Accounting Standards Board. This contribution is net of contributions made by active members during the fiscal year.

The assumptions and methods used in the preparation of this disclosure meet the parameters set for the disclosures presented in the financial section by Governmental Accounting Standards Board Statement No. 25. All actuarial assumptions are selected by the undersigned and are effective commencing with the valuation as of May 1, 2011 except where otherwise indicated

Exhibit 2 of the Actuarial Valuation Report prepared for the year beginning May 1, 2011 provides information concerning the Funding Progress of the Retirement Fund. This is supplemented by the Schedule of Funding Progress contained herein.

Additional information is also provided solely to assist the auditors in preparation of the required footnote disclosure. Tepfer Consulting Group, Ltd. makes no statement as to the suitability for Statement No. 27 disclosure.

I, Arthur H. Tepfer, am an Enrolled Actuary in good standing under the Employee Retirement Income Security Act of 1974. I am a member of the American Academy of Actuaries and I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein. I certify that the results presented in this report are accurate and correct to the best of my knowledge.

TEPFER CONSULTING GROUP, LTD.

Arthur H. Tepfer, A.S.A., M.A.A.A., M.S.P.A.
Enrolled Actuary #11-02352

CITY OF BLOOMINGTON
POLICE PENSION FUND

SUMMARY OF ACTUARIAL METHODS AND ASSUMPTIONS

The information requested in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation Date	May 1, 2011
Actuarial Cost Method	Entry Age Normal Cost
Actuarial Value of Assets	5-year smoothed market
Amortization Method	Level Percent of Payroll Closed
Remaining Amortization Period	22 years 2 months

Actuarial Assumptions:

Investment Rate of Return	7.50% per year
Projected Salary Increases	TCG Basic Salary Table providiing graded increases from 1.12% to 4.86% varying by age, plus the inflation rate shown below
Inflation Rate	3.00% per year
Payroll Growth	4.50% per year
Cost of Living Increases	3.00% per year
Assumed Mortality	RP-2000 Combined Healthy Mortality Table (male)

Additional Assumptions as disclosed in the actuarial valuation report

CITY OF BLOOMINGTON POLICE PENSION FUND

GASB STATEMENT NO. 27 DISCLOSURE INFORMATION

PLAN MEMBERSHIP

ON 5/1/10

Retirees and beneficiaries currently receiving benefits	86
Terminated employees entitled to benefits but not yet Receiving them	11
Current employees	
Vested	77
Nonvested	39
TOTAL	213

CITY OF BLOOMINGTON POLICE PENSION FUND

GASB STATEMENT NO. 27 DISCLOSURE INFORMATION

DEVELOPMENT OF THE ANNUAL PENSION COST OF THE MUNICIPALITY

FISCAL YEAR 5/1/11 - 4/30/12

1.	**Annual Required Contribution**	**$3,859,645**
2.	Net Pension Obligation Balance	(1,766,779)*
3.	Interest on the Net Pension Obligation	(132,508)
4.	Payment to Amortize Net Pension Obligation Over 40 Years from Effective Date of Application of GASB 25 (5/1/1993)	(108,838)
5.	Increase (Decrease) in Net Pension Obligation [(3) - (4)]	(23,670)
6.	**Total Annual Pension Cost for Fiscal Year ending April 30, 2012: [(1) + (5)]**	**3,835,975**
7.	Employer Contribution for the Fiscal Year ending April 30, 2012	4,111,770
8.	**Net Pension Obligation Balance at April 30, 2012 [(2) + (6) - (7)]**	**(2,042,575)**

* The Net Pension Obligation Balance is the cumulative difference between the annual pension cost and the employer's contributions to the plan, including the pension liability or asset at transition. This balance was assumed to be zero if not independently calculated.

CITY OF BLOOMINGTON
POLICE PENSION FUND

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Fiscal Year Ended	Actuarial Valuation Date	GASB Value of Assets* (a)	Actuarial Accrued Liability** (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll*** (c)	UAAL as a Percentage of Payroll [(b-a)/c]
4/30/2002	5/1/2001	29,004,064	42,383,076	13,379,012	68.43%	5,444,299	245.74%
4/30/2003	5/1/2002	28,841,069	46,529,753	17,688,684	61.98%	6,037,774	292.97%
4/30/2004	5/1/2003	28,557,244	49,554,943	20,997,699	57.63%	5,993,055	350.37%
4/30/2005	5/1/2004	32,352,495	53,449,052	21,096,557	60.53%	6,498,943	324.62%
4/30/2006	5/1/2005	33,939,624	56,756,291	22,816,667	59.80%	6,987,972	326.51%
4/30/2007	5/1/2006	38,044,418	65,285,667	27,241,249	58.27%	8,005,324	340.29%
4/30/2008	5/1/2007	41,082,107	71,842,046	30,759,939	57.18%	8,277,458	371.61%
4/30/2009	5/1/2008	44,388,369	75,336,945	30,948,576	58.92%	8,041,709	384.85%
4/30/2010	5/1/2009	44,228,726	82,953,509	38,724,783	53.32%	8,788,202	440.65%
4/30/2011	5/1/2010	48,078,031	86,863,392	38,785,361	55.35%	9,505,164	408.05%
4/30/2012	5/1/2011	52,763,950	90,608,780	37,844,830	58.23%	8,903,996	425.03%

* Actuarial Value of Assets implemented with change in methodology for the period beginning May 1, 2007

** Liabities are calculated reflecting changes in assumptions for the period beginning May 1, 2007

***Covered Payroll is calculated by the Actuary from the IDPFR submission for the prior fiscal year.

CITY OF BLOOMINGTON
POLICE PENSION FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution (a)	Total Employer Contribution (b)	Percentage Contributed (b/a)
4/30/2006	1,826,840	1,953,492	106.93%
4/30/2007	1,826,840	1,966,185	107.63%
4/30/2008	1,889,809	2,036,942	107.79%
4/30/2009	2,392,466	2,528,566	105.69%
4/30/2010	3,156,183	3,140,755	99.51%
4/30/2011	3,843,510	3,867,939	100.64%
4/30/2012	3,859,645	4,111,770	106.53%

The employer contribution for the year ended April 30, 2007 has been retroactively restated to conform to the change in the method of recognizing revenues that was adopted during the year ended April 30, 2008

CITY OF BLOOMINGTON
POLICE PENSION FUND

PENSION COST SUMMARY FOR GASB #27

Fiscal Year Ended	Annual Pension Cost (a)	Total Employer Contribution (b)	% of Annual Pension Cost Contributed (b/a)	Net Pension Obligation (Asset) (c)
4/30/2006	1,800,314	1,953,492	108.51%	(1,186,941)
4/30/2007	1,797,918	1,966,185	109.36%	(1,355,208)
4/30/2008	1,858,678	2,036,942	109.59%	(1,533,472)
4/30/2009	2,359,557	2,528,566	107.16%	(1,702,481)
4/30/2010	3,127,153	3,140,755	100.43%	(1,716,083)
4/30/2011	3,817,243	3,867,939	101.33%	(1,766,779)
4/30/2012	3,835,975	4,111,770	107.19%	(2,042,575)

The employer contribution for the year ended April 30, 2007 has been retroactively restated to conform to the change in the method of recognizing revenues that was adopted during the year ended April 30, 2008

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Active Member Valuation Data
April 30, 2012

Valuation Date	Number of Participants	Annual Payroll*	Annual Average Pay	Percent Increase / (Decrease) in Average Pay
April 30, 2003	108	$ 5,993,055	$ 55,491	0.02%
April 30, 2004	111	6,498,943	58,549	5.51%
April 30, 2005	119	6,987,972	58,722	0.30%
April 30, 2006	121	8,190,638	67,691	15.27%
April 30, 2007	121	7,915,950	65,421	(3.35)%
April 30, 2008	121	8,277,458	68,409	4.57%
April 30, 2009	121	8,041,709	66,460	(2.85)%
April 30, 2010	124	8,788,202	70,873	6.64%
April 30, 2011	124	9,505,164	76,655	8.16%
April 30, 2012	116	8,903,996	76,759	0.14%

* For the valuation date given, this amount equals the annualized ending payroll for the year.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Retirees and Beneficiaries Added to and Removed From Rolls
April 30, 2012

Year Ended	Added to Rolls Number	Added to Rolls Annual Allowances	Removed from Rolls Number	Removed from Rolls Annual Allowances	Rolls - End of Year Number	Rolls - End of Year Annual Allowances
April 30, 2003	5	$ 217,768	3	$ 108,906	59	$ 1,823,697
April 30, 2004	2	110,671	-	-	61	1,989,127
April 30, 2005	4	215,676	-	-	65	2,258,987
April 30, 2006	4	142,593	-	-	71	2,461,485
April 30, 2007	-	-	-	-	71	2,556,889
April 30, 2008	7	283,764	-	-	78	2,897,374
April 30, 2009	2	146,436	-		80	3,278,268
April 30, 2010	-	-	3	40,703	75	3,290,631
April 30, 2011	4	144,232	1	4,354	78	3,465,873
April 30, 2012	7	209,147	2	34,696	83	3,864,406

Year Ended	Percent Increase in Annual Allowances	Average Annual Allowances
April 30, 2003	10.78%	$ 28,881
April 30, 2004	9.07%	30,910
April 30, 2005	13.57%	32,609
April 30, 2006	8.96%	34,754
April 30, 2007	3.88%	34,669
April 30, 2008	13.32%	36,013
April 30, 2009	13.15%	40,978
April 30, 2010	0.38%	43,875
April 30, 2011	5.33%	44,434
April 30, 2012	11.50%	46,559

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Report of Progress Being Made Toward the Funding Objective
April 30, 2012

		Aggregate Accrued Liabilities for					
	(1)	(2)	(3)				
Valuation Date	Active Member Contributions	Retirees and Beneficiaries	Active Members (Employer-Financed Portion)	Reported Assets	Portion of Accrued Liabilities Covered by Reported Assets (1)	(2)	(3)
May 1, 2002	* $ 4,751,336	$ 21,113,261	$ 20,665,156	$ 28,841,069	100.00%	100.00%	14.40%
May 1, 2003	-	-	-	-	-	-	-
May 1, 2004	* 5,229,500	26,248,219	21,971,333	32,352,495	100.00%	100.00%	3.98%
May 1, 2005	-	-	-	-	-	-	-
May 1, 2006	* 6,469,810	31,743,198	19,080,178	38,044,418	100.00%	99.56%	0.00%
May 1, 2007	* 8,277,458	37,928,031	20,625,411	41,082,107	100.00%	86.49%	0.00%
May 1, 2008	* 8,041,709	43,174,926	24,120,310	44,388,369	100.00%	84.18%	0.00%
May 1, 2009	* 8,788,202	46,457,564	36,465,645	42,014,598	100.00%	71.52%	0.00%
May 1, 2010	* 9,505,164	45,235,677	41,627,715	48,078,031	100.00%	85.27%	0.00%
May 1, 2011	* 8,903,996	49,984,975	40,623,805	52,763,950	100.00%	87.75%	0.00%

* For the valuation date given, this amount equals the annualized ending payroll for the year.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Analysis of Financial Experience

Gains and Losses in Accrued Liabilities Resulting from Differences Between Assumed Experience and Actual Experience
April 30, 2012

	5/1/11	5/1/10
FINANCIAL SOURCES		
Investment Experience (Based Upon Market Value of Assets)	$ (3,009,497)	3,272,998
Contribution Experience	(166,592)	(760,122)
Benefit Payments Experience	159,235	186,852
Salary Increases (Greater)/Lower than Expected	1,050,692	(293,179)
Total from Financial Sources	(1,966,162)	2,406,549
DEMOGRAPHIC SOURCES		
Mortality, Retirement, Disability, Termination, etc.	641,484	1,382,593
ACTUARIAL ADJUSTMENTS		
Market Value Adjustment for Asset Smoothing, Including Expenses	2,741,116	(2,699,728)
Composite Gain or (Loss)	1,416,438	1,089,414

STATISTICAL SECTION
(Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Pension Fund's overall financial health.

Revenue Trends

These schedules contain trend information to help the reader understand how the Fund's annual contributions, investment earnings, and other contributions have impacted the overall revenues of the fund.

Expense Trends

These schedules contain trend information to help the reader understand how the Fund's administrative, benefits, and refunds expenses have changed from a historical standpoint.

Benefits Analysis

These schedules provide additional information to help the reader understand the Fund's various categories of beneficiaries and their respective benefits received.

Financial Trends

These schedules contain trend information to help the reader understand how the Fund's financial performance and well-being have changed over time.

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Additions to Plan Net Assets - by Source
April 30, 2012 (Unaudited)

Fiscal Year Ended April 30	Contributions				Net Investment Income	Total Additions
	Employer	Percentage of Annual Covered Payroll	Plan Members	Other Sources		
2003	$ 1,579,860	26.40%	$ 602,357	$ 100	$ (596,474)	$ 1,585,843
2004	1,621,029	24.90%	663,987	109,013	3,395,235	5,789,264
2005	1,615,608	23.10%	681,616	31,697	1,531,867	3,860,788
2006	1,953,492	23.90%	717,417	325,056	3,583,865	6,579,830
2007	1,966,185	24.56%	852,599	1,790	3,845,916	6,666,490
2008	2,036,942	24.61%	907,283	4,518	633,277	3,582,020
2009	2,528,567	31.44%	891,832	-	(5,761,471)	(2,341,072)
2010	3,128,358	35.60%	909,333	29,178	6,056,640	10,123,509
2011	3,867,939	40.69%	899,601	116,042	4,375,757	9,259,339
2012	4,111,770	46.18%	925,210	98,978	1,141,673	6,277,631

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Deductions to Plan Net Assets - by Type
April 30, 2012 (Unaudited)

Fiscal Year Ended April 30	Administration	Benefits	Refunds	Total Deductions
2003	$ 44,227	1,788,127	37,314	1,869,668
2004	46,414	1,933,785	13,814	1,994,013
2005	63,172	2,167,398	43,090	2,273,660
2006	62,778	2,391,447	20,810	2,475,035
2007	78,672	2,556,889	14,528	2,650,089
2008	81,693	2,897,374	98,448	3,077,515
2009	82,118	3,203,299	2,950	3,288,367
2010	53,112	3,276,118	152,913	3,482,143
2011	66,740	3,465,873	-	3,532,613
2012	88,121	3,864,406	196,192	4,148,719

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Benefit Expenses - by Type
April 30, 2012 (Unaudited)

See Following Page

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Benefit Expenses - by Type
April 30, 2012 (Unaudited)

	2012	2011	2010	2009	2008
Age and Service Benefit					
Retirees	$ 3,046,157	2,754,879	2,550,588	2,436,253	2,208,621
Survivors	331,574	332,152	367,834	392,392	402,525
Death in Service Benefits	-	-	-	-	-
Disability Benefits					
Retirees - Duty	455,492	366,005	344,859	361,817	241,323
Retirees - Nonduty	18,346	-	-	-	32,068
Survivors	12,837	12,837	12,837	12,837	12,837
Total Benefits	3,864,406	3,465,873	3,276,118	3,203,299	2,897,374
Type of Refund					
Death	-	-	-	-	-
Separation	196,192	-	152,913	98,448	14,528
Total Refunds	196,192	-	152,913	98,448	14,528

2007	2006	2005	2004	2003	Total
1,902,357	1,778,811	1,575,185	1,408,938	1,287,825	20,949,614
349,255	338,901	336,418	336,418	317,091	3,504,560
66,107	66,107	66,107	66,107	66,107	330,535
228,481	207,628	189,688	122,322	117,104	2,634,719
10,689	-	-	-	-	61,103
-	-	-	-	-	64,185
2,556,889	2,391,447	2,167,398	1,933,785	1,788,127	27,544,716
-	-	-	-	-	-
20,810	43,090	13,814	37,314	1,872	578,981
20,810	43,090	13,814	37,314	1,872	578,981

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Retired Members - by Type of Benefit
April 30, 2012 (Unaudited)

Amount of Monthly Benefit			Number of Retirees	Type of Retirement 1	2	3	4	5	6	7	8
Deferred											
$ 1	-	250	-	-	-	-	-	-	-	-	-
251	-	500	-	-	-	-	-	-	-	-	-
501	-	750	-	-	-	-	-	-	-	-	-
751	-	1,000	6	-	-	6	-	-	-	-	-
1,001	-	1,250	2	-	-	1	-	-	-	1	-
1,251	-	1,500	2	2	-	-	-	-	-	-	-
1,501	-	1,750	4	-	-	4	-	-	-	-	-
1,751	-	2,000	-	-	-	-	-	-	-	-	-
2,001	-	2,250	3	1	-	2	-	-	-	-	-
2,251	-	2,500	2	-	-	1	-	1	-	-	-
2,501	-	2,750	1	1	-	-	-	-	-	-	-
2,751	-	3,000	2	1	-	-	-	-	1	-	-
3,001	-	3,250	4	4	-	-	-	-	-	-	-
3,251	-	3,500	5	1	-	-	-	4	-	-	-
3,501	-	3,750	7	3	-	-	-	4	-	-	-
3,751	-	4,000	3	2	-	1	-	-	-	-	-
Over		4,000	42	39	-	1	-	2	-	-	-
Total			83	54	-	16	-	11	1	1	-

Type of Retirement

1 Normal Retirement for Age and Service
2 Early Retirement
3 Survivor Payment - Normal or Early Retirement
4 Survivor Payment - Death in Service
5 Duty Disability Retirement
6 Nonduty Disability Retirement
7 Survivor Payment - Disability Retirement
8 Former Member with Deferred Future Benefit

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Average Benefit Payments
April 30, 2012 (Unaudited)

Retirement Effective Dates		Years of Credited Service					
5/1/02 to 4/30/12		5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/02 to 4/30/03							
Normal Retirees							
Average Monthly Benefit	$	-	2,005	2,437	2,395	3,411	4,173
Average Final Salary	$	-	30,264	46,176	40,662	50,398	57,431
Number of Active Retirees		-	1	1	12	11	9
Disability Retirees							
Average Monthly Benefit	$	2,387	-	-	2,595	-	-
Average Final Salary	$	44,070	-	-	43,845	-	-
Number of Active Retirees		1	-	-	3	-	-
Period 5/1/03 to 4/30/04							
Normal Retirees							
Average Monthly Benefit	$	-	2,374	2,510	2,391	3,485	4,371
Average Final Salary	$	-	30,264	46,176	40,662	54,045	58,700
Number of Active Retirees		-	1	1	12	12	10
Disability Retirees							
Average Monthly Benefit	$	2,387	-	-	2,617	-	-
Average Final Salary	$	44,070	-	-	43,845	-	-
Number of Active Retirees		1	-	-	3	-	-

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Average Benefit Payments - Continued
April 30, 2012 (Unaudited)

Retirement Effective Dates	Years of Credited Service					
5/1/02 to 4/30/12	5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/04 to 4/30/05						
Normal Retirees						
Average Monthly Benefit	$ -	2,446	2,586	2,473	3,570	4,566
Average Final Salary	$ -	48,110	46,176	40,893	55,258	59,739
Number of Active Retirees	-	1	1	12	14	11
Disability Retirees						
Average Monthly Benefit	$ 2,387	3,178	-	2,827	-	-
Average Final Salary	$ 44,070	58,693	-	48,705	-	-
Number of Active Retirees	1	1	-	4	-	-
Period 5/1/05 to 4/30/06						
Normal Retirees						
Average Monthly Benefit	$ -	2,519	2,663	2,548	3,697	4,746
Average Final Salary	$ -	48,110	46,176	40,893	54,820	59,739
Number of Active Retirees	-	1	1	12	16	11
Disability Retirees						
Average Monthly Benefit	$ 2,387	3,275	-	3,044	-	-
Average Final Salary	$ 44,070	58,693	-	48,705	-	-
Number of Active Retirees	1	1	-	4	-	-
Period 5/1/06 to 4/30/07						
Normal Retirees						
Average Monthly Benefit	$ -	2,595	-	2,679	3,907	5,108
Average Final Salary	$ -	48,110	-	41,604	58,167	65,672
Number of Active Retirees	-	1	-	14	18	12
Disability Retirees						
Average Monthly Benefit	$ 2,387	2,973	-	3,079	-	-
Average Final Salary	$ 44,070	61,414	-	48,705	-	-
Number of Active Retirees	1	2	-	4	-	-

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Average Benefit Payments - Continued
April 30, 2012 (Unaudited)

Retirement Effective Dates	Years of Credited Service						
5/1/02 to 4/30/12		5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/07 to 4/30/08							
Normal Retirees							
Average Monthly Benefit	$	-	2,672	-	2,647	4,046	5,364
Average Final Salary	$	-	31,447	-	41,604	48,442	57,838
Number of Active Retirees		-	1	-	16	18	14
Disability Retirees							
Average Monthly Benefit	$	2,916	2,973	-	3,114	-	-
Average Final Salary	$	26,837	35,681	-	37,089	-	-
Number of Active Retirees		2	2	-	4	-	-
Period 5/1/08 to 4/30/09							
Normal Retirees							
Average Monthly Benefit	$	-	2,753	-	2,942	4,230	5,728
Average Final Salary	$	-	48,110	-	44,542	58,167	74,801
Number of Active Retirees		-	1	-	16	18	15
Disability Retirees							
Average Monthly Benefit	$	3,115	3,374	-	3,150	-	-
Average Final Salary	$	57,503	61,414	-	48,705	-	-
Number of Active Retirees		3	2	-	4	-	-
Period 5/1/09 to 4/30/10							
Normal Retirees							
Average Monthly Benefit	$	-	2,835	-	3,005	4,383	5,941
Average Final Salary	$	-	48,110	-	44,193	58,167	74,801
Number of Active Retirees		-	1	-	15	18	15
Disability Retirees							
Average Monthly Benefit	$	3,115	3,374	-	3,150	-	-
Average Final Salary	$	57,503	61,414	-	48,705	-	-
Number of Active Retirees		3	2	-	4	-	-

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Average Benefit Payments - Continued
April 30, 2012 (Unaudited)

Retirement Effective Dates	Years of Credited Service					
5/1/02 to 4/30/12	5-10	10-15	15-20	20-25	25-30	30+
Period 5/1/10 to 4/30/11						
Normal Retirees						
Average Monthly Benefit	$ -	2,920	-	3,123	4,569	6,035
Average Final Salary	$ -	35,043	-	37,478	54,826	72,418
Number of Active Retirees	-	1	-	16	18	17
Disability Retirees						
Average Monthly Benefit	$ 3,115	3,374	-	3,658	-	-
Average Final Salary	$ 37,377	40,492	-	43,894	-	-
Number of Active Retirees	3	2	-	5	-	-
Period 5/1/11 to 4/30/12						
Normal Retirees						
Average Monthly Benefit	$ -	3,008	-	3,249	4,761	6,298
Average Final Salary	$ -	48,110	-	50,295	60,371	79,556
Number of Active Retirees	-	1	-	16	19	19
Disability Retirees						
Average Monthly Benefit	$ 3,078	3,597	-	3,701	-	-
Average Final Salary	$ 60,931	65,822	-	54,576	-	-
Number of Active Retirees	4	3	-	5	-	-

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Changes in Plan Net Assets
April 30, 2012 (Unaudited)

See Following Page

CITY OF BLOOMINGTON, ILLINOIS
POLICE PENSION FUND

Schedule of Changes in Plan Net Assets
April 30, 2012 (Unaudited)

		2012	2011	2010	2009
Additions					
Contributions - Employer (see Note)	$	4,111,770	3,867,939	3,128,358	2,528,567
Contributions - Plan Members		925,210	899,601	909,333	891,832
Other Sources		98,978	116,042	29,178	-
Net Investment Income (Loss)		1,141,673	4,375,757	6,056,640	(5,761,471)
Total Additions		6,277,631	9,259,339	10,123,509	(2,341,072)
Deductions					
Administration		88,121	66,740	53,112	82,118
Benefits					
Retired Members		3,046,157	2,754,879	2,550,588	2,436,254
Widows		344,411	344,989	380,671	405,228
Disability		473,838	366,005	344,859	361,817
Refunds					
Terminated Members		196,192	-	152,913	2,950
Total Deductions		4,148,719	3,532,613	3,482,143	3,288,367
Net Increase (Decrease)		2,128,912	5,726,726	6,641,366	(5,629,439)

Note:
The employer contributions for the years ended April 30, 2001 through 2007 have been retroactively restated to conform to the change in the method of recognizing such revenues that was adopted during the year ended April 30, 2008.

2008	2007	2006	2005	2004	2003
2,036,942	1,966,185	1,645,503	1,621,025	1,612,210	1,590,142
907,283	852,599	717,417	681,616	663,987	602,357
4,518	1,790	325,056	31,697	109,013	100
633,277	3,845,916	3,583,865	1,531,867	3,395,235	(596,474)
3,582,020	6,666,490	6,271,841	3,866,205	5,780,445	1,596,125
81,693	78,672	62,778	63,172	46,414	44,227
2,208,621	1,902,357	1,778,811	1,575,185	1,408,938	1,287,825
415,362	415,362	405,008	402,525	402,525	383,198
273,391	239,170	207,628	189,688	122,322	117,104
98,448	14,528	20,810	43,090	13,814	37,314
3,077,515	2,650,089	2,475,035	2,273,660	1,994,013	1,869,668
504,505	4,016,401	3,796,806	1,592,545	3,786,432	(273,543)